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Inside

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plus much more



Z MAGAZINE is an independent magazine of critical thinking on political, cultural, social, and economic life in the U.S. It sees the racial, gender, class, and political dimensions of personal life as fundamental to understanding and improving contemporary circumstances; and it aims to assist activist efforts for a better future.

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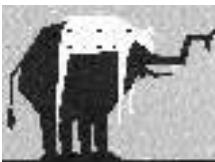
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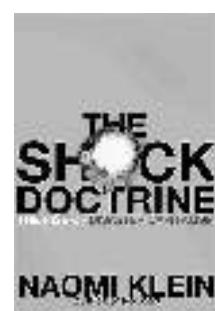
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Thanks to all Z's readers & supporters for 20 great years



LATIN AMERICAN CHALLENGES TO U.S. DOMINATION



AN INTERVIEW WITH
NOAM CHOMSKY

Z Z VIDEO PRODUCTIONS



Winter Soldier Campaign



IVAW IS LAUNCHING a new "Winter Soldier" campaign that will conduct a public investigation into the atrocities occurring in Iraq and Afghanistan. On the weekend of March 13-15, 2008, Iraq Veterans Against the War will assemble history's largest gathering of U.S. veterans of Iraq and Afghanistan, as well as Iraqi and Afghan survivors. They will testify to their first hand experiences and reveal the truth of occupation. This investigation will help end the war because it will:

- Embolden GI resistance by making the truth of their experiences an acceptable part of the national dialogue. Further, the DVD created at this conference will be a powerful educational tool on the history of GI movements and will encourage independent thought and collective action.
- Mobilize the anti-war movement by demonstrating the power of organized opposition and providing the facts needed to confront the myths propagated by the administration, Congress and the media. IVAW will also present its strategy of organizing GIs to encourage the anti-war movement as a whole to support GI resistance.
- Build solidarity between the people of the U.S., Iraq, and Afghanistan. The people who suffer the most from this occupation will be given a voice and a view into our struggle to end the unlawful occupation of their countries. Through this event, IVAW hopes to build lasting ties with the common people of Iraq and Afghanistan.
- Shape the way this history is told to future generations. Without a concerted effort to dispel the myths and sugar coated images of the U.S. occupations, future generations will never know the realities of war.
- This project provides you with the opportunity to feel the deep satisfaction of contributing to laying the building blocks of an extremely meaningful movement. The best way for us to prevent the wars looming on the horizon is for people to collectively stay on the offensive against the current wars.

Statement: We Support the Troops Who Oppose the War

"In 1969 the My Lai massacre helped fuel popular opposition to the Vietnam War. U.S. political and military leaders insisted that such crimes were isolated exceptions. Members of Vietnam Veterans Against the War knew differently.

"In January of 1971, over 100 Vietnam Veterans gathered in Detroit to testify their experiences to America. Their testimony, called the Winter Soldier Investigation, revealed that atrocities were and responsibility laid at the highest levels of government.

"The U.S. government lied to get us into war and continues to conceal the true nature of military occupation. On the weekend of March 13-15, 2008, Iraq VeteranAgainst the War will assemble history's largest gathering of U.S. veterans of Iraq and Afghanistan, as well as Iraqi and Afghan survivors. They will provide first hand accounts of their experiences and reveal the truth of occupation.

"We support Iraq Veterans Against the War and their Winter Soldier: Iraq & Afghanistan Investigation."

(To show your support of the IVAW Winter Soldier Campaign, go to
www.ivaw.org/wintersoldierstatementofsupport and sign up)



IRAQ VETERANS AGAINST THE WAR



IAVW.ORG

IAVW * P.O. Box 8296 * Philadelphia, PA 19101 * Tel: 215.241.7123 * Fax: 215.241.7177

Why are veterans, active duty, and National Guard men and women opposed to the war in Iraq? Here are 10 reasons we oppose this war:

1. The Iraq war is based on lies and deception. The Bush administration planned for an attack against Iraq before September 11th, 2001. They used the false pretense of an imminent nuclear, chemical and biological weapons threat to coerce Congress into ratifying this unnecessary conflict. They hide our casualties of war by banning the filming of our fallen's caskets when they arrive home, and when they refuse to allow the media into Walter Reed Hospital and other Veterans Administration facilities which are overflowing with maimed and traumitized veterans.
2. The Iraq war violates international law. The United States assaulted and occupied Iraq without the consent of the UN Security Council. In doing so they violated the same body of laws they accused Iraq of breaching.
3. Corporate profiteering is driving the war in Iraq. From privately contracted soldiers and linguists to no-bid reconstruction contracts and multinational oil negotiations, those who benefit the most in this conflict are those who suffer the least. The United States has chosen a path that directly contradicts President Eisenhower's farewell warning regarding the military industrial complex. As long as those in power are not held accountable, they will continue.
4. Overwhelming civilian casualties are a daily occurrence in Iraq. Despite attempts to mitigate and technologically sophistication, large-scale civilian death is both a direct and indirect result of United States aggression in Iraq. Even the most conservative estimates of Iraqi civilian deaths number over 100,000. Currently over 100 civilians die every day in Baghdad alone.
5. Soldiers have the right to refuse illegal war. All in service to this country swear an oath to protect and defend the Constitution of the United States against all enemies, both foreign and domestic. However, they are prohibited if they object to serve in a war they see as illegal under our Constitution. As such, our brothers and sisters are paying the price for political incompetence, forced to fight in a war instead of having been sufficiently trained to carry out the task of nation-building.
6. Service members are facing serious health consequences due to our government's negligence.

Many of our troops have already been deployed to Iraq for two, three, and even four tours of duty averaging eleven months each. Constant stress, exhaustion, and bearing witness to the horrors of war contribute to Post Traumatic Stress Disorder (PTSD), a serious set of symptoms that can lead to depression, illness, violent behavior, and even suicide. Additionally, depleted uranium, insufficient body armor, and infectious diseases are just a few of the health risks which accompany an unthinkably planned war. Finally, upon a soldier's release, the Veterans Administration is too under-funded to fully deal with the magnitude of veterans in need.

7. The war in Iraq is tearing our families apart. The use of snap-less no active duty troops and the increasingly lengthy and repeat active tours by Guard and Reserve troops place enough strain on our military families, even without being forced to sacrifice their loved ones for this ongoing political experiment in the Middle East.
8. The Iraq war is robbing us of funding sorely needed here at home: \$5.8 billion per month is spent on a war which could have aided the victims of Hurricane Katrina, gone to impoverished schools, the construction of hospitals and health care systems, tax cut initiatives, and a host of domestic programs that have all been gutted in the wake of the war in Iraq.
9. The war determines Iraqis and denies them their right to self-determination. Iraqis are subjected to humiliating and violent checkpoints, searches and home raids on a daily basis. The current Iraqi government is in place solely because of the U.S. military occupation. The Iraqi government doesn't have the popular support of the Iraqi people, nor does it have power or authority. For many Iraqis the current government is seen as a puppet regime for the U.S. occupation. It is undemocratic and in violation of Iraq's own right to self-governance.
10. Our military is being exhausted by repeated deployments, voluntary extensions, and activations of the Reserve and National Guard. The majority of troops in Iraq right now are there for at least their second tour. Deployments to Iraq are becoming longer and many of our service members are facing involuntary extensions and recalls to active duty. Longstanding policies to limit the duration and frequency of deployments for our part-time National Guard troops are now being overturned to allow for repeated, back-to-back tours in Iraq. These repeated, extended combat tours are taking a huge toll on our troops, their families, and their communities.



Holiday Message

Eighty and Still Protesting

By James Lamb

Each Friday I stand on a busy E street corner in Claremont, California. I stand with 20 to 30 other seniors and younger companions, each of us holding a sign which declares "Bring the Troops Home," "or Government Unfair to Vets," or "Ain't Gonna War No More." Like other citizens across our country, we've been there for almost five years.

These days it is rare to have a driver pump a middle finger at us screaming "Commie" or shout at us older Americans, "Go home." At first the frequent experiences were painful. Now they make me sad, but their decreasing frequency triggers new hope and energy.

During the latter stages of WWII I was a proud member of the U.S. Navy Air Corps. While I care about the well-being of veterans and members of the Armed Forces, I reject war as a proposed solution to international problems, real or imagined. Like my weekly corner companions, I renounce our failure here at home to create a less violent culture and a more just society. My convictions result from my religious faith, work in other lands, and learning from my college and high school students. My sustaining inspiration comes from others, like Jesus, Gandhi, MLK, Mandela, Dorothy Day, and Dan Berrigan—and Mattie Stepanek, the "peace poet" who died at age 13 from Muscular Dystrophy.

But nothing has influenced me more than a childhood visit to a veteran's hospital for "permanent residents" in New York, witnessing the deformed faces, the broken spirits. And I will never forget the 1965 experience of Selma, Alabama at the height of the Civil Rights movement.

There, volunteers, hundreds of us, were told by experienced African-American college students, "If you are cursed and beaten and you can only respond with violence, you cannot stand up with us. You must go home." Most of us stayed. It was like a new beginning for America—and me. So I've come to understand that there are times when citizens must engage in active non-violent resistance or we are only nominal citizens, potential patriots—and to believe that most of us really want to be compassionate and to foster non-violence and justice. The experience of Katrina demonstrates just that. Most of us don't need to have more, we need to become more.

I don't know when, if ever, my companions and I will cease to be street corner "protesters." Actually, we hope we are "social change-makers." Recently, a young Marine shook my hand and said, "Thank you." He commented that it was wrong to invade Iraq and seemed very sad. I asked him, "What would make you proud to be a Marine?" He thought for a moment and then said, "We should go to Darfur and protect the people there from that terrible vio-

lence." Bless him. So the use of limited physical force may be needed in special circumstances, in daily life here or in genuinely collective action overseas, but Americans have to help create a non-violent and just world culture—beginning with ourselves.

Perhaps we can begin by profound efforts to learn from, as well as effectively serve, the many thousands of Americans, returning from war, so badly damaged in mind and body. And think through anew, our responsibility towards a ravaged nation. One new beginning might be to have school children sing daily Woody Guthrie's old song: "I Ain't Gonna Study War No More." Or alternate that with reading poems from young Mattie's *Journey Through Heart-songs*.

My hope is that someday there will be no need for old veterans to wonder what their fighting was really for or for 80-year-olds to stand on street corners carrying signs. But for now I will continue to stand with my convictions and peace-full friends, until I can stand no more. **Z**

James Lamb is an activist and retired educator.





Economics in the Nut House

GOP As Party of Budget Restraint; Efficient Markets; Privatization

By Edward S. Herman

In her August 4 piece in the *Huffington Post*, "Rove Exits With His Usual M.O.'s: Delusional and Deceptive," Arianna Huffington offers as a major Rove delusion his notion that "by Bush wielding his veto pen in the upcoming budget fight, the GOP will restore its reputation on spending restraint." Huffington asks how this can be when Bush has bloated the budget by 50 percent and has promoted a war that will cost over a trillion dollars? Huffington is wrong on this. She fails to recognize that in this militarized society that specializes in wars of choice, and with the establishment, including the media, highly protective of the military budget, the military budget is put into an entirely separate class whose expenses are acceptably open-ended and concern over waste and literal theft is muted. So the word "restraint" jars when talking about the military budget, and conveys intimations of disregard for "national security," which is being protected as our armed forces fight pacification wars in Iraq and Afghanistan, threaten Iran, and stand guard in scores of bases across the globe.

The Democrats understand this and have internalized this double standard and regularly strive to show their mettle by urging more funding for the military establishment. And worried over the allegations of their spendthrift proclivities, the Democrats are reluctant to spend on civil society, with Bill Clinton notoriously using most of the small "peace dividend" after the fall of the Soviet Union to reduce the debt rather than "putting people first." Reagan more than doubled the national debt in his terms of office and Clinton actually

succeeded in balancing the budget and reducing the debt. But this has not made any difference as there remains the important difference: the Democrats still have a modest tendency to serve their mass voting constituency, whereas the Republicans are pretty reliable about screwing the general public while blowing wads on wars, tax cuts for the wealthy, and corporate welfare. But they show real restraint in serving the general community. The Democrats are competing hard on this, but so far the Republicans retain the edge in "restraint."

The business community was thrilled when the Gingrich Republicans won the 1994 election because they recognized that this new gang would unreservedly serve their interests and run roughshod over the general public. Some of the corporate community representatives were

quite open in explaining that however well Clinton had been doing on their behalf, Gingrich and company would do better on things like taxes, weakening of labor, corporate access to public property, and a halt to and rollback of environmental impediments to business. Clinton's subsidy programs to high tech were nice "but don't compare with the GOP plans to slash taxes and regulation and to put restrictions on law suits" ("Big Business Striking It Rich in GOP 'Contract,'" *Wall Street Journal*, March 7, 1995). For these benefits, the business community will tolerate Republican deficits in a way they won't with the Democrats. George W. Bush has, of course, done wonders for the business community, which is why deficits of staggering size that would have resulted in continuous business and corporate media indignation if produced by Democrats, and vast



waste in military spending on wars and boondoggles, are tolerated (and why Bush gets away with steady evisceration of the Constitution and a pre-9/11 security failure that would have led to Clinton being impeached and driven out of office). This is an illustration of the higher irresponsibility of business as their short planning horizon and completely self-interested objectives make them into grab-and-run operatives.

Efficient Markets

Market ideology has taken some heavy blows in the last several decades. In Chicago School theory, corporate executives would be driven to support stockholder interests rather than their own narrow interests because executive looting would cause earnings and therefore stock prices to fall, which would activate the directors, stockholders, and the “market for corporate control.” That is, bad managers would be ousted by directors who were “agents” of the stockholders or by stockholders selling out to outside buyers who would come in and provide more efficient and non-looting management (the market for corporate control). Stock options would link managerial to stockholder interests as they would make stock price gains beneficial to both.

But in the critical theory of corporate control, dating back to A.A. Berle and Gardiner Means’s *The Modern Corporation and Private Property* (1932) and, even earlier, Thorstein Veblen’s *Theory of Business Enterprise* (1904), wide dispersion of stock and management domination of the proxy machinery gave managers effective control of the board and hence of policy; management was self-perpetuating and had a fair amount of discretion in nest-feathering. Veblen stressed how strategic position allowed the control group and bankers to manipulate and take advantage of “conjunctures”—economic disturbances, “excessive competition,” speculative booms, merger deals, and opportunities for “an alert redistribution of investments from less to more gainful ventures”—to loot.

History has vindicated the critical perspectives. The spectacular rise in



executive pay, very often quite unrelated (and sometimes inversely related) to corporate performance, the numerous scandals involving managerial looting via perks and excessive options with moveable or post-dated prices, merger activity that has once again been geared to ability to sell securities and reap large commissions, bought-out managers exiting with huge “golden parachutes,” with the taken-over company not better managed, but asset stripped, all show market forces failing to serve stockholders, let alone the larger community. Somehow boards of directors rarely become independent of the management and serve as effective agents of the shareholders, and the shareholders remain inactive or, if truly unhappy, follow the “Wall Street Rule” (i.e., sell the stock), as recognized by Berle and Means, Veblen and my own updating analysis of Berle and Means (*Corporate Control, Corporate Power*, 1981). Scandals continue to produce weak reforms with loopholes and a dependency on vigorous enforcement that fades quickly as memory recedes, market power grows, and in recent years business domination and deregulation ideology make regulation a do-nothing or corporate protective facade.

The dot-com and housing bubbles have also shown that markets continue to move out of control and produce serious macro-instability. Glob-

alization of finance, greater complexity in financial instruments and structures beyond the comprehension of a stripped down regulatory authority, and the continued force of competition pushing risk-taking to extremes poses problems for the future that could be ultra-destabilizing. The great expansion of securitization, which supposedly spreads risks beyond the original lender, has proven in the ongoing mortgage market crisis to have encouraged new levels of risk-taking that are coming back to haunt the original lenders, as well as those who bought mortgage-based packages from “responsible” lenders on trust.

These serious market inefficiencies have so far not produced a global disaster, but this has been because governments have stepped in with easy money and bailouts that so far have done their job. But with the new unknown levels of risk hidden in the market, the great likelihood of a near-term end to the unsustainable rise in the U.S. foreign debt and dollar accumulation abroad, and the possibility of a still larger war in the Middle East, financial market trouble lies ahead.

Privatization

One of the central features of neoliberalism, and the class war being waged by capital against labor and the general welfare, has been the

importance of privatizing everything in sight in the alleged interest of "efficiency." An important half-hidden motivation, made explicit by Margaret Thatcher, was to weaken government, which in semi-democratic societies is potentially responsive to the public interest, in favor of an enlarged private sector, which is not responsive. Privatization has been a central objective of the IMF and World Bank in their operations, demonstrating well their role as servants of global capital.

The case for privatization is seriously flawed, although rarely contested. One flaw is its neglect of the fact that for many services there are positive externalities that a private operator will ignore because by definition these benefits can't be captured in revenue—for example, the benefits to the environment of public transportation; the benefits to society of preventive medical care; the benefits to both overall efficiency and a democratic order of a public education system that educates everyone and gives some emphasis to knowledge essential for democratic citizenship; and the citizenship benefits of a public radio and TV system that features intelligent debate and the provision of essential information.

A second flaw is that privatization may also increase negative externalities. It has often been grounded in the ability of privatizers to shift to non-union labor and cut wages and benefits, to more readily dump older and injured workers and abandon communities without regard to social costs, and to pass off wastes on the larger community.

A third flaw is that for public services that are contracted out the state has to monitor the privatized operations to see that the promised services are rendered as stipulated in contracts. This means an extra administrative operation added to the real costs of privatization, a built-in source of inefficiency that the privatized operation may be hard put to overcome (see Elliott D. Sklar, *You Don't Always Get What You Pay For: The Economics of Privatization*, 2000).

A fourth flaw is that privatization puts a premium on political influence that will allow privatizers to get con-

tracts to inflate costs (and profits) and skimp on services. Where privatization involves the buying and taking over of public property (as opposed to contracts for services), political influence can allow the buyers to buy at low prices and effectively loot. This means that "competition" in the privatization process is more importantly a matter of trying to gain political favors than of getting the costs of services down. Once the contract is won, the government often becomes locked in to dealing with private owners who cultivate their political friends, while their former rivals are bought up or disappear. This is the basis of the classic phrases descriptive of military contractors: the contracts are "golden handshakes" between governments and contractors, who "buy in, get well later." Instead of greater efficiency, we get inflated costs as the contractor gets well later.

Politicians who favor privatization will get well funded in the election process and when they attain power will be inclined to treat generously those to whom they owe office. A Thatcher or Bush are also ideo-logically inclined to be lavish toward privatizers, to load their administrations with conflict-of-interest appointees, and to look the other way as public property is effectively stolen. In the Thatcher years, according to one estimate, the public property disposed of was undervalued by 33 percent just based on the difference between the sale price and market price of the privatized property one week after the sale. This didn't include the huge sales costs, debt write-offs, and other expenses that made privatization "the greatest ever public finance fraud" (Dexter Whitfield). In even less democratic political environments, like Mexico and Russia, privatization looting was vastly greater.

Privatization has taken an especially heavy blow during the George W. Bush years, where everything in sight has been privatized, extending not only to military supply but intelligence and wide-ranging "security" services, and where the third and fourth flaws noted above have been dramatically evident. Political influence has shaped the process decisively, with conflict-of-interest ap-

pointments a matter of course, sweetheart contracts and non-competitive bidding across-the-board, minimal auditing and penalties for outright robbery, and looting built in. The Democrats have moved slowly into this area of immense abuse at taxpayer expense, just as they have moved at a glacial pace in extricating this country from the Iraq War. Perhaps they are too dependent on the contractor-financial community to be very aggressive here. After all, it is a different matter going after Halliburton, Bechtel, GE, Lockheed, and scores of others of similar power than it would be going after welfare mothers getting more than their just deserts.

But the big lesson is clear: privatization may not only greatly reduce efficiency, it can become a run-away looting operation in hands truly friendly to privatizing interests and responding fully to their demands. **Z**

Edward S. Herman is an economist and social and media critic. He is the author of numerous articles.



**Human
Rights**

Dissent and Repression in Burma

By Marc Pilisuk and Jennifer Achord Rountree

Neither the dissent in Burma nor its repression comes as a surprise. They represent the struggle between people who would prefer to live peaceful lives surviving on their traditional homelands and the global economy that has removed such options. Burma is a country rich in resources and fertile farmland, yet one-third of its children under five are malnourished. The largest country in mainland Southeast Asia, Burma is one of the most needlessly miserable countries in the world. Its population, estimated at 48 million, consists of 65 percent ethnic Burmese

with the remainder from various other ethnic groups. As a result of British rule, there has been bitter hatred between lowland Burmese and the highlanders, which has kept the country divided, isolated, and therefore prone to military takeovers.

Since 1988, Burma has been ruled by a brutal military regime, which came to power after killing thousands of pro-democracy activists. The new military government called itself the State Law and Order Restoration Committee (SLORC) and changed the country's name from Burma to Myanmar.

Officially, SLORC was euphemistically changed to the State Peace and Development Council (SPDC). The Burmese people voted to oust the military through free elections in 1990. The regime refused to yield and continues to dominate by using tactics such as torture and slave labor to suppress dissent. Aung San Suu Kyi, the pro-democracy movement leader and Nobel Peace Prize winner, has been repeatedly placed under house arrest by the military regime.

Burma has the worst human rights record in the world and has been repeatedly condemned. The SPDC does not recognize the concept of human rights and there is no freedom of assembly, press, or religion. The International Labor Organization (ILO) has found that "a modern form of slave labor" is practiced by the Myanmar (Burmese) military where from 1992 to 1996 two million people were forced to work without pay, some in leg shackles. The Burmese military systematically rapes ethnic minority women as a form of ethnic cleansing as it redistributes the ethnic balance as a result of the children born from the rapes. For the Burmese military, rape is viewed as legitimate behavior and a weapon of war—in violation of the Geneva Conventions.

To understand why Burmese military rule is tolerated by powerful nations like the U.S., it is important to look at the natural gas deposits discovered in 1982 in an area later named the Yadana field. The Yadana pipeline was begun in 1994 and completed in 1998 by a consortium including Unocal, a U.S. corporation, and the French oil company Total-FinaElf. During Clinton's presi-



*A government billboard in Yangon, Union of Myanmar—
photo by Brent Lewin, GlobalAware*

dency, companies already doing business with Burma were exempted from international sanctions that were placed on Burma for its human rights atrocities. Unocal was purchased by Chevron, which benefited from the exemption and continued to do business with the military regime. Premier Oil, a British company, was also heavily invested in Burma, particularly in the Yetagun natural gas pipeline, which runs parallel to the Yadana pipeline and is a joint venture with the Burmese military government.

Chevron and Total are refusing to pull out of Burma. Premier Oil pulled out in 2002 following intense world pressure; its assets are now in the hands of a company based in Malaysia. Other investors in Burma's oil and gas industry include companies from Australia, the British Virgin Islands, China, India, Japan, Singapore, South Korea, Thailand, and Russia. Sales of natural gas account for the single largest source of revenue to the military government; gas exports accounted for fully half of the country's exports in 2006. The funds from these foreign investments flow directly to the government and provide the military junta with a major source of funding.

Villagers in the pipeline region live a miserable, oppressed, precarious existence, in part due to the deals made between these foreign oil and natural gas companies. Entire vil-

lages have been relocated at gunpoint, women have been raped, and children killed by Burmese military units providing security for the gas pipelines. Whole families have been forced into slave labor to construct infrastructure used by foreign oil companies.

The pipelines cut directly through the Tenasserim rainforest, one of the largest intact rainforests in Southeast Asia and home to diverse peoples and numerous endangered species, including Asian elephants, tigers, and rhinoceroses. The pipelines have permanently destroyed the environment.

Analysts suspect the money paid by Thailand for gas from the Yadana pipeline will go directly into the pockets of the military which increases the inflation and poverty in Burma. The displacement of forests and farmlands by oil pipelines and military forces to protect them has become a frequently repeated pattern.

There are 45 million acres of potentially arable land in Burma. This is about 25 percent of the total land mass. Half of the arable land is cultivated by families who have small plots of land. It is estimated that 77 percent of the main source of income of rural households is agriculture. For subsistence living to occur, each farm must be approximately five acres. Of the 4.7 million farm households, over 60 percent have less than that. Of the rural households sur-

veyed by the United Nations Land Development Program, 35 percent were landless, 40 percent owned no livestock, and 24 percent owned no land or livestock.

Legally, all land in Burma is state-owned. Use rights are given to farmers who must not leave the land idle for more than three years, otherwise the land reverts back to the state. Because farmers do not own the land, they are unable to obtain loans using the land as collateral. Instead they may only receive small loans at high interest rates. The farmer's inability to own and mortgage land has had a severe impact on agricultural production. Land tenancy results in a reduced incentive for investment or improvement in the land.

Beyond lack of ownership of land, there is an inadequate incentive struc-

...40 percent of the national budget goes to the military, which views the independence movement as a constant threat.

ture for farmers to produce. There is a tax on the use of the land to produce rice. Also, an export tax on rice is enforced by a legal monopoly, the Myanmar Agricultural Produce Trading (MAPT), a government-owned enterprise. A government monopoly also controls exports of cotton, jute, sugar, and rubber. Since 1995, a decline in the growth of agriculture has resulted in static yields of crops relative to other Southeast Asian countries such as Thailand.

In 1998 the government began using forced labor to develop 22 million acres of wetlands and pristine untouched lands. In order to develop these lands, "labor villages" were established to assist private entrepreneurs and foreign investors. Eighty-two business groups own over a million acres of this reclaimed land, while local people are now denied access to these lands. The Free Burma Coalition (FBC) estimates that at present, one million Burmese are internally displaced by the government

and are being used as forced laborers. Their whereabouts are unknown to their families and their length of service indefinite. General Khin Nyunt, the SPDC leader, has denied government involvement in forced labor and claims that these people have contributed their labor voluntarily so government projects can be completed sooner.

Burma's government-controlled agricultural economy presents a looming agrarian crisis where the only agricultural success is the illegal opium industry, much like Afghanistan and Colombia. Burma continues, with the collusion of the military, as the world's largest source of illegal opium and heroin, about 60 percent of the world market. Not only is valuable farmland being used to grow the opium poppy but, because heroin is so easily available, it is now being used inside the country. In some townships, as many as 25 percent of the people are injecting heroin. Since it is a crime to carry needles in Burma without a medical license, needles are at a premium and are shared. As a result, HIV infection among drug users in Burma is the highest in the world.

Burma, once the wealthiest country in Southeast Asia, is now the poorest in the region with the highest infant mortality rate and the least expenditure on healthcare and education. Meanwhile, 40 percent of the national budget goes to the military, which views the independence movement as a constant threat. The enforced poverty, food shortages, and torture will hopefully become catalyst for the removal of the corrupt and illegal military regime that is nonetheless a tolerated trading partner among Western powers. In the meantime the horrible economic conditions have led to a migration to Thailand where global corporate expansion has created cheap labor jobs providing goods for export. Many have been lured by brokers and sold into slavery or bonded indebtedness. The migrants become an underclass of non-citizens.

In a country that exemplifies state terror it is remarkable that informal channels have been able to spread information about recent efforts by Buddhist monks to end the cruelty

and the massive protests that followed. The response from wealthy countries like the U.S. to the Burmese military suppression has been tepid and has not included calls on the oil and gas corporations to divest. Once again the priorities of U.S. foreign policy are made clear. Corporate investors can continue indefinitely to sustain military dictatorships while their PR releases that they are a force for good continue. And the expressions of advocacy for democracy, human rights, and protection of the environment remain as slogans to be used when they happen to support corporate interests. **Z**

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Energy

Nukes Are Back and So Are We

By Harvey Wasserman

Time after time the atomic energy industry has gone to the government to demand massive amounts of money. The most recent public gouging came during the great deregulation scam of 1999-2001. As Enron and its cronies contrived phony energy shortages and nearly bankrupted California, the atomic pushers went before state legislatures and asked for a massive bailout. They complained that with the coming age of deregulation (about two dozen states deregulated their electricity businesses), nuclear power plants were too expensive, inefficient, and obsolete to compete in the coming green age.

So they demanded—and got—more than \$100 billion in "stranded cost" payouts. These were theulti-

mate admission that atomic power could not make it in the marketplace. As deregulation failed throughout the U.S., what *Forbes* magazine labeled “the largest managerial disaster in business history,” the atomic industry stayed alive as America’s ultimate welfare cheat.

After complaining about its old reactors’ lousy economic performance, the nuke industry now argues that the new ones will be magically transformed and that billions more should be spent building them. The first of those is already under construction in Finland. Ground was broken two years ago, but the project is two years behind schedule and \$2 billion over budget. So a whole new cover story has been invented: nuke power will solve global warming.

The assertion is absurd. All reactors emit radioactive carbon, along with numerous other “hot” isotopes. Massive quantities of greenhouse gasses are spewed into the atmosphere during the mining, milling, and enrichment of uranium fuel. The reactors themselves emit huge plumes of heat directly into the air and water. Nukes perform poorly in hot weather, which is precisely when they’re supposed to help with global warming. Reactors in both France and the U.S. have been forced to shut because the rivers into which they dump their waste heat have exceeded 90 degrees Fahrenheit.

Still more greenhouse gasses have been created with the partial construction of the proposed Yucca Mountain waste dump in Nevada, which has already cost the public \$11 billion. If it ever opens—it’s not yet licensed, and many say it never will be—Yucca could cost \$60 to \$100 billion. Even then it couldn’t handle the waste from the new reactors the industry wants to build—or even all the spent fuel from the old ones now in existence. Yet the industry wants Congress to give the industry essentially a blank check for loan guarantees to the tune of \$25 billion in 2008 and \$25 billion more in 2009, with countless billions more still to come down the road.

Why? Because Wall Street isn’t buying. After 50 years, nuke power is the most expensive technological failure in U.S. history. It can’t get in-



vestors, liability insurance, or a solution to its waste problem. It can’t compete with new conservation, efficiency, or renewables like wind power. Since 9/11, it’s obvious that atomic reactors cannot be defended from terror attack. They are pre-deployed weapons of radioactive mass destruction. It’s no accident that the push for new nukes with federal loan guarantees comes with a demand for extended federal liability insurance.

Despite all that, Senator Pete Domenici (R-NM) slipped these loan guarantees into the 2007 Energy Bill that could become one of the most expensive and lethal rip-offs in U.S. history. Meanwhile, the renewable energy industry is soaring to new heights of power and profitability. Wind farming has boomed to a \$10-15 billion per year industry, with worldwide growth rates surpassing 25 percent. Breakthroughs in silicon solar cells are taking rooftop photovoltaics (PV) to vastly increased levels of efficiency and profitability. Bio-fuels, tidal, geo- and ocean thermal wave energy, and many more rapidly developing forms of green power are also booming ahead.

In 1979 Bonnie Raitt, Jackson Browne, and Graham Nash, through Musicians United for Safe Energy, helped organize five nights

of No Nukes concerts at Madison Square Garden. The accompanying rally at Battery Park City drew 200,000 people. All of it was part of a successful grass-roots campaign to stop the nuke industry.

Browne, Nash, and Raitt are once again working to help stop this latest bailout. In singing Stephen Stills’s classic “For What It’s Worth,” they joined Ben Harper and Keb Mo for a video that’s linked through www.nukefree.org where a petition is being circulated and signed. On October 23 they presented the first round of petitions to Congress. In demanding the nuke subsidies be removed from an Energy Bill that contains many positive green features, they were joined by their fellow musician John Hall (D-NY) who is committed to shutting Indian Point.

They’ll also be working with one of the most successful non-violent grass-roots campaigns in U.S. history. Should they stop this latest atomic assault on the public treasury, the door could finally open for a truly green-powered future. Z

Harvey Wasserman is co-founder of Musicians United for Safe Energy and edits the [nukefree.org](http://www.nukefree.org) website. His SOLAR-TOPIA! Our Green-Powered Earth, AD 2030 is at www.solartopia.org.



Downwinders Catch The Drift

By Lisa Mullenneaux

They have heard it all before. Residents near the Nevada Test Site, 65 miles from Las Vegas, call themselves "downwinders" because they suffer from cancers, leukemia, and other fallout-related illnesses. They know the government's deceit carries a deadly payload. That's why in 2006 when the Pentagon's Defense Threat Reduction Agency (DTRA) announced a test of 700 tons of explosive (50 times the power of our largest conventional weapon), anti-nuclear groups in four states, the Shoshone Nation, and legislators on both sides of the political aisle went on red alert.

Downwinders didn't share DTRA head James Tegnelia's euphoria that the test, code-named Divine Strake, would send contaminated dirt sky high. "I don't want to sound glib here," Tegnelia told reporters, "but it is the first time in Nevada that you'll see a mushroom cloud over Las Vegas since we stopped testing nuclear weapons."

In February 2007 the agency cancelled Divine Strake, replacing it with plans for "smaller blasts" aimed at underground enemy targets. Small or large, what downwinders fear is the Bush administration's aggressive pursuit of new nuclear weapons and renewal of underground tests that have been banned since 1992. They have reason to be wary. In 2002 Bush accelerated the Doomsday Clock by renegeing on an agreement with Putin to destroy 4,000 nuclear warheads and by rejecting the Anti-Ballistic Missile and Comprehensive Test Ban treaties. In 2003 Congress reopened the door to research and development of low-yield nuclear arms by repealing the Spratt-Furse ban, but has since balked at funding more ambitious programs like the Robust Nuclear Earth Penetrators ("bunker

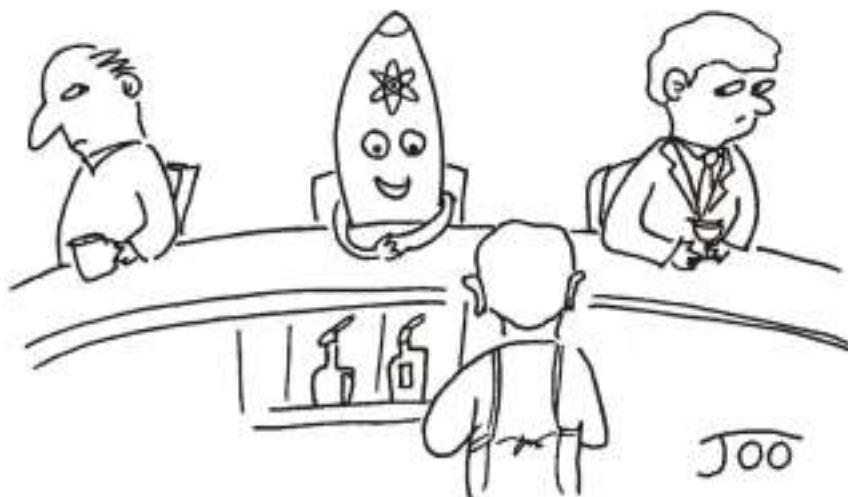
busters"). Undaunted, the Bush White House this year requested \$88 million for Reliable Replacement Warheads to upgrade the existing nuclear arsenal. Just in case those warheads need to be tested, an "enhanced" Nevada Test Site—cost: \$25 million—will be ready.

"I remember my father telling me about how people in southern Utah would watch the sky light up from the nuclear tests in Nevada," says Rep. Jim Matheson (D-UT), "and how they supported the program because they were strong patriots, who believed in their country and trusted their government." Today neither Matheson nor his neighbors trust the Bush administration's assurances that funding new nuclear weapons won't lead to testing them or that underground testing is foolproof. Why should they? According to a Department of Energy (DOE) 1996 report, radioactive material escaped from 433 underground tests between 1961 and 1992. In 2004 Matheson introduced the Safety for Americans from Nuclear Weapons Testing Act that would require health and safety assessments prior to tests, Congressional authorization, and independent radiation monitoring.

For 47 years downwinders in Nevada and Utah heard and read the Atomic Energy Commission's (later DOE's) insistence "there is no danger," often in the pages of the *New*

York Times and *Washington Post*. Not until 1980 did Congress admit what downwinders already knew: the danger of radiation was "not only disregarded, but actually suppressed." In 1990 Congress passed the Radiation Exposure Compensation Act, but for many victims and their families it was too late. A total of 928 above-and below-ground nuclear tests were conducted at the Nevada Test Site between 1951 and 1992. There have also been 21 subcritical nuclear weapons tests since 1997, most recently in February 2006. Though the site has been renamed an "Environmental Research Park," it's not a park you would want to picnic in. Soil at the site and for miles around is contaminated with radioactive material, which is why downwinders want to ban all tests.

"Back in the '50s," says Preston "Jay" Truman, who heads Downwinders, a Salt Lake City-based organization of those who were exposed to radioactive fallout, "we were given a booklet on the first day of kindergarten that read, 'You people who live near the test site are, in a very real sense, active participants in this nation's testing program.' We had no idea then how much we were at risk, but in opposing Divine Strake, we showed how much we have learned since then. When DOE refused to allow public hearings on the project, we held our own hear-



"Hi, I'll have Explosion in the Desert please."

ings. The government got 11,000 comments." Another downwinder, Salt Lake City journalist and cancer survivor Mary Dickson, premiered her play this year about the effects of radiation poisoning called *Exposed*. "I like to think the people do have power so I can go on thinking this fighting we do matters," Dickson told me. But sweet as the Divine Strake victory was, the downwinders know they are fighting a Goliath in the weapons industry.

Some of those fighting lost family members who worked on the construction of test sites. Beverly Aleck's husband Nick helped drill the mile-deep pit for the Cannikin test on Alaska's Amchitka Island in 1971; four years later, he died of myelogenous leukemia. Aleck, an Aleut, has waged war with the DOE ever since to open the records and begin a health monitoring program for Amchitka workers. When the Alaska District Council of Laborers of the AFL-CIO investigated in the early 1990s, at Aleck's insistence, the DOE claimed none of the workers had been exposed to radiation. They later admitted that exposure records and dosimeter badges had been lost.

Amchitka was the site of three large underground nuclear tests, including Cannikin, the most powerful nuclear explosion the U.S. ever detonated. To allay fierce public opposition, then chair of the AEC James Schlesinger claimed, "The site was selected—and I underscore the point—because of the virtually zero likelihood of any damage." But the AEC already knew from Nevada tests there was no guarantee that radiation released by the blasts could be safely contained underground. In fact, research by Greenpeace and the DOE show it began to leak almost immediately. Amchitka remains the only national wildlife refuge chosen to test bombs.

Environmentalists, the Department of the Interior, and the Auke Tribe all failed to save Amchitka or to change a pattern of military secrecy established years earlier in the Pacific. When Bikinians and others in the Marshall Islands were relocated starting in 1946, they were never told their homelands would be unsafe for 30,000 years. They were never told

they would be used as guinea pigs in their new locations so the U.S. military could better understand radiation poisoning. After many small tests, in 1954 the U.S. exploded a hydrogen bomb, code-named BRAVO, and islanders (U.S. citizens all) experienced fallout over 7,000 square miles. Its gruesome results are cancers and malformed children called "jellyfish babies." Darlene Keju-Johnson, a public health official born on Ebeye Island, has dedicated her life to interviewing Marshallese women and exposing their fear of ever bearing normal children. "They know they'll be dying out soon. They are dying now—slowly."

Russian women fear the same birth deformities because of fallout from nuclear tests and accidents like Chernobyl. "The reason the exposure [at Chernobyl] was so bad," said Dr. Lyudmyla Porokhnyak, "is that we were lied to all the time." After Chernobyl in 1986 and the BRAVO nuclear accident in 1954, Russia and the U.S. denied health risks and delayed evacuating residents. Fallout continues to be treated by U.S. offi-

cials as the inevitable price for military superiority.

After President Bush's Star Wars speech on May 1, 2001, when he argued that Mutually Agreed Deterrence (MAD) could no longer guarantee our national security, companies began getting orders for fallout shelters for the first time since the Cold War. This year Huntsville, Alabama dusted off its civil defense manual and announced plans to create a fallout shelter in an abandoned mine large enough for 20,000 people. Fighting the Red Menace during the 1950s was a bonanza for companies that sold pre-fab shelters, protective clothing, first-aid kits, disposable toilets, and books with titles like *How to Have a Baby in a Bomb Shelter* and *America Under Attack!* But while Eisenhower and Kennedy wanted nuclear preparedness, they didn't want national panic. A 1961 issue of *Life*, devoted to the importance of fallout shelters, advised taking hot tea and aspirin for radiation sickness: "You can recover from a mild case of radiation sickness just as you can recover



from a cold; it's not contagious. It loses its deadliness rapidly."

Created in 1951, the Federal Civil Defense Administration (FCDA) was a shill for the weapons industry designed to convince Americans they could survive a nuclear war by, among other things, ducking under a "sturdy table." Its mascot was Bert the Turtle, who taught kids with a catchy jingle to "duck and cover" when the air raid siren sounded. Serious treatments of fallout, like the film *On the Beach* (1959), were condemned by the FCDA "because it produced a feeling of utter hopelessness, thus undermining efforts to encourage preparedness." More entertaining films, like Mickey Rooney's *The Atomic Kid* (1952) and *Them!*, (1954) exploited bizarre effects of genetic mutations.

Though scientists knew more than the public about radiation, their level of ignorance is astounding based on what we know today. As described

Though scientists knew more than the public about radiation, their level of ignorance is astounding based on what we know today.

by Gerard J. DeGroot in *The Bomb: A Life*, visitors were allowed onto the Trinity site at Alamogordo, New Mexico in 1946 to collect Trinitite and local shops sold it as souvenirs. In September 1945 more than 1,000 U.S. servicepeople were sent to Hiroshima and Nagasaki to help reconstruction. They were given no protective clothing, dosimeter badges, or any precautionary advice. Meanwhile, in the U.S. secret experiments were being conducted in hospitals and prisons to study the effects of radiation on human beings. When the details of the experiments were released, the son of one of the women injected with bomb grade plutonium said, "I was over there fighting Germans who were conducting these horrific medical experiments. At the

same time, my own country was conducting them on my mother."

Part of the military's pattern of secrecy is to use "nukespeak," words that sanitize the horror of nuclear war: "collateral damage" for human death and "low-use segment of the population" for expendable downwinders. It talks about "clean bombs" that release a bigger bang, but less radiation than "dirty bombs," calls the MX Peacekeeper missile a "damage limitation weapon," and speaks of a "limited nuclear war." It justifies nuclear weapons research as "science-based stockpile stewardship." Aware of U.S. commitment under the nuclear Non-Proliferation Treaty (NPT) "to pursue negotiations in good faith on effective measures relating to the cessation of the nuclear arms race at an early date and to nuclear disarmament," the Bush administration speaks covertly about its own testing plans while decrying those of other nations.

Pushing in 2003 for funds to research a new generation of mini-nukes, Secretary of Defense Rumsfeld was careful to insist the Pentagon wanted to study them, "not to develop, not to deploy, not to use" them. From a low of \$3.4 billion in 1995, U.S. spending on nuclear weapons rose to \$6.5 billion in 2004, far surpassing average yearly spending during the Cold War. "All the saber-rattling leads me to fear that they might try to resume testing," says Nevada State Senator Dina Titus, who has written extensively on the state's history of weapons testing.

No wonder downwinders are protesting—they're catching the drift. If studies by the Institute for Energy and Environmental Research (IEER) and National Cancer Institute are correct, we are all downwinders, exposed to radioactive fallout carried thousands of miles and lodged in food chains. Downwinders in Nevada are like canaries in the mine. They know what reactivating the Nevada Test Site or having the nation's nuclear waste dumped at Yucca Mountain means to them and their families. Chip Ward, who lives near the Nevada Test Site, writes, "Once again, in a new age of nuclear testing, American citizens will be the first victims of our own weapons. We will

live with uncertainty and doubt while waiting for the results of our own military folly to unfold in our tissues, our blood, our chromosomes, and our bones." **Z**

Lisa Mullenneaux is a journalist whose work has appeared in U.S. and Canadian newspapers and magazines for over 20 years.



Gay & Lesbian Community Notes

Gayspeak vs Christianspeak

By Michael Bronski

At first the case seemed simple. A student in a high school English class said, out loud, "Take all the fucking faggots out in the back woods and kill them." Aside from wondering what book they may have been discussing—*Mein Kampf*?—most people would agree that this was crossing the boundary of acceptable behavior and speech in the classroom. This incident was one of many—including an official school district policy prohibiting students from forming a Gay-Straight Alliance (GSA) in Boyd County High School—that caused a federal judge in 2004 to order the Kentucky school district to institute an anti-harassment policy and a mandatory sensitivity and anti-harassment training program. The court case was filed by the ACLU on behalf of a group of students.

The court-ordered program was implemented and policy and training programs were put into place. Then in 2005 the Alliance Defense Fund, a Scottsdale, Arizona Christian law group funded and managed by over 30 conservative Christian churches and organizations, filed a complaint on behalf of Timothy Allen Morrison who asserted that the policy and program had a chilling effect on his ability to profess his Christian beliefs, in this case, opposition to homosexuality. Once again the ACLU jumped

into the fray, this time on behalf of Morrison's free speech rights.

The main issues in this case related to: (1) a training video where a clinical psychologist states that "you will go through life meeting many people with whom you are in disagreement and think are wrong, but that just because you believe that does not give you permission to say anything about it. It doesn't require that you do anything. You just respect, you just exist, you continue, you leave it alone"; and (2) an anti-harassment policy that prohibited speech "that would have the effect of insulting or stigmatizing someone."

When faced with the lawsuit, the school district made some policy changes, including taking out the "permission" segment of the video, allowing students to opt out of the training and exempting any speech (outside of school) that would be protected by the First Amendment.

Following these changes, Morrison (and his lawyers) tried to sue for damages, but the lower court ruled against him. Morrison then wanted the court to judge on the constitutionality of the case, i.e., whether there is a religious right to speak against homosexuality in the school setting.

In a recent twist, the U.S. 6th Circuit Court of Appeals ruled 2-1 in October 2007 that the Boyd County school district's policy did indeed "chill" Morrison's ability to speak Christian beliefs publicly, in particular his opposition to homosexuality, thus sending the ball back to U.S. District Judge David Bunning to assess damages.

Morrison's attorney, Joel Oster, claimed that this latest decision amounted to a victory on the constitutionality of the issue. The ACLU team also claimed victory as they had maintained all along that no one's speech rights should be abridged and that both rulings were correct.

While this looks like a good outcome, there are some lingering questions. Morrison claimed that mandatory attendance at the training was an infringement of his rights, so the school district made attendance optional, a move that could undercut its effectiveness. Also, while the right to speak about religious beliefs is now



possible, the specifics of that speech may be problematic. Will devout students hand out leaflets detailing their church's interpretation of biblical passages that they claim condemn homosexuality or will they wear T-shirts that say, "Queers, Burn in Hell."

Even though the court made the correct decision and the ACLU was right in supporting Morrison's challenge to the original decision and there should be complete freedom for both religious and personal speech —i.e., the ability to support gay rights and the safety of LGBT students—this will not settle the issue.

The reality is that the Alliance Defense Fund and its supporters and allies have no interest in creating a level playing field for free speech. In general, their aim has always been to contain, regulate, and, if possible, limit or stop free speech related to homosexuality. This is less because they actually view homosexuality and homosexual activity as a sin, but more because fundamental to the right-wing political and social agenda

is their attempt to roll back the gains made in sexual liberation, feminism, racial equality, and a myriad of economic and social reforms.

So this current battle over gay rights in schools is not about freedom of speech. The right-wing agenda is not interested in free speech because they constantly re-frame and distort the simple act of "coming out"—the right to say who you are without suffering for it.

The ACLU did what the ACLU does best: defend the Constitution and the Bill of Rights. But let's not think that the Alliance Defense Fund, or any of the other right-wing legal organizations and non-profits, are in any way interested in the same freedom of speech. That would be a profound misunderstanding of their interests and how they operate in the world today. Z

Michael Bronski is an activist, teacher, and freelance writer of numerous articles and books. His latest book is Pulp Friction (St. Martin's Press).



Worker Centers

By Colin Asher

With only 8 employees and 1,900 members, the Restaurant Opportunity Center-New York (ROC-NY) is David to the Goliath of the restaurant industry and all of its commensurate associations and legal teams. ROC-NY is a workers center, a non-union organizing body for workers, doing some of the most groundbreaking work within labor circles. Originally founded in April 2002 to assist workers left jobless after the destruction of Windows on the World, a World Trade Center restaurant, ROC-NY has grown beyond that simple mandate and become a training center, an organizing resource, and restaurateur.

ROC-NY encourages anyone working within the restaurant industry that has a complaint about wage and hour violations by their employers to contact them. Because of this open door policy, ROC-NY has organized workers in restaurants throughout the city, assisting them in advocating for improvements in their working conditions and adherence to labor law. "We go after the highest profile restaurants," says Saru Jayaraman, co-director of ROC-NY. One high profile campaign against the Smith & Wollensky Restaurant Group was won through litigation, protest, and press attention. At its resolution Smith & Wollensky agreed to pay ROC-NY members more than \$100,000 and to abide by state wage law.

Like most other workers centers ROC-NY is a non-profit organization that survives on grant money and "some small amount of dues," according to Jayaraman. Nonetheless, they have managed to grow and are now expanding into other cities, New Orleans among them (Jayaraman de-

clined to name the others). And their work is spinning off into areas well beyond what is typical of labor organizing.

In 2006 ROC-NY opened Colors, a cooperatively-owned restaurant in trendy Astor Place. All Colors employees are also co-owners; they receive profit sharing with a base salary well above the industry standard. In addition to providing dignified work to members, Colors provides the restaurant industry with a good example to follow, according to Jayaraman. In addition to serving diners, the restaurant is used as a training school during the day for members/employees seeking to move into different facets of the restaurant industry.

When ROC-NY members decided to start a cooperative restaurant there was no domestic example that operated on a scale they were planning, so Jayaraman traveled to India to research the workings of the world's largest cooperative restaurant. In the end this example, and funding from an Italian co-op, started Colors which is now celebrating its first anniversary.

In addition to Colors, ROC-NY conducts research on the restaurant industry, documenting working conditions and wages. They function as a hiring hall for members by distribut-

ing material about open positions at other establishments. They teach classes on labor rights, English as a second language, computer skills, and facets of the restaurant industry like baking, bartending, or waiting tables, exhibiting vision far beyond the contract maintenance and collective bargaining typically associated with labor organizations.

Workers centers are designed for people who work in the service sector or other hard to organize sectors of the workforce. Typically, they are not based in particular work sites, instead focusing on entire industries or defining themselves by ethnic groups or geographic areas. They include groups like the Garment Workers Center in Los Angeles, Young Workers United in San Francisco, and the Coalition of Immokalee Workers in Florida. Most focus on industries typified by low wages and/or high turnover and do not shy away from difficult fights for contracts or financial benefits.

Workers centers use radically different tactics from those of labor unions. They don't negotiate contracts between workers and employers. Many do not charge dues to members. Instead, they invest heavily in political education and are open to



Organized restaurant workers in NYC—photo from rocny.org

any aggrieved worker, unlike unions who only assist members in unionized workplaces.

They can do this because they are governed by different rules than unions. Though workers centers organize heavily within workplaces, many also function as a community organization, using this connection as a pool of support.

In order for a union to gain a foothold in any workplace they need a majority of workers to vote for them. Workers centers, because they do not engage in collective bargaining, do not need a majority of workers, just an active minority, allowing them greater flexibility, which is necessary in workplaces where employees may not stay long enough for a formal election. In addition to high turnover, there are other factors that confound traditional labor unions when they try to organize in some industries, such as rampant subcontracting, immigration status, and legal barriers.

The California apparel industry, worth more than \$24 billion per year, is a case in point. The industry employs 100,000 garment workers who are forced to work an estimated 52 hours a week for \$3.28 an hour. This group of workers are primarily immigrants and 87 percent of them speak a language other than English. The average LA garment worker is paid by the piece for work completed, with no benefits or sick time. A Department of Labor Survey in 2000 found that two of every three Los Angeles garment shops did not comply with wage and hour laws. These workers are in desperate need of representation, but only 1 percent of them are union members. Major unions have tried to organize this industry, with little success. UNITE established a Garment Workers Justice Center in the 1990s, but chose to move on years later to focus on other aspects of the garment industry.

Garment workers are difficult to organize because employers often threaten to close shop if they are faced with an organizing drive. Workers are intimidated by their employers, unaware of their rights, and cannot risk their jobs to join a union campaign that may or may not be effective. Moving into this space between need and impediment is the



Garment workers protest a clothing store in LA—photo from garmentworkercenter.org

Garment Workers Center (GWC) that assists garment workers who file claims against employers that violate wage and hour and health and safety laws. GWC also organizes boycotts and takes large employers to court on behalf of their members.

The GWC is a small organization with six employees and a budget of \$380,000 per year, none of which comes from unions or dues. They get their funding entirely through grants and non-profit foundations. The GWC has had some success. They launched a campaign against Forever 21, a high priced retailer. The campaign was settled in December 2004 in favor of the claimants. They also run a series of monthly educational workshops on wage and hour laws and health and safety regulations.

Garment workers and other workers in the service sector are difficult to organize because of their marginalization, quick turnover, and the active resistance of their employers. But some workers are barred from organizing by the law itself. Taxi drivers are a prime example. Repeated National Labor Relations Board rulings have held that taxi drivers are legally considered independent contractors, even if they

work for the same employer day in and day out on a schedule set by the employer. This designation prohibits them from engaging in collective bargaining or joining a union.

In 1998, in a bid to better their circumstances, several organizers from the Communities Against Anti-Asian Violence spun off the organization's Lease Drivers Coalition to become its own organization—the Taxi Workers Alliance (TWA). Nine years later the group represents about one-fourth of New York City's 26,000 taxi drivers, who begin every day more than \$100 in debt after paying their medallion fee. On average, they make \$26,000-\$33,000 per year for 60-70 hours of work a week.

The TWA struggles to improve drivers' pay and to fight against ethnic discrimination and harassment from police departments. There are now TWAs in 19 cities. They have won some groundbreaking victories, like establishing a living wage standard for NYC drivers and fighting off increased insurance premiums demanded by New York's City government.

TWA made the headlines in 1998 when they led a successful strike against taxi regulation changes pro-

posed by then Mayor Giuliani. The strike brought New York to a halt and a follow-up protest worried Giuliani enough that he ordered the NYPD to stop it—a move that a federal judge later declared a violation of cab drivers' First Amendment rights.

A second strike in September 2007, in response to Mayor Bloomberg's mandate requiring GPS tracking for all NYC cabs, brought thousands of cabs off the streets in protest. TWA successfully fought to raise the cab fare by 11 percent, effective December 2006.

With the growth of the workers center movement came the need for coordinating structures and national networks developed to fill that need: Interfaith Worker Justice (IWJ), a Chicago-based group aiming to strengthen ties between the religious community and labor organizations, founded a workers center network in 2004; and The National Day Laborer Organizing Network (ND-LON), a Los Angeles-based group founded in 2001. In August 2007, a third national network was born when ROC-NY founded ROC-United, a network designed to coordinate new ROC chapters.

Parallels have been made between the growth of the workers center and the growth of the service sector. Both expanded dramatically during the 1990s—the service sector increased by 19 million jobs and now accounts for about three-quarters of GDP. The number of workers centers grew from 25 to around 140 in that same time period.

Vanessa Tait, author of *Poor Workers' Unions: Rebuilding Labor Unions from Below*, points to a number of factors to explain the growth of workers centers. These include immigration patterns, access to grant money for non-traditional labor organizing, the growth of the service sector, and union disinterest in organizing so called "hard to organize workers." Tait sees the roots of the current workers center phenomenon going back to the beginnings of the labor movement. Then, unions functioned in much the way workers centers function now—with an emphasis on community involvement and a holistic approach to engaging people. She also points to successful civil rights struggles for fair hiring practices that were not associated with unions, examples of unemployed worker organizing, and groups like Maryland's Freedom Union that op-

erated in the mid-1960s organizing workers who were openly shunned by unions. For her it's not a new development, it's on a continuum.

"The labor movement had failed to adapt," according to Tait and "people had to find ways to organize." This relationship is very clear in some cases. Tait's book documents several examples of union ambivalence spawning new organizations. In one of these, Chinese workers scattered among several restaurants in New York City's Chinatown approached the Hotel Restaurant and Bartenders Union, Local 69 for help organizing. Local 69 was ambivalent and the campaign to organize was run mostly by the workers themselves. Once a contract was in place the workers found that its provisions were not enforced by Local 69 and, after several disappointments, the Chinese Staff and Worker's Association was formed as an independent union and took over representation from Local 69.

Over the last several years connections have developed between workers centers, the AFL-CIO, and Change To Win. In San Francisco the central labor council gave Young Workers United their Labor-Community Action Award in the summer of 2007; they say that they consider the group practically members. ROC-NY was founded after UNITE-HERE asked co-director Saru Jayaraman to form a group to assist Windows on the World workers because they didn't have the capacity. The two groups remain closely aligned. And both ND-LON and IWJ have ongoing contact with local labor councils and the AFL-CIO.

These slowly developing connections were codified in 2006 when the AFL-CIO passed a resolution allowing labor councils to affiliate with workers centers. The first to do this was the New York City Labor Council, which affiliated with the Taxi Workers Alliance. The groundbreaking deal gives the TWA access to one million union members in the labor council and resources like the Consortium for Worker Education, a council-run school. It gives the council 7,000 more members who have shown themselves to be creative, ca-



A Philadelphia member of the Taxi Workers Alliance during a 24-hour protest and strike in May—photo from phillyimc.org

pable of organizing, and willing to strike.

The resolution allowing this alliance to happen was negotiated between the AFL-CIO and NDLON. The deal was the first concrete step taken by either the AFL-CIO or Change To Win toward a lasting relationship with this growing sector of the labor movement. This is an imminently necessary step given that major labor represents only 6 percent of low-wage workers, a fact that played a part in the fracturing of the AFL-CIO in 2005.

Since affiliating, Edward Ott, executive director of the NYC Central Labor Council, says that the Taxi Workers Alliance has become very active in political council meetings. For their part, the labor council supported the TWA during their last strike in September 2007. Ott adds that he and the labor council are less interested in making the TWA the most active member of the council and more interested in supporting their organizing. With 46,000 taxi licenses in NYC and 25,000 drivers on the road on any given day, "they've taken on quite a task," Ott says. **Z**

Colin Asher is a freelance journalist.

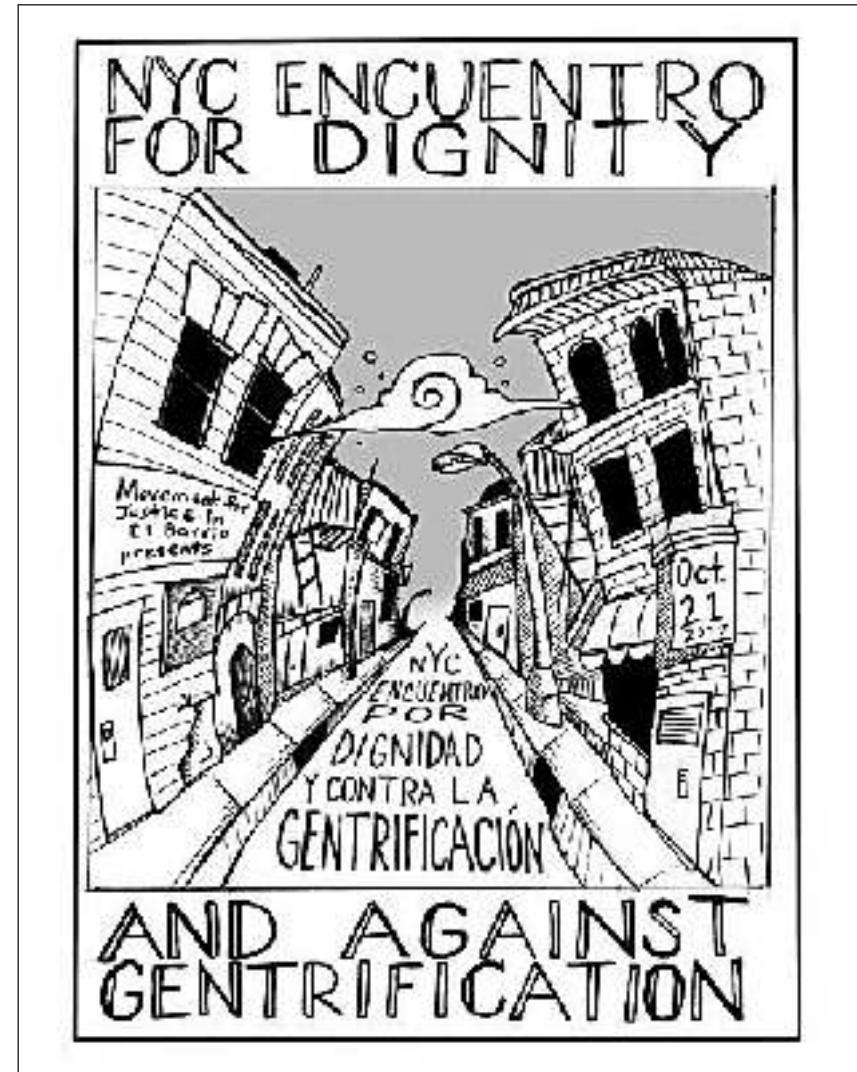


**Right to
the City**

Battle for the Block

By Michael Gould-Wartofsky

In East Harlem, they have organized building by building to reclaim El Barrio from those who would "develop" them out of it. In Chinatown they've rolled out a rent strike to win the repairs needed for tenants suffering from landlord neglect on Delancey Street. In the West Village, they've mobilized LGBT young people of color to stand up for their right to gather on the Christopher Street Pier. On the Lower East Side, they've built a tenants' union to defend "what is most beautiful about New York, the city that welcomed



everyone...[that's now] welcoming only money."

These are some of the activists at the front lines of a city-wide battle for the block. On Sunday, October 21, they came together in East Harlem to "share words of struggle, support, and solidarity" at the first ever NYC Encuentro for Dignity and Against Gentrification.

The Encuentro was convened by the Movement for Justice in El Barrio (MJB), an immigrant community-based organization, internationally allied with the Zapatistas' "Other Campaign." Since 2004, MJB has fought "for social justice and humanity" and against the displacement of their people from their neighborhoods. They are writing a new chapter in a long history of resistance in El Barrio, the home of low-income immigrant families (the average annual income of

Mexican immigrants in the U.S. is \$10,000).

Community members from a block away and activists from as far as Providence and Philadelphia filled the basement of a community center on 116th Street. They sat around the speakers who were accompanied by a Zapatista puppet and a green gentrification piñata representing neo-liberalism. Colorful banners hung from the walls, one of them depicting an eagle ripping up chains of gentrification from city blocks, proclaiming "dignified housing, justice, freedom" in Spanish.

Grassroots organizers took turns talking about "who we are, conditions we face, our forms of struggle, and our dreams." The speaking was punctuated by frequent bursts of ap-

Activism

plause and chants of “¡Si se puede!” (“Yes we can!”).

Organizers Bin Liang and Helena Wong of CAAAV: Organizing Asian Communities and its Chinatown Justice Project, with more than 20 years of community defense under their collective belt (and now part of a new national alliance called Right to the City), commented: “We are fighting against landlords who have no heart and also a government that has no heart.... The connections are very close between the oppression we face at home and what the U.S. is doing all over the world.”

Desiree, X, and Jay of FIERCE! (Fabulous Independent Educated Radicals for Community Empowerment), who were struggling for youth space and services as the city laid out its plans for a “Vegas on the Hudson” playground for the rich, spoke about how “our community isn’t being listened to because we’re young, because we’re gay, and because we’re of color.”

Rob Hollander of UNYTE (Union of New York Tenants) had been organizing to keep luxury developers from rezoning and bulldozing the community around the Bowery. “The city that I remember was a city of immigrants.... The city as I know it is disappearing. Immigrants are being pushed out by people with money and the money is changing the color of the neighborhoods.”

Matt Wade of the West Side SRO Law Project, a group that supplies free legal and housing aid to those who can only afford single room occupancy (SRO), said after the Encuentro that he had found “so many folks who are busy working on ways to build their communities, to stop this real estate machine from devouring our local histories and community investments, and to fashion dreams for our future.”

The members and organizers of MJB, who hosted and facilitated the Encuentro, spoke of their struggles and common dreams. Oscar Dominguez described how MJB had won victories in 23 buildings, using everything from building committees (which made their own decisions) to lawsuits against landlords to direct action. “Together,” declared Juan Haro, an MJB organizer, “we fight

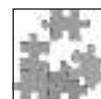
back against the actions of landlords and multinational corporations.... We know that...we do not stand alone in our resistance. We know that there are humble and simple people like ourselves in many parts of the city fighting back to keep their homes and save their communities.”

MJB has long been part of the local-global justice movement through its alliance with the Zapatistas and now they’re taking on the UK-based investment bank Dawnay Day (which recently bought up piece of Harlem costing millions).

Like the Zapatistas, MJB refuses to bow to politicians and the system they serve. This fall, member Victor Caletre was approached by two people from the office of East Harlem Councilperson Melissa Mark-Viverito, who offered him \$350 a week to quit MJB and start working with their office. Caletre refused, telling the Encuentro: “I have dignity and my dignity doesn’t have a price.”

MJB member Sonia Lopez told the gathering how “we dream of a world in which many worlds fit. We dream of a world in which there is equality, in which we can raise our children.... We all share the same earth, breathe the same air. We are together, we can do it.” (“¡Si se puede!”)

Michael Gould-Wartofsky is a member of SDS and a freelance writer.



Making Connections

Organizing Domestic Workers

By Ari Paul

There are many adjectives to describe New York City’s 200,000 nannies, housekeepers, and elderly care workers, but one that comes up a lot among them is “invisible.” Often paid under the table, they exist outside the formal economy. They work in homes, not interacting with other workers. Due to this isolation and to federal law, this group—pre-



dominantly immigrant women of color—does not have the right to collectively bargain.

The Bronx-based Domestic Workers United (DWU) members believe that they are working in conditions that are unacceptable in the 21st century. For the small but growing organization, fighting for decent working standards is one battle. Overcoming isolation is another.

DWU steering committee member Joycelyn Gill-Campbell came to New York 11 years ago from Barbados where she was a teacher and served in the national defense service. As a domestic worker caring for a child and a sick dog, Gill-Campbell earned \$271 every two weeks, despite the fact that her employer was an investment banker. But it wasn’t only the low wages that got to her. “I felt alone,” she says.

In 2000 she learned about the DWU the same way many domestic workers find employment: through a friend. After learning about the plight of other domestic workers, she considered herself better off than most. “Home Is Where the Work Is,” a DWU survey, shows that 26 percent of domestic workers live below the poverty line, 65 percent do not receive overtime pay, and 90 percent don’t have employer-paid health benefits, while 36 percent reported having no access to healthcare.

Some have been physically abused on the job. Many depend on their employer for food and transportation as



Domestic workers rally in NYC—photo from domesticworkersunited.org

well as payment. They face the same occupational hazards as restaurant cooks (stove flames, sharp objects), nurses (communicable diseases) and janitors (chemicals, lower back injuries) without necessarily enjoying the same rights under the Federal Occupational Safety and Health Administration.

As of now, only home-care providers receiving payments from the city government can form a union and the United Federation of Teachers, along with ACORN, are struggling to win an organizing campaign in the five boroughs. For domestic workers without the right to collectively bargain, DWU is pushing the Domestic Worker Bill of Rights in the state legislature with the support of various politicians and labor groups. The legislation would establish standards concerning a living wage, vacation time, occupational safety, and overtime. While the bill has supporters in the state assembly, it has yet to find a sponsor in the Republican-controlled state senate.

While the DWU did win legislation that put certain regulations on domestic employment agencies, this barely changed the landscape and was mostly symbolic, since most domestic workers gain employment by word of mouth. Thus the state bill has become

the centerpiece of the DWU's agenda, which a delegation presented at the U.S. Social Forum in Atlanta in August.

Formed in 2000, DWU is not a labor union. It can't file grievances, invoke Weingarten rights (that employees have a right to union representation at investigatory interviews), take disciplinary cases to arbitration, and it doesn't collect membership dues. What it does aim to do, besides pushing for state regulation of their labor, is provide educational opportunities and a social network.

On September 30, DWU members gathered with City Council member Gale Brewer at the YWCA on West 56th Street in Manhattan to kick off English as a second language classes for domestic workers. DWU sees the classes as empowering, not only because they provide language tools for workers in their new country, but because the classes offer role playing, where domestic workers negotiate with employers. "It's wonderful to watch a language develop when you're talking about rights and something that's very personal and something that you can use, not something that's esoteric," Brewer says. "This is just a piece of all the work that has to be done in terms of domestic worker rights. It's a small piece, but I



hope in the larger struggle it will help push the agenda."

Now Gill-Campbell goes to playgrounds and anywhere domestic workers can be found to tell them about the opportunities at the DWU and how they can improve their standard of living. More than educational opportunities, DWU is a place for domestic workers to meet one another and to share common experiences, which might help them feel a little less invisible. Z

Ari Paul is a reporter for the NYC Chief-Leader newspaper and a frequent contributor to Z and other publications.

YEAR 501: WORLD ORDERS OLD AND NEW, PART II

BY NOAM CHOMSKY

To help commemorate Z's 20 years of publication, we have been running an anniversary series featuring memorable articles from the past, leading up to our official birthday in January 2008. In this issue we are featuring Part II of Noam Chomsky's "Year 501: World Orders Old and New" series from March 1992.

SINCE ITS LIBERATION from Spanish rule, Latin America has faced many problems. One of the most grave was foreseen by the Liberator, Simon Bolívar, in 1822: "There is at the head of this great continent a very powerful country, very rich, very warlike, and capable of anything." Citing this comment, Latin America scholar Piero Gleijeses observes that, "In England, Bolívar saw a protector; in the United States, a menace." Naturally so, given the geopolitical realities.

The United States was ambivalent about the independence of the Spanish colonies. "In the Congressional debates of the period," Gleijeses notes, "there was much more enthusiasm for the cause of the Greeks than that of the Spanish Americans." One reason was that Latin Americans "were of dubious whiteness," at best "from degraded Spanish stock," unlike the Greeks, who were assigned a special role as the Aryan giants who created civilization, in the revision of history constructed by European racist scholarship (the topic of Martin Bernal's *Black Athena*). Yet another reason was that, unlike the Founding Fathers, Bolívar freed his slaves, thus becoming a rotten apple that might spoil the barrel, a virus that might infect others, to borrow the terminology of U.S.

planners in the modern period, expressing their concerns over the threat to "stability" caused by a dangerous good example.

A still more fundamental issue was brought forth by the major intellectual reviews of the day. They concluded that, "South America will be to North America...what Asia and Africa are to Europe"—our Third World. This perception retains its vitality through the 20th century. Commenting on Secretary of State James Baker's efforts to enhance "regional problem-sharing" through the hemisphere, *Times* correspondent Barbara Crossette notes, "The realization in the United States and throughout the hemisphere [by the sectors that matter, at least] that European and Asian trading blocs can be best tackled by a large free-trade area in this part of the world": our Third World, in what Roosevelt's Secretary of War, Henry Stimson, called "our little region over here which never has bothered anybody" when he was explaining in May 1945 why all regional systems must be dismantled in the interests of liberal internationalism, apart from our own, which are to be extended.

The World Bank is less sanguine about the prospects. A recent report concludes that the U.S. will gain more than Latin America from free trade agreements than Latin America, apart from Mexico and Brazil, and that the region would do better with a customs union on the model of the European Community (EC), with a common external tariff, excluding the U.S.—something definitely not in the cards.

In the 19th century, there was a problem in establishing U.S. dominance of the hemisphere: the British deterrent. But the conception of "our confederacy" as "the nest from which all America, North and South, is to be peopled" (Thomas Jefferson) was firmly implanted, along with the Jeffersonian corollary that it is best for



Spain to rule until "our population can be sufficiently advanced to gain it from them piece by piece."

There were internal conflicts over the matter. American merchants "were eager to contribute to the cause of freedom—as long as the rebels were able to pay, preferably cash," Gleijeses notes. And the well-established tradition of piracy provided a reservoir of American ship owners and seamen (British too) who were happy to offer their services as privateers to attack Spanish shipping, though extension of their terrorist vocation to American vessels led to much moral outrage and a government crackdown. Apart from England, liberated Haiti also provided assistance to the cause of independence, but on the condition that slaves be freed. Haiti, too, was a dangerous rotten apple, punished for independence with huge reparations to France, the former colonial power, and a half-century of ostracism and non-recognition by the U.S. (last to relent among the major powers), later Woodrow Wilson's destructive rampage and other such benefits, until this very moment.

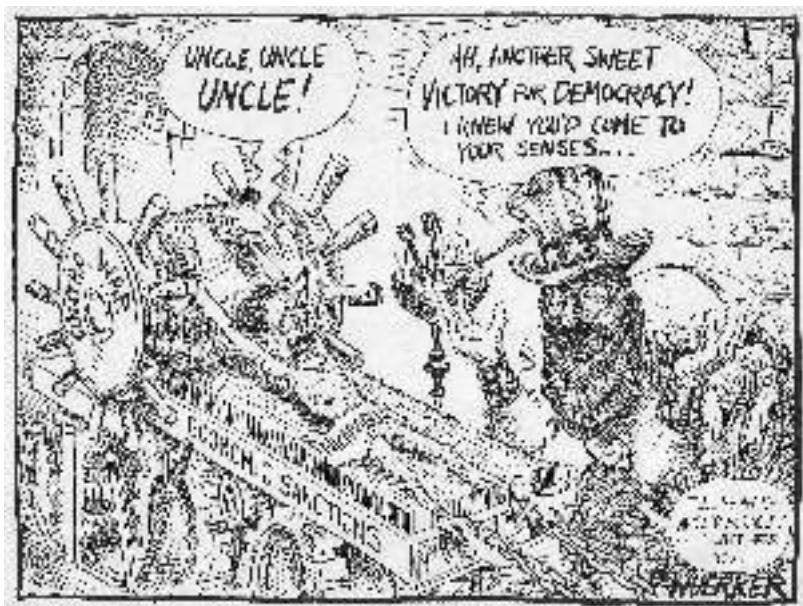
The concept of Pan-Americanism advanced by Bolivar was diametrically opposed to that of the Monroe Doctrine at the same time. A British official wrote in 1916 that while Bolivar originated the idea of Pan-Americanism, he "did not contemplate the consummation of his policy under the aegis of the United States." In the end, it was "Monroe's victory and Bolivar's defeat," Gleijeses comments.

Cuba: The Bad Example

THE STATUS OF CUBA was of particular significance, another illustration of the resilience of traditional themes. The U.S. was firmly opposed to the independence of Cuba, "strategically situated and rich in sugar and slaves." Jefferson advised President Madison to offer Napoleon a free hand in Spanish America in return for the gift of Cuba to the United States. Secretary of State John Quincy Adams, the author of the Monroe Doctrine, described Cuba as "an object of transcendent importance to the commercial and political interests of our Union." He, too, urged Spanish sovereignty until Cuba would fall into U.S. hands by "the laws of political...gravitation," a "ripe fruit" for harvest. Support for Spanish rule was near universal in the Executive and Congress. European powers, Colombia, and Mexico were approached for assistance in the endeavor of blocking the liberation of Cuba. A prime concern was the democratic tendencies in the Cuban independence movement, which advocated abolition of slavery and equal rights for all, unlike the U.S., which, in its Constitution, designated Black slaves as less than human. There was again a threat that "the rot might spread," even to our own shores.

By the end of the 19th century, the U.S. was powerful enough to ignore the British deterrent and conquer Cuba, just in time to prevent the success of the indigenous liberation struggle. Standard doctrines provided the justification for relegating Cuba to virtual colonial status. Cubans were "ignorant niggers, half-breeds, and dagoes," the New York press observed, "a lot of degenerates...no more capable of self-government than the savages of Africa," the military command added. The U.S. imposed the rule of the white propertied classes, who had no weird notions about democracy, freedom, and equal rights, and were thus not degenerates. The "ripe fruit" was converted to a U.S. plantation, terminating the prospects for successful independent development. In the 1930s FDR cancelled the "good neighbor policy" to overturn a civilian government regarded as a threat to U.S. commercial interests. The Batista dictatorship served those interests loyally, thus enjoying full support.

Castro's overthrow of the dictatorship in January 1959 soon elicited U.S. hostility and a return to the traditional path. By late 1959, the CIA and the State Department concluded that Castro had to be overthrown. One reason, State Department liberals explained, was that "our business interests in Cuba have been seriously affected." A second was the rotten apple effect: "The United States cannot hope to encourage and support sound economic policies in other Latin American countries and promote necessary private investments in Latin America if it is or appears to be simultaneously cooperating with the Castro program," the State Department concluded in November 1959. But one condition was added: "In view of Castro's strong though diminishing support in Cuba, it is of great importance, however, that the United States government not openly take actions which would cause the United States to be blamed for his failure or downfall." As for Castro's support, public opinion studies provided to the White House (April 1960) concluded that most Cubans



were optimistic about the future and supported Castro, while only 7 percent expressed concern about communism and only 2 percent about failure to hold elections. Soviet presence was nil. "The liberals, like the conservatives, saw Castro as a threat to the hemisphere," historian Jules Benjamin observes, "but without the world communist conspiracy component."

By October 1959, planes based in Florida were carrying out strafing and bombing attacks against Cuban territory. In December CIA subversion was stepped up, including a supply of arms to guerrilla bands and sabotage of sugar mills and other economic targets. In March 1960 the Eisenhower administration formally adopted a plan to overthrow Castro in favor of a regime "more devoted to the true interests of the Cuban people and more acceptable to the U.S.," emphasizing again that this must be done "in such a manner as to avoid any appearance of U.S. intervention."

That dictate remained in force as the U.S. advanced toward the traditional goal of preventing Cuban independence. Crucially, the ideological institutions must suppress the record of aggression, campaigns of terror, economic strangulation, and the other devices employed by the lord of the hemisphere in its dedication to "the true interests of the Cuban people." Cuba's plight must be attributed to the "demon" Castro and "Cuban socialism" alone. Castro bears full responsibility for the "poverty, isolation and humbling dependence" on the USSR, the *New York Times* editors inform us, concluding triumphantly that "the Cuban dictator has painted himself into his own corner," without any help from us. That being the case, by doctrinal necessity, we should not intervene directly as some "U.S. cold warriors" propose: "Fidel Castro's reign deserves to end in home-grown failure, not martyrdom." Taking their stand at the dovish extreme, the editors advise that we should continue to stand aside, watching in silence as we have been doing for 30 years, so the naive reader would learn from this (quite typical) version of history, crafted to satisfy doctrinal demands.

The U.S. concern for "the true interests of the Cuban people" merits no comment. The concerns over public opinion in Cuba and Latin America, and crucially the "true interests" of U.S. business, have always been real enough. The former are understandable in light of the public opinion polls just cited or the Latin American reaction to the Agrarian Reform Law of May 1959, acclaimed by one UN organization as "an example to follow" in all Latin America. Or by the conclusion of the World Health Organization's representative in Cuba in 1980 that "there is no question that Cuba has the best health statistics in Latin America," with the health organization "of a very much developed country," despite its poverty. Or by the interest in Brazil and other Latin American countries in Cuban biotechnology, unusual if not unique for a small and poor country. It is not Castro's crimes that disturb the rulers of the hemisphere, who cheerfully support the Suhartos and Saddam Husseins and Gramajos, however grotesque their crimes, as long as

they perform their service role. Rather, it is the elements of success that arouse fear and anger and the call for vengeance, a fact that must also be suppressed by ideologists, not an easy task, given the overwhelming evidence confirming this primary principle of world order.

Sabotage, terror, and aggression were escalated further by the Kennedy administration, along with the kind of economic warfare that no small country can long endure. Cuban reliance on the U.S. as an export market and for imports had, of course, been overwhelming and could hardly be replaced without great cost. In February 1962 the Kennedy administration imposed an embargo, breaking all economic, commercial, and financial relations. Theoretically, medicines and some food were exempt, but food and medical aid were denied after Cyclone Flora caused death and destruction in October 1963. Standard procedure, incidentally: consider Carter's refusal to allow aid to any West Indian country struck by the August 1980 hurricane unless Grenada was excluded (they refused and received no aid), or the U.S. reaction when Nicaragua was fortuitously devastated by a hurricane in 1988—any weapon is permissible against the perpetrators of the crime of independence. The Kennedy administration also sought to impose a cultural quarantine to block the free flow of ideas and information to the Latin American countries, whose unwillingness to emulate U.S. controls on travel and cultural interchange always greatly troubled the Kennedy liberals, as did their legal systems, requiring evidence for crimes by alleged "subversives" and their excessive liberalism generally.

After the Bay of Pigs failure, the Kennedy terrorist attacks escalated further, reaching quite remarkable dimensions ("Operation Mongoose"). They are largely dismissed in the West, apart from some notice of the assassination attempts, one of them implemented on the very day of the Kennedy assassination. The operations were formally called off by Lyndon Johnson, who is reported by aides to have condemned the Kennedy programs as "a damned Murder Inc." The terrorist operations continued, however, and were escalated by Nixon. Subsequent terrorist operations are attributed to renegades beyond CIA control, whether accurately or not, we do not know. One high Pentagon official of the Kennedy-Johnson administrations, Roswell Gilpatric, has expressed his doubts. The Carter administration, with the support of U.S. courts, condoned hijacking of Cuban ships in violation of the anti-hijacking convention that Castro was respecting. The Reaganites rejected Cuban initiatives for diplomatic settlement and imposed new sanctions on the most outlandish pretexts, often lying outright, a record reviewed by Wayne Smith, who resigned as head of the U.S. Interests Section in Havana in protest.

In the 1980s the U.S. barred from the U.S. industrial products containing any Cuban nickel, an effort to block a major Cuban export. It prohibited a Swedish medical supply company from providing equipment to Cuba because one component is manufactured in the U.S. Aid to the former Soviet Union is conditioned on suspension of

commercial relations with Cuba. In early 1991 the U.S. resumed Caribbean military maneuvers, including rehearsal of a Cuba invasion, a standard technique of intimidation. In mid-1991, the embargo was tightened further, cutting remittances that Cuban-Americans are permitted to send to relatives, among other measures. Legislation now under consideration calls for extending the embargo to U.S. subsidiaries abroad and the barring of ships from U.S. ports for six months after any landing in Cuba, as well as seizure of cargo if they enter U.S. territorial waters. The ferocity of the hatred for Cuban independence is extreme and scarcely wavers across the narrow mainstream spectrum.

There has never been any effort to conceal the fact that the disappearance of the Soviet deterrent and the decline of East bloc economic relations with Cuba enables the U.S. to achieve its longstanding aims through economic warfare or other means. In atypical reaction, the editors of the *Washington Post* urge that the U.S. seize the opportunity to crush Castro: "For his great antagonist, the United States, to give relief and legitimacy to this used-up relic at this late hour would be to break faith with the Cuban people—and with all the other democrats in the hemisphere." Pursuing the same logic, the editors, through the 1980s, called upon the U.S. to coerce Nicaragua until it was restored to the "Central American mode" of the Guatemalan and Salvadoran death squad "democracies," observing their admirable "regional standards"; and scoffed at Gorbachev's "New Thinking" because he had not yet offered the U.S. a free hand to achieve its objectives by the means condemned by the World Court (in a judgment that discredited the Court, by the standards of American liberalism). The *Post* speaks for the people of Cuba just as State Department liberals did in the Eisenhower and Kennedy years; as William McKinley spoke for "the vast majority of the population" of the Philippines who "welcome our sovereignty" and whom he was "protecting...against the designing minority"; and as his proconsuls Leonard Wood spoke for the decent (i.e., wealthy European) people of Cuba who favored U.S. domination or annexation and had to be protected from the "degenerates." The U.S. has never been short of good will for the suffering people of the world who have to be protected from the machinations of evil-doers. As for the *Post's* love of democracy, charity dictates silence. Its peers scarcely differ.

The Cuban record demonstrates clearly, once again, that the Cold War framework was scarcely more than a pretext to conceal the standard U.S. refusal to tolerate Third World independence, whatever its political coloration. Traditional policies remain beyond serious challenge within the mainstream. We can anticipate, then, ef-



FROM THE NEW WORLD TO THE NEW WORLD ORDER

forts of the usual kind to ensure that the "ripe fruit" drops into the hands of its rightful owners or is pulled more vigorously from the tree. A cautious policy would be to tighten the stranglehold, resorting to economic and ideological warfare (and perhaps more) to punish the population while intimidating others to refrain from interfering. As suffering increases, it is assumed, so will protest, repression, more unrest, etc., in the predictable cycle. At some stage, internal collapse will reach the point where the Marines can be sent in cost-free to "liberate" the island once again, restoring the old order while the commissioners chant odes to our grand leaders and their righteousness. Inability to manufacture a pre-election economic recovery, even if only on paper, might accelerate the process with the hope of deflecting popular attention by a foreign policy triumph. But it is unlikely that the Bush administration [Bush I] will veer far from the policies outlined in its early National Security Policy Review, which concluded that the U.S. must avoid combat when confronting "much weaker enemies," defeating them "decisively and rapidly" because domestic "political support" is so thin.

The "Natural Boundaries" of the South

ROUNDING OUT THE natural boundaries" was the task of the colonists in their home territory, but the "natural boundaries" of the South also have to be defended. Hence the unremitting dedication to the task of ensuring that no sector of the South goes a separate way and the near-hysteria, evident even in the internal record, if some tiny deviation is detected. All must be properly integrated into the global economy dominated by the state

capitalist industrial societies. The servants must “fulfill their major function” as sources of raw materials and markets, as the State Department put it years ago; they must be protected from “communism,” the technical term for social transformation “in ways that reduce their willingness and ability to complement the industrial economies of the West,” in the words of an important scholarly study of the 1950s.

In this broader framework, the Cold War can be understood, in large measure, as an interlude in the North-South conflict of the Colombian era, unique in scale, but similar in character to other episodes. The Third World, historian Leften Stavrianos observes, “made its first appearance in Eastern Europe,” which began to provide raw materials for the growing textile and metal industries of England and Holland as far back as the 14th century and then followed the (now familiar) path towards underdevelopment as trade and investment patterns took their natural course. Russia was so vast and militarily powerful that its subordination to the economy of the West was delayed, but by the 19th century it was well on the way towards the fate of the South, with deep and widespread impoverishment and foreign control of key sectors of the economy.

The Bolshevik takeover in October 1917, which quickly aborted the incipient socialist tendencies and destroyed any semblance of working class or other popular organization, extricated the USSR from the Western-dominated periphery, setting off the inevitable reaction, beginning with immediate military intervention. These were, from the outset, the basic contours of the Cold War.

The logic was not fundamentally different from the case of Grenada or Guatemala, but the scale of the problem was. It was enhanced after Russia’s leading role in defeating Hitler left it in control of Eastern and parts of Central Europe, separating these regions too from the domains of Western control. A tiny departure from subordination is intolerable, a huge one far less so, particularly when it threatens “stability” through the rotten apple effect. Still more ominous was the fact that the insubordinate deviant was able to lend support to those targeted for subversion or destruction by the global enforcer, while its military capacity was so enormous as to deter U.S. intervention elsewhere. Under such circumstances, “coexistence” is even more out of the question than in the case of Guatemala, Chile, Grenada, Nicaragua, Laos, and so on. “Detente” could be entertained as an option only if it entailed Soviet disintegration and withdrawal from the world scene. As noted earlier, even as the Soviet Union collapsed through the 1980s, the test of Gorbachev’s “New Thinking” was his willingness to allow the U.S. to have its way everywhere, without impediment; failing that criterion, his gestures are meaningless, more communist aggressiveness.

For such reasons, the U.S. rejected out of hand Stalin’s proposals for a unified and demilitarized Germany with free elections in 1952, Khrushchev’s call for recip-

rocal moves after his radical cutbacks in Soviet military forces and armaments in 1961-63 (well-known to the Kennedy administration, but dismissed), Gorbachev’s proposals for dismantling Cold War confrontation in the 1980s, indeed any possibility of reduction of tension, short of the return of the miscreants to their service role.

The Soviet Union reached the peak of its power by the late 1950s, always far behind the West. The Cuban missile crisis, revealing extreme Soviet vulnerability, led to a huge increase in military spending, leveling off by the late 1970s. The economy was then stagnating and the autocracy unable to control internal dissidence. By the 1980s, the system collapsed and the core countries, always far richer and more powerful, “won the Cold War.” Much of the Soviet empire is likely to return to its traditional Third World status, following something like the Latin American model.

A 1990 World Bank report describes the outcome in these terms: “The Soviet Union and the People’s Republic of China have until recently been among the most prominent examples of relatively successful countries that deliberately turned from the global economy,” relying on their “vast size” to make “inward-looking development more feasible than it would be for most countries,” but “they eventually decided to shift policies and take a more active part in the global economy.” A more accurate rendition would be that their “vast size” made it possible for them to withstand the refusal of the West to allow them to take part in the global economy on terms other than traditional subordination; that is, the “active part in the global economy” imposed on the South by the world rulers.

Following the standard prescriptions, tendered in this case by Harvard economist Jeffrey Sachs, Poland has seen “the creation of many profitable private businesses,” the knowledgeable analyst Abraham Brumberg observes, along with “a drop of nearly 40 percent in production, enormous hardships and social turmoil,” and “the collapse of two governments.” In 1991 alone Gross Domestic Product (GDP) declined 8-10 percent with an 8 percent fall in investment and a near doubling of unemployment. Russia has been going the same way. Economic and finance minister Yegor Gaidar warned of a further drop of 20 percent in production in coming months, with the “worst period” still ahead. Light industrial production fell by 15-30 percent in the first 19 days of January while deliveries of meat, cereals, and milk fell by a third or more and worse is predicted.

Western ideologists are impressed with Poland’s “successes,” but concerned that economic irrationality might impede further progress. Under the heading “Factory Dinosaurs Imperil Poland’s Economic Gain,” *New York Times* correspondent Stephen Engelberg looks at “a worst-case instance of how the industrial legacies of the communist system threaten to drag down economic reform plans in Poland and other Eastern European nations”: the city of Rzeszow, dependent on an aircraft manufacturer for employment, tax revenues, even heat from industrial by-products. The free market policies

have "brought cities like Warsaw or Cracow alive with commerce," Engelberg notes, doubling the number of private businesses (the numbers of those too impoverished to buy even basic goods do not reach threshold). But this welcome progress is threatened by calls for government intervention to rescue enterprises suffering from the collapse of the Soviet Union (loss of markets, unpaid debts, etc.) and to meet minimal human needs. No less ominous is the "social unrest from the workers" who now have a measure of control in factories and even go on strike to prevent closure of plants that might be rescued by "government-guaranteed loans to rebuild foundries." The Solidarity Union calls on the government "to forgive overdue taxes and place big new airplane orders for the Polish army." A Solidarity leader says that "the Government has to make a decision whether or not it needs an aircraft industry or whether it has to be restructured or whether one-half should produce aviation and the rest something else." But Western analysts understand that such decisions are not for the Poles to make; they are to be made by the "free market"—or more accurately, the corporations that dominate it. And no embarrassing questions are raised about the fate of the U.S. aircraft industry or advanced industry in general, without the huge public subsidy to create and maintain it; or about the Chrysler bail-out or Reagan's rescue of Continental Illinois Bank ("the largest government nationalization in American history," economist Howard Wachtel comments); or the hundreds of billions of taxpayer dollars to pay off S&L managers and investors, freed from both regulation and risk by the genius of Reagansomics; and so on through the functioning parts of the economy. We put aside the question of how "economic irrationality" of the kind denied to the Third World created an economy in which Americans no longer pursue their comparative advantage in exporting furs.

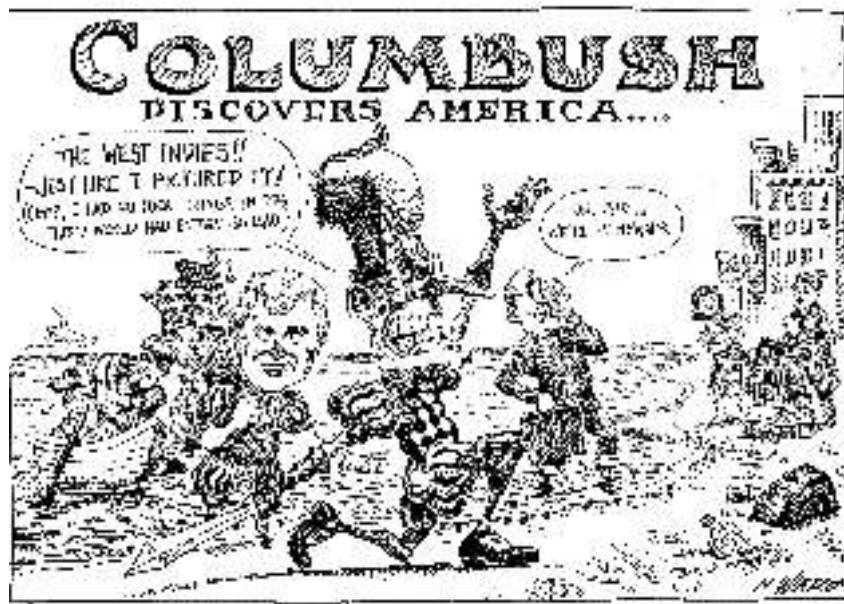
The economies of Eastern Europe stagnated or declined through the 1980s, but went into free fall as the IMF regimen was adopted with the end of the Cold War in 1989. By the fourth quarter of 1990, Bulgaria's industrial output (which had previously remained steady) had dropped 17 percent, Hungary's 12 percent, Poland's over 23 percent, Romania's 30 percent. The UN Economic Commission for Europe expects a further decline of 20 percent for 1991, with the same or worse likely in 1992. One result has been a general disillusionment with the democratic opening and, in fact, growing support for the former Communist parties. In Russia the economic collapse has led to much suffering and deprivation, as well as "weariness, cynicism, and anger, directed at all politicians, from Yeltsin down,"

Brumberg reports, and particularly at the ex-Nomenklatura who, as predicted, are taking on the role of Third World elites serving the interests of the foreign masters. In public opinion polls, half the respondents considered the August 1991 Putsch illegal, one-fourth approved, and the rest had no opinion.

Support for democratic forces is limited, not because of opposition to democracy, but because of what it becomes under Western rules. It will either have the very special meaning dictated by Western needs or it will be the target of destabilization, subversion, strangulation, and violence until the proper "mode" and "standards" are restored. Exceptions to the pattern are rare.

Loss of faith in democracy is of small concern in the West, though the "bureaucratic capitalism" that might be introduced by the Communists-turned-yuppies is a potential problem. In the Western doctrinal system, democratic forms are acceptable as long as they do not challenge business control. But they are secondary: the real priority is integration into the global economy with the opportunities this provides for exploitation and plunder.

With IMF backing, the European Community (EC) has provided a clear test of good behavior for Eastern Europe: a demonstration that "economic liberalization with a view to introducing market economies" is irreversible. There can be no attempts at a "third way" with unacceptable social democratic features, let alone workers' control, that is, more substantive steps towards democracy and freedom. The chief economic adviser to the EC, Richard Portes, defined acceptable "regime change" not in terms of democratic forms, but as "a definitive exit from the socialist planned economy—and its irreversibility." One recent IMF report, Peter Gowan notes, "concentrates overwhelmingly on the Soviet Union's role as a producer of energy, raw materials, and agricultural products, giving very little scope for the republics of the former Soviet Union to play a major role as industrial pow-



ers in the world market." Transfer of ownership to employees, he notes, "has commanded strong popular support in both Poland and Czechoslovakia," but is unacceptable to the Western overseers, conflicting with the free market capitalism to which the South must be subjected.

The South, that is. Conforming to the general practice of the leading industrial societies, the EC has raised barriers to protect its own industry and agriculture, thereby closing off the export market that might enable the East bloc to reconstruct its economies. When Poland removed all import barriers, Gowan notes, the EC refused to reciprocate, continuing to discriminate against half of Polish exports. The EC steel lobby called for "restructuring" of the East European industry in a way that would incorporate it within the Western industry; and the European chemical industry warned that construction of free market economies in the former Soviet empire "must not be at the expense of the long-term viability of Western Europe's own chemical industry." Of course, none of the state capitalist societies accept the principle of free movement of labor, a sine qua non of free market ideology. The errant Eastern European sectors of the Third World are to return to their service role. Their resources must be free for exploitation and they must provide cheap skilled labor for Western investors, supplying the markets of the core industrial societies.

The situation is reminiscent of Japan in the 1930s or of the Reagan-Bush Caribbean Basin Initiative, which encourages open export-oriented economies in the region while keeping U.S. protectionist barriers intact, undermining possible benefits of free trade for the targeted societies. As noted earlier, the patterns are as pervasive as they are understandable.

The U.S. has watched developments in Eastern Europe with some discomfort. Through the 1980s, it sought to impede the dissolution of the Soviet empire and East-West trade relations. In August 1991 George Bush urged Ukraine not to secede just before it proceeded to do so. One reason for this ambivalence is that after a decade of spend-and-borrow economic mismanagement, the U.S. is deeply in debt at every level: federal, state, corporate, household, and the incalculable debt of unmet social and infrastructure needs. It is not well-placed to join German-led Europe and Japan in the project of despoiling the newly opening sectors of the South.

Some Free Market "Successes"

IT WOULD ONLY BE fair, however, to add that the IMF-World Bank recipe now being imposed on the former Soviet empire has its successes, at least in Latin America. Bolivia is a highly-touted triumph, its economy rescued from disaster by the harsh but necessary stabilization program prescribed by its expert advisers, now plying their craft in Eastern Europe (notably, Jeffrey Sachs). Public employment was sharply cut, the national mining company was sold off leading to massive unemployment of miners, real wages dropped, rural teachers

quit in droves, regressive taxes were introduced, the economy shrank, as has productive investment, and inequality increased. In the capital, economist Melvin Burke writes, "street vendors and beggars contrast with the fancy boutiques, posh hotels, and Mercedes-Benzes." Real per capita GNP is three-fourths what it was in 1980, and foreign debt absorbs 30 percent of export earnings. As a reward for this economic "miracle," the IMF, Interamerican Development Bank and Paris Club of creditor governments (G-7) offered Bolivia extensive financial assistance, including secret salary payments to government ministers to make up for their reduced incomes.

The successes are that prices stabilized and exports are booming. About two-thirds of the export earnings are now derived from coca production and trade, Burke estimates. The drug money explains the stabilization of currency and price levels, he concludes. About 80 percent of the \$3 billion in annual drug profits is spent and banked abroad, mainly in the U.S., providing a lift to the U.S. economy as well. Drug launderers and bankers, needless to say, are not targets of the U.S.-sponsored drug war. This profitable export business "obviously serves the interests of the new illegitimate bourgeoisie and the 'narco-generals' of Bolivia," and "also apparently serves the United States national interest, inasmuch as money laundering has not only been tolerated by the United States, but has, in fact, been encouraged." It is "the poor peasant coca growers" who "struggle to survive against the combined armed might of the United States and the Bolivian military," Burke writes. There are always plenty more to ensure that the economic miracle will continue, with the applause of the international economists.

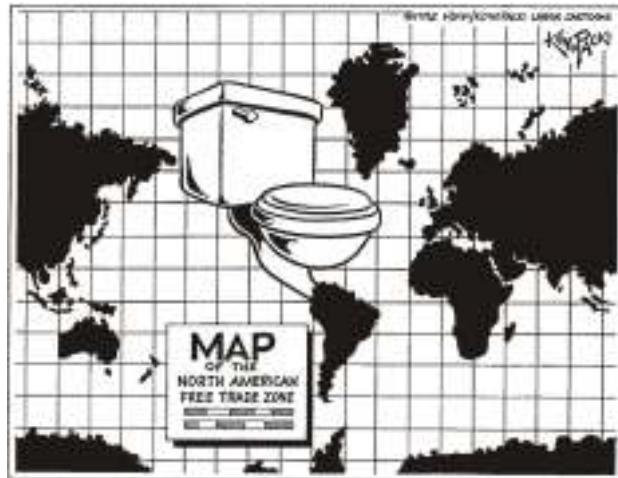
Achievements have also been recorded elsewhere, thanks to timely U.S. intervention and expert management. Take Grenada. After its liberation in 1983, it became the largest per capita recipient of U.S. aid (after Israel, a special case), as the Reagan administration proceeded to make it a "showcase for capitalism." The austerity programs brought with them the usual disaster, condemned even by the private sector they are designed to benefit. But there is one bright spot in the generally dismal picture, Ron Suskind reports in a front-page *Wall Street Journal* article headlined "Made Safe by Marines, Grenada Now is Haven for Offshore Banks." The economy may be "in terrible economic shape," as the head of a local investment firm and member of Parliament observes—thanks to USAID-run structural adjustment programs, the *Journal* fails to add. But the capital, St. George, "has become the Casablanca of the Caribbean, a fast-growing haven for money laundering, tax evasion, and assorted financial fraud," with 118 offshore banks, one for every 64 residents. Lawyers, accountants, and some businesspeople are doing well, as, doubtless, are the foreign bankers, money launderers, and drug lords.

The U.S. liberation of Panama recorded a similar triumph. Guillermo Endara, sworn in as president at a U.S. military base on the day of the invasion, would receive 2.4 percent of the vote if an election were held, recent

polls indicate. His government designated the second anniversary of the U.S. invasion a "national day of reflection." Thousands of Panamanians "marked the day with a 'black march' through the streets of this capital to denounce the U.S. invasion and the Endara economic policies," the French press agency reported. Marchers claimed that U.S. troops had killed 3,000 people and buried many corpses in mass graves or threw them into the sea. The economy has not recovered from the battering it received from the U.S. embargo and the destructive invasion. But some indicators are up. The General Accounting Office reported that drug trafficking "may have doubled" since the invasion while money laundering has "flourished," as was predicted at once by everyone who paid attention to the practices and commitments of the tiny white elite whom the U.S. restored to their traditional rule. Increased drug trafficking and the economic crisis have also contributed to "an unprecedented increase in drug consumption, especially among the poor and the young," the *Christian Science Monitor* reports.

Another triumph of free market democracy was recorded in Nicaragua where the Chamorro government and U.S. Ambassador Harry Shlaudeman signed accords, opening the way for the U.S. Drug Enforcement Agency (DEA) to operate in Nicaragua "in an attempt to control the growing drug trafficking problem" (*Central America Report*, Guatemala). The DEA agent in Costa Rica declared that Nicaragua is now "being used as a corridor for transferring Colombian cocaine to the United States" and a Department of Justice prosecutor added that the Nicaraguan financial system is laundering drug money. There is also a growing drug epidemic within Nicaragua, fueled by the high level of drug use by recent returnees from Miami as well as the continued economic decline and the new avenues for drug trafficking since the U.S. regained control. "Since the installation of the Chamorro government and the massive return of Nicaraguans from Miami," CAR reports, "drug consumption has increased substantially in a country long free from drug usage." Miskito leader Steadman Fagoth accused two members of the Chamorro cabinet, his former contra associate, Brooklyn Rivera, and the minister of fishing for the Atlantic Coast, of working for the Colombian cartels. The Nicaraguan delegate to the Ninth International Conference on the Control of Drug trafficking in Colombia in April 1991 alleged that Nicaragua "has now become a leading link in cocaine shipments to the U.S. and Europe."

A conference attended by government officials and nongovernmental organizations in Managua in August 1991 concluded that the country now has 250,000 addicts and is becoming an international bridge for drug transport, though the rate of addiction is still below the rest of Central America (400,000 addicts in Costa Rica, 450,000 in Guatemala, 500,000 in El Salvador). Nicaraguan addiction is increasing among young people, particularly with the return of many from years in Miami. A conference organizer commented, "In 1986 there wasn't one re-



ported case of hard drugs consumption" while "in 1990 there were at least 12,000 cases." And 118 drug dealing operations were identified in Managua alone, though it is the Atlantic Coast that has become the international transit point for hard drugs, with increasing addiction there as a consequence. U.S. journalist Nancy Nusser reports from Managua that cocaine has become "readily available only since President Violeta Chamorro took office in April 1990," according to dealers. "There wasn't any coke during the Sandinistas' time, just marijuana," one dealer said. Carlos Hurtado, currently minister of government, said that "the phenomenon of cocaine trafficking existed before, but at a low level." Now it is burgeoning, primarily through the Atlantic Coast, according to "a ranking Western diplomat with knowledge of drug trafficking" (probably from the U.S. Embassy) who describes the Coast now as "a no man's land."

Drugs are becoming "the newest growth industry in Central America," CAR reports, as a result of the "severe economic conditions in which 85 percent of the Central American population live in poverty" and the lack of jobs, particularly in neoliberal Nicaragua. But the problem has not reached the level of Colombia where security forces armed and trained by the U.S. are continuing, perhaps even escalating, their rampage of terror, torture, and disappearances, targeting political opposition figures, community activists, trade union leaders, human rights workers, and the peasant communities generally, while U.S. aid "is furthering the corruption of the Colombian security forces and strengthening the alliance of blood between right-wing politicians, military officers, and ruthless narcotics traffickers," according to human rights activist Jorge Gmez Lizarazo, a former judge. The situation in Peru is still worse.

These are only symptoms of much deeper malaise in Latin America and in the South more generally. The challenge of the 500-year war, moral and cultural no doubt, but with institutional roots, will determine, finally, whether and how these problems can be addressed. **Z**



Party Politics

Corporate Money on the Democrats

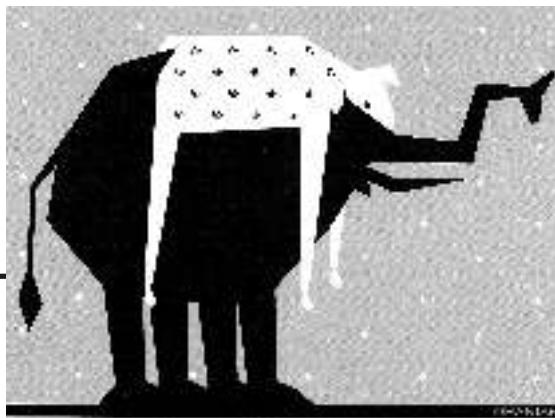
“Dollar democracy” is alive and well

By Paul Street

Do you hate and/or fear the authoritarian, regressive, intolerant, messianic, militarist Republican Party? Would you like to see that terrible political organization swept into the dustbin of history? Do you want to see Republicans resoundingly defeated to clear the way for the passage of decent and progressive policy like a significantly increased minimum wage, universal health care, enhanced union organizing rights, the rollback of George W. Bush’s tax cuts for the wealthy few, improved environmental protections, enhanced (and restored) civil liberties, and the like?

You have good reason to answer in the affirmative to all of these questions. As Noam Chomsky noted in late October 2004: “The urgent task for those who want to shift policy in a progressive direction—often in close conformity to majority opinion—is to grow and become strong enough so that they can’t be ignored by centers of power. Forces for change that have come from the grassroots and shaken the society to its core include the labor movement, the civil rights movement, the peace movement, the women’s movement, and others, cultivated by steady, dedicated work at all levels, every day, not just every four years. But we can’t ignore the elections. We should recognize that one of the two groups now contending for power happens to be extremist and dangerous and had already caused plenty of trouble and could cause plenty more” (*Interventions*, 2007).

Chomsky’s admonition holds up four years later. The Republicans continue to be “extremist and dangerous” at home and abroad. The GOP is running for office on the bases of fear (of false and self-created “national security”



threats), chauvinism (towards blacks and immigrants at home and others abroad), and deception. It is continuing the dreadful Reagan tradition of pushing global and domestic panic buttons to justify and cover their embrace of a murderous, imperialist foreign policy. They are fanning the flames of nationalist and xenophobic hostility toward stateless Latino/a migrants and continuing their party’s long record of bashing gays, feminists, and non-whites in general. They are advancing blatant falsehoods about their “opposition party’s” policy agenda, absurdly accusing the Democrats of supporting (the supposed hideous evil of) “socialized medicine.” They are continuing their party’s custom of painting their militantly plutocratic and business-friendly policy goals as the politics of the “little guy” and the middle and working classes.

If your answers to the queries posed at the beginning of this article are “yes,” then I’ve got some good and bad news for you. The good news first: big business, whose outsized campaign donations and other related forms of political support are essential to electoral success in America’s “dollar democracy,” is investing more in the Democrats than in its usual favorites, the Republicans. As liberal *New York Times* columnist Paul Krugman noted last October, citing data from the Center for Responsive Politics, “In the current election cycle every one of the top ten industries making political donations is giving more money to the Democrats. Even industries that have in the past been overwhelmingly Republican, like insurance and pharmaceuticals, are now splitting their donations more or less evenly. Oil and gas is the only major industry that the GOP can still call its own” (Krugman, “Death of the Machine,” *New York Times*, October 19, 2007).

Democrats are currently receiving more than Republicans from:

- securities and investment firms (61 percent Democratic to 39 percent Republican in the 2008 election cycle) for only the second time in the last 7 election cycles
- commercial banks (52 percent Democratic) for the first time in the last 9 cycles
- insurance companies (51 percent Democratic) for the first time in 9 cycles
- “defense” (military-industrial) companies (52 percent Democratic) for the first time in 9 cycles

The Democrats are even with the Republicans in donations from drug companies who have favored Republicans for each of the last eight cycles (Center for Responsive Politics, “Open Secrets,” www.opensecrets.org).

Now for the bad news: big business, whose outsized campaign donations and related forms of political support are essential to electoral success in America’s “dollar democracy,” is investing more in the Democrats than in its usual favorites the Republicans.

Since candidates who raise the most money typically win elections under the openly plutocratic United States electoral system (the “best democracy that money can buy”), the Democrats’ new corporate funding advantage seems to strongly increase their chances of taking the White House and broadening their majorities in the House and Senate in 2008. But what types of Democrats and what sort of Democratic policy agenda does the increased corporate backing favor? Wall Street and K Street’s big political donors do not play the money-politics game to advance the interrelated causes of peace, justice, social health, ecological sustainability, and democracy at home and abroad. They don’t fund campaigns, parties, and candidates out of any special attachment to the Democratic Party’s purported mission of representing the working class majority against the nation’s economic elite.

No, they devote big dollars to the political process with an eye to creating policy outcomes that work to their economic advantage and advance the upward distribution of wealth and power. That is why big business political donors often give money to both sides in key elections. It’s also why incumbent officeholders tend to dramatically out-fundraise challengers: as only current policymakers are in a position to immediately reward capitalist political investors with such benefits as public subsidies, contracts, regulatory changes, tax cuts, and the like.

A Seat At The Table

Why has the “health care [business] sector” given \$1.7 million more dollars to Democrats than to Republicans in the current election cycle? As the *New York Times* noted last October, this recent shift in corporate political “giving” (Bush had out-raised his Democratic contenders by \$1 million from the “health sector” at the current point in the 2004 cycle) “reflects a growing sense that the Democrats are in a strong position to win the White House next year. It also underscores the industry’s frantic effort to influence the candidates, as Democrats push their proposals to address what many polls show is a top concern among voters” (Raymond Hernandez and Robert Pear, “Health Sector Puts Its Money on the Democrats,” *New York Times*, October 29, 2007).

Health care reform is taking on the aura of inevitability and big corporate care players want to exercise as much influence as they can over the probably Democrat-led policy process. As *Times* reporters Hernandez and Pear observe, the health industry’s contributions to Democrats are (what insurance company strategist Phillip J. Blando calls) “a defensive measure” expressing corporations’ desire for “access, a seat at the table” in shaping “health care reform.”

As the *Times* failed to mention, corporate America has already shaped the Democratic health-care policy debate by keeping the popular health insurance solution—single-payer (on the Canadian and U.S. Medicare model)—off “the table.” Except for Dennis Kucinich and Mike Gravel—marginalized under the rules of U.S. market democracy—all of the Democratic presidential candidates propose to leave the leading private insurance companies as parasitic, persistently profitable business.



That great corporate policy victory notwithstanding, however, the leading insurance and drug companies still think they have much to worry about in the escalated health-care policy “debate” that is certain to emerge. Big Insurance has concerns about Democrats’ proposals to ban pre-existing conditions and to prevent insurance providers from “cherry-picking” only healthy customers. It wants to limit the collective bargaining power that the Democrats’ proposed “Regional Health Care Markets” (which includes a small single-payer option) will allow “health-care consumers” to exercise in setting premiums and other costs. It does not enjoy hearing top Democrats talking about limiting the profits of the insurance industry (broached by Obama) and dislikes the Democratic candidates’ persistent denunciation of insurance companies for denying coverage and charging exorbitant prices to sick people.

For its part, Big Pharma is concerned about the Democrats’ pledge to permit importation of lower-cost Canadian pharmaceuticals and to let Medicare negotiate directly with pharmaceutical companies to obtain lower drug prices.

Hillary And Obama Get The Health-Care Money

Corporate money is naturally not bestowed equally and without ideological selectivity across the field of Democratic candidates. It’s not only because his national polling numbers are below Hillary Clinton’s (who gets 1 in every 4 campaign dollars from the health-care industry) and Barack Obama’s (who gets 1 in 5 of the industry’s donation dollars) that John Edwards (1 in 20 health-care dollars) is less supported by the health-care

sector than the two Democratic front-runners. It’s also because Edwards has consistently criticized his “corporate Democratic” rivals for giving giant insurance and drug companies “a seat at the table” and for preparing to “negotiate and promise [their] way to universal health care.” He claims to believe that granting the big corporate players a role in shaping and passing health care reform dooms the process and that the only way to win meaningful change is to “fight and beat the special corporate interests again and again.” (If that’s really his attitude, left progressives might well ask, then why doesn’t he advance the obvious, popular, and social-democratic solution—single-payer?) Along with his “populist” tendency to highlight themes of economic inequality, poverty, and undue corporate influence on what he calls “the broken game” of U.S. policy and politics, such rhetoric makes the former corporation-beating trial lawyer Edwards seem like something of a wild card to big corporate political financiers within and beyond the health-care sector.

The insurance industry certainly sees Edwards as the most likely of the leading Democratic candidates to move towards single-payer—a policy he has at least once (at an AFL-CIO Health Care summit last spring in Las Vegas) partially praised—if he attained the presidency. “Over time,” Edwards promotional literature in Iowa says, his health care plan “could evolve into a single-payer approach.” The “ultimate [corporate] insider” Hillary Clinton (a former corporate lawyer who represented large corporations against the medical claims of injured workers and consumers) and the business-accommodating Barack Obama strike corporate “election investors” as

better bets to follow the usual Democratic practice of tempering populace-pleasing campaign bluster with “proper,” “real-world” deference to existing social and political hierarchies and priorities.

Expect An Increase In The Use Of Military Force

Especially troubling (for peace and justice progressives) in light of the Democratic Party’s graphic failure to act on the popular antiwar sentiment they rode to Congressional majorities last November, the Democrats are now receiving more money than the Republicans from the “defense” (military-industrial) complex for only the third time in the last fifteen election cycles. As Michael Klare noted in the liberal journal the *Nation* last November: “The use of military force



to protect the flow of imported petroleum has generally enjoyed broad bipartisan support in Washington.... One might imagine that the current debacle in Iraq would shake this consensus, but there is no evidence that this is so. In fact, the opposite appears to be the case: possibly fearful that the chaos in Iraq will spread to other countries in the Gulf region, senior figures in both parties are calling for a reinvigorated U.S. military role in the protection of foreign energy deliveries...

"In March, for example, Senator Hillary Clinton told the *New York Times* that Iraq is 'right in the heart of the oil region' and so 'it is directly in opposition to our interests' for it to become a failed state or a pawn of Iran. This means, she continued, that it will be necessary to keep some U.S. troops in Iraq indefinitely, to provide logistical and training support to the Iraqi military. Senator Barack Obama has also spoken of the need to maintain a robust U.S. military presence in Iraq and the surrounding area. Thus, while calling for the withdrawal of most U.S. combat brigades from Iraq proper, he has championed an 'over-the-horizon force that could prevent chaos in the wider region.'

"Given this perspective, it is very hard for mainstream Democrats to challenge Bush when he says that an 'enduring' U.S. military presence is needed in Iraq or to change the Administration's current policy, barring a major military setback or some other unforeseen event. By the same token, it will be hard for the Democrats to avert a U.S. attack on Iran if this can be portrayed as a necessary move to prevent Tehran from threatening the long-term safety of Persian Gulf oil supplies.

"Nor can we anticipate a dramatic change in U.S. policy in the Gulf region from the next administration, whether Democratic or Republican. If anything, we should expect an increase in the use of military force to protect the overseas flow of oil, as the threat level rises along with the need for new investment to avert even further reductions in global supplies" (Michael Klare, "Beyond the Age of Petroleum," the *Nation*, November 12, 2007).

Along with "strategic" oil and related bipartisan doctrinal and geopolitical considerations that predispose the Democrats (Edwards included) to adopt a heavily armed and imperial foreign policy towards the Middle East and the broader world, the increased influx of "defense" (imperial—"offense") dollars to the Democrats encourages the likelihood that a Democratic White House and Congress would "increase...the use of force to protect"—a better

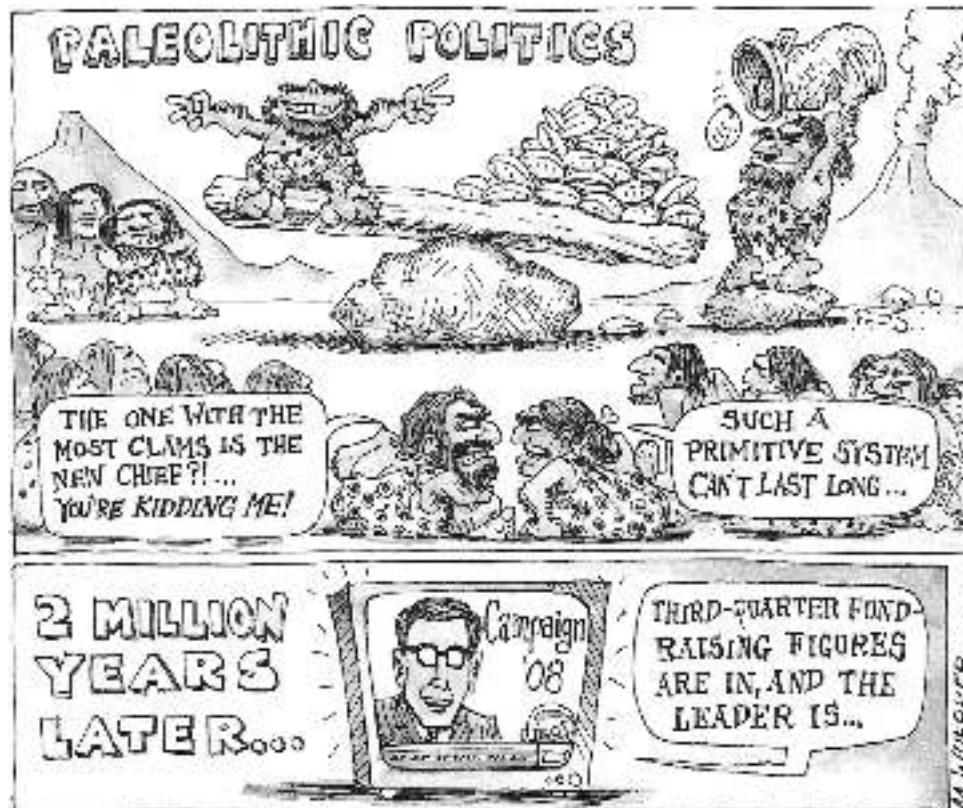


word would be control—"the overseas flow of oil." For what it's worth, the "smart money" Democratic presidential favorite—the one that corporate America is betting on most heavily—is receiving the most political money by far from both the "defense" and the "energy" sectors: Hillary Clinton has received \$123,000 so far in the 2008 cycle from "defense" and more than half a million dollars (\$568,000) from "energy and natural resources." Obama comes in second with \$58,000 from "defense" and \$437,000 from "energy." Edwards (who has been considerably more strident than Clinton and Obama in his criticism of the Iraq occupation and planned U.S. actions against Iran) has gotten \$22,000 from "defense" and \$62,000 from "energy."

Betting On Elections vs. Betting On Policy

Interestingly enough, the leading presidential recipient of the Democrats' new corporate fundraising advantages is not the candidate most likely to defeat the Republicans in November 2008. Numerous Iowa Republicans have told me that Edwards is the Democratic presidential candidate they least want their party to face in the general election.

Their judgment is supported in survey data. Thanks to his rural, small-town, and working-class upbringing, Edwards plays especially well with working families in all parts of the country, including "red states." (It doesn't hurt his nationwide electability, sadly, that he's white, male, and southern.) Polling data consistently show that he is the Democrat with the best chance to beat any Republican candidate in the general election. The weekly match-up polls produced by the highly regarded "Rasmussen Reports" have shown Edwards defeating the most likely Republican opponents—Guliani, Romney, and



Thompson—by consistently larger margins than Clinton II or Obama. Edwards is the strongest Democrat against Republicans in key battleground states including Iowa, Wisconsin, and Ohio. He brings new (“red”) states into play in a general election. He taps especially well into the “blue grit” “fair trade populism” and rank-and file rejection of negative (corporate) globalization that joined anti-war-sentiment in underpinning the Democrats’ defeat of the Republicans in the 2006 Congressional elections (see Laura Flanders, *Blue Grit: Democrats Take Back Politics From the Politicians*, 2007).

Nonetheless the top Democratic recipient of corporate campaign largesse is Hillary Clinton, whose remarkably high “negatives”—more than 50 percent of Americans polled consistently say they would never vote for her—make her a highly problematic choice for the party’s nomination. The candidate next most favored by big business election investors is her fellow corporate-centrist Obama. Both Clinton and Obama have set new corporate fundraising and campaign spending records while the “populist” Edwards has turned to the federal public election financing system, which will cap his spending.

Corporate campaign finance isn’t a trip to the electoral racetrack; it’s an investment in pursuit of government return. Its managers seek policy victories and outcomes for concentrated economic power centers (leading corporations and investment houses) and are not likely to support a good election bet that might be a bad policy bet. While Dennis Kucinich is the closest thing to

a genuinely Left candidate in the Democratic primaries, even Edwards is running “too left” for the U.S. plutocracy.

Edwards’s “working class hero” campaign has given corporate America reasons to think he would be considerably harder to control than Clinton and Obama—and more likely to encourage popular challenge to corporate rule. As a logical result under the rules of American “market democracy”—wherein “the public participates only indirectly in choosing their leaders, and their choices are restricted to the set approved by the monied elite” (Herman, 2007)—leading “election investors” are ready to overlook or discount indications that Edwards is the most electable of the Democrats’ top presi-

dential hopefuls. If Edwards were somehow able to overcome big money’s preference for the junior Senators from New York and Illinois—an Edwards victory in Iowa is entirely possible thanks in part to the role of that state’s early caucus system in diluting the power of money alone—and move ahead of the Democratic pack, we would certainly expect him to draw an increased share of corporate money seeking among other things to reduce the role of “improper” “populist” ideas by his campaign. Never mind that those ideas are very popular with the working-class majority.

For these and other reasons, we should be careful about buying the assumptions that plugging into big corporate money is the way to beat Republicans and that the Democrats’ new corporate fundraising advantage guarantees Democratic Party success at the polls in 2008. Corporate America’s primary concern with policy outcomes, not just election results, may well dampen the Democrats’ campaign chances during the current quadrennial, corporate-crafted election extravaganza. We should not be too shocked to witness a depressingly close and business-friendly election—the “smart money” says Hillary v. Rudy—next November. Z

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Healthcare Special

SCHIP Enriches the Insurance Industry

By Kip Sullivan

George Bush justified his October 3 veto of a bill to reauthorize and expand the State Children's Health Insurance Program (SCHIP) with the argument that the bill would cause parents of several million middle-income kids to drop private health insurance coverage for those kids. SCHIP, which was established in 1997, "sits on the shoulders" of Medicaid, the nation's health insurance program for some of the poor. Under SCHIP, the federal government gives money to the states to insure children who are too well off to qualify for their state's Medicaid program, but who are not well off enough to afford private health insurance. Nearly all states have set their upper-income limit for SCHIP at two to three times the poverty level—or between \$41,000 and \$62,000 for a family of four. Only New Jersey, which has an income limit of 350 percent of poverty, permits SCHIP money to subsidize kids above three times the poverty level.

Politicians and pundits on the left and right focused their debate on whether Bush's allegations that SCHIP would "crowd out" private coverage were true. For several months prior to Bush's veto of the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2007, as the SCHIP reauthorization bill is formally known, Americans were treated to a discussion of whether CHIPRA would really let families making as much as four times the federal poverty level (about \$83,000 for a family of four) participate in SCHIP and whether the number of kids who would drop their private-sector coverage to enroll in SCHIP would be half a million or 3 million or something in between.

For the record: CHIPRA would not set upper income limits, but it would make it difficult for states to use SCHIP funds for kids above three times the poverty level; and some "crowding out" would occur (the Congressional Budget Office estimated that two million of the six million kids who would be added to SCHIP rolls by CHIPRA would otherwise have purchased private coverage).

This debate about "crowding out" and income ceilings totally ignored the endorsement of CHIPRA by America's

Health Insurance Plans (AHIP), the cloying name of the trade group that represents America's health insurance industry. AHIP did not conceal its endorsement of SCHIP. For example, Karen Ignagni, AHIP's president and CEO, urged Americans to lobby for the bill during her September 27 appearance on the "Oprah Winfrey Show" with Michael Moore. If AHIP was all for CHIPRA, how could Bush, his Republican allies in Congress, and all the Republican presidential candidates claim CHIPRA was guilty of "crowd out" and that the alleged damage to the health insurance industry would hasten the arrival of "socialized medicine?" Why would AHIP endorse CHIPRA if it would rob AHIP members of income?

There are two answers. First, AHIP members would not lose money. They would probably have gained money because most states have privatized the insurance function of their SCHIP programs (not the actual delivery of health care, which always has been delivered by privately owned clinics and hospitals). To express this another way, most states have decided to hand over their federal SCHIP money (and matching state funds) to insurance companies rather than bypass insurers and purchase medical services directly from the doctors and hospitals that treat SCHIP kids.

According to the Kaiser Family Foundation, "About three out of four children enrolled in Medicaid and SCHIP are enrolled in private managed care plans." According to a paper in the August 2007 edition of *Health Affairs Web Exclusives* by George Washington University professor Sara Rosenbaum, "virtually all state Medicaid programs and 27 SCHIP programs enrolled most or all [eligible] children" with insurance companies by 2002.

These figures suggest that somewhere between half to three-fourths of the six million kids who would be added to SCHIP rolls by CHIPRA, or 3 to 4.5 million kids would wind up being insured by insurance companies. If the Congressional Budget Office is correct in its estimate that CHIPRA would cause two million of those six million kids to drop private coverage, that means the effect of CHIPRA would be a net gain of one to two and a half million new customers for the insurance industry. In short, the "crowd out" effect of CHIPRA (a loss of 2 million kids) would have been more than offset by the addition of 3 to 4.5 million kids through privatized SCHIP programs.

A second reason why AHIP endorsed CHIPRA is that AHIP has come to realize the health insurance industry will starve if state and federal governments cannot be persuaded to funnel more tax dollars to the industry. With the average cost of insuring an employee with dependents now over \$12,000 a year, employers are fleeing the health insurance market in droves. AHIP has decided that it is better off suffering a little "crowd out" now in exchange for the assurance that the taxpayer will pay for coverage of six million more kids, all of whom are at risk of disappearing as pri-

vate-pay customers over the next five years (the period over which CHIPRA would extend SCHIP).

The media's failure to report that the bulk of SCHIP funds would be handed over to the health insurance industry was very helpful to Bush and all those who screamed "crowd out" and "socialized medicine." Conversely, the blackout of this fact was not helpful to the Democrats who promoted CHIPRA or to the handful of surprisingly vocal pro-CHIPRA Republicans like Senators Charles Grassley of Iowa, Orin Hatch of Utah, and California Governor Arnold Schwarzenegger.

The most important reason for the blackout is the Democrats' longstanding complicity in the privatization of Medicaid and, more recently, of SCHIP. If one party does not raise a fuss about an issue, the media tends to ignore that issue. Because Medicaid and SCHIP are federal programs administered by the states under federal law and regulations, the privatization of these programs required support within the White House, Congress, and all the states where privatization of these programs has occurred. Democrats at both the federal and state level have been as enthusiastic about the privatization of Medicaid and SCHIP as Republicans.

Medicaid was gradually privatized beginning in the early 1980s while SCHIP was privatized relatively quickly in many states after its enactment in 1997. The privatization of Medicaid began in earnest under Ronald Reagan. Within weeks of taking office, Reagan's Health Care Financing Administration (HCFA, the name at the time of the agency in charge of Medicaid and Medicare) announced in the Federal Register that it would entertain proposals from the states for privatization "demonstrations" that experimented with "health maintenance organizations" and other types of insurance companies that utilized managed-care cost control tactics. (Those tactics boil down to financial incentives to get doctors to deny services, second-guessing of doctors' deci-

sions by insurance company bureaucrats, and limited choice of doctors and hospitals.) By the mid-1980s, Reagan's HCFA had granted permission to six states to begin privatization experiments with their Medicaid programs. A Democrat-controlled Congress stood by and did nothing to prevent these first steps to the widespread privatization of Medicaid and SCHIP.

Democratic legislators and governors played critical roles in getting their states to permit privatization demonstrations. In Minnesota, for example, a legislature controlled by Democrats passed legislation endorsing Republican Governor Al Quie's 1981 application to HCFA that proposed privatizing Minnesota's Medicaid program beginning in three counties. Although Quie's application promised to evaluate the privatization experiment rigorously, that never happened. When, in 1993, the Minnesota Medicaid agency finally got around to attempting to evaluate the behavior of the HMOs participating in the experiment, the HMOs refused to deliver the data the agency needed and, for good measure, sought to suppress an incomplete draft of the study, which showed the HMOs were delivering fewer preventive services than had been delivered by the "unmanaged" doctors under the old system. When this skullduggery was unearthed by the *Minneapolis Star Tribune* and exposed in a front-page story in 1994, the legislature, still controlled by Democrats, held no hearings.

Minnesota Democrats went on to expand the Medicaid privatization "demonstration" statewide during the late 1990s. They also led the 1996 campaign to privatize a program for adults and children called MinnesotaCare, which had been created in 1992 for families too well off to qualify for Medicaid. A few years later they wholeheartedly agreed to funnel Minnesota's SCHIP money into MinnesotaCare.

The disastrous overnight privatization of Tennessee's entire Medicaid program in 1994 is another example of Democratic complicity in the privatization scam. Even though Tennessee had almost no experience with managed care plans, liberal universal coverage advocates hailed them as the solution to the state's rising Medicaid costs and Democratic Governor Ned McWherter shoved a privatization bill through the legislature. Then, when HCFA was slow to grant Tennessee permission to engage in what proved to be a doomed experiment, McWherter visited his good friend President Bill Clinton, who, as a former governor, sympathized with McWherter's impatience with HCFA and put pressure on them to grant McWherter the permission he sought. Shortly thereafter HCFA granted McWherter permission to force all Medicaid-eligible Tennessee residents into a dozen managed care plans.

The bipartisan support for the claim that the privatization of Medicaid and SCHIP would save money can only be explained as ideological. It was never based on scientific evidence. As late as 1993, which is to say, nearly a decade after Reagan unleashed the Medicaid privatization juggernaut, the U.S. General Accounting Office reported it could find no conclusive scientific evidence that managed care saved money. "The Physician Payment Review Commission [a commission that advised Congress on health policy] and the Congres-



sional Budget Office have reported that the evidence on the effectiveness of managed care to control costs is inadequate and inconclusive," said the GAO report. "Other analysts have concluded that...some very basic questions about managed care remain unanswered. We do not even know if managed care saves money."

Bipartisan support for the myth that managed care would improve quality of care was not based on evidence either. A 1995 review of the scientific literature on the impact of managed care plans on Medicaid, commissioned by the Kaiser Family Foundation, stated: "There is little evidence...to suggest that managed care either increases or decreases the number of physician visits, or the use of preventive health services, or the use of inpatient hospital care."

Today the jury is in. The evidence indicates managed care plans did not improve care or save money, either for employers or for Medicare, Medicaid, and other government programs that have experimented with privatization. In fact, the evidence indicates managed care has damaged quality and, for government programs, raised costs.

One of the rare studies done to evaluate the claims made by Medicaid privatizers was conducted in California by Mark Duggan, an economics professor at the University of Maryland. Unlike many states, California's Medicaid privatization "demonstration" had not yet gone statewide by the turn of the century. Medi-Cal, as California's Medicaid program is called, was privatized in some counties, but remained unprivatized in others. In a paper published in 2002 entitled, "Does contracting out increase the efficiency of government programs? Evidence from Medicaid HMOs," Duggan reported that Medi-Cal costs in the privatized counties were 20 percent higher than costs in the unprivatized counties where the old-fashioned Medi-Cal program continued to exist; that is, where the California Medicaid agency paid doctors and hospitals directly for services rendered to Medicaid beneficiaries rather than funnel tax dollars through managed care plans. "The results presented in this paper demonstrate that the increased reliance on HMOs led to a substantial increase in government spending and suggest that health outcomes for the poor did not improve significantly," Duggan concluded. "It therefore appears that requiring millions of California's Medicaid recipients to switch out of the [traditional Medicaid system] and enroll in HMOs did not lead to an improvement in the efficiency of this government program."

Duggan's finding of 20 percent higher costs in privatized counties is consistent with evidence indicating that the typical health insurance company allocates 20 percent of its revenues to administrative (or overhead) costs. Under the unprivatized Medicaid program, a state Medicaid agency would allocate about 5 cents of every tax dollar it received to its own overhead costs and pay out 95 cents to doctors and hospitals and other providers of medical services to Medicaid enrollees.

After privatization, however, the Medicaid agency hands that 95 cents not to providers, but to a managed care plan, which in turn scrapes another 20 cents off of that and hands the remaining 75 cents to providers. This simple arithmetic raises an obvious question: How does privatization save



money if it requires allocating another 20 percent to administrative costs?

The answer is it doesn't. The states that have privatized their Medicaid programs have, over the years, raised their expenditures 15 to 20 percent above what they would have been under the traditional direct-purchasing Medicaid model. They did that in order to get their local managed care plans to agree to participate in the privatized version. Of course, that was not what was supposed to happen. Privatization was supposed to lead to improved health in Medicaid recipients and the elimination of unnecessary services. These changes were, in turn, supposed to lead to lower costs. But the privatizers got away with it because support for privatization was bipartisan and faith-based, not evidence-based.

By the late 1990s when the states had to decide how to spend their SCHIP money, privatization mythology was well established and billions of SCHIP dollars were dumped into the giant river of Medicaid money already flowing down the cavernous maw of the health insurance industry.

Thus, it came to pass that in 2007 a U.S. president and his Republican allies could oppose a largely privatized CHIPRA—one that would deliver more tax-financed customers to the insurance industry than it would lose due to "crowd out"—on the ludicrous premise that CHIPRA would lead to "government-run health care" and "socialized medicine." On October 3, the day he vetoed CHIPRA, Bush said with a straight face, "I believe in private medicine, not the federal government running the health-care system." Rep. Todd Akin (R-MO) was even sillier; he announced he voted against the bill because it would lead to "Hillary socialized medicine."

Single-payer advocates can make a strong argument for the opposite position—that CHIPRA should be opposed because it is so beneficial to the insurance industry. A national single-payer system has many powerful opponents, but no opponent is more powerful and more committed to defeating

single-payer than the U.S. health insurance industry. Single-payer advocates must take the long view. To get a single-payer system, we will have to defeat the insurance industry. It will help our cause if we support legislation that weakens the insurance industry. It will hurt our cause if we support legislation that strengthens the insurance industry (or delays the industry's demise). CHIPRA strengthens the insurance industry.

In his debate with AHIP's Karen Ignagni on "Oprah" last September, Michael Moore made a statement to Ignagni that most Americans would agree with. "I don't want, frankly, any of my tax dollars going to any subsidized program that goes through your private insurance companies when my tax dollars increase your profits," he said. This declaration drew vigorous applause from the audience. But odds are extremely high that not a soul in that room, including Moore, knew that CHIPRA would bring about precisely the result Moore said he opposed.

There are reasons to be guardedly optimistic that Democrats (and maybe even a few Republicans) will some day take an interest in this scam. For one thing, Democrats have taken a strong stand against privatization scams involving Halliburton and Custer Battles in Iraq. For another, Democrats are finally taking interest in a problem very similar to the Medicaid privatization problem—the overpayment of HMOs to induce them to participate in Medicare, the nation's program for the elderly and disabled. Like the Medicaid privatization scam, the Medicare privatization scam has been perpetuated for decades with bipartisan support. But in early 2007, a few leading congressional Democrats, including Rep. Pete Stark of California, declared their opposition to the overpayments to Medicare HMOs.

It is not clear why those Democrats waited until 2007 to find their backbone on the Medicare HMO overpayment issue, but it's a good bet the belated opposition to overpayments by the influential American Medical Association (the trade group representing doctors) had something to do with it. The AMA has, at long last, awakened to the fact that the huge overpayments to Medicare HMOs means there is less money available to pay doctors who treat Medicare beneficiaries. If the AMA can see its way clear to opposing the overpayments that induce HMOs to participate in Medicare, perhaps it's just a matter of time before the AMA reaches the same conclusion about the overpayments that make it feasible for the same HMOs to participate in Medicaid and SCHIP.

Single-payer advocates need not wait for Congress to act. They should demand that their state legislatures and governors kick managed care plans out of their Medicaid and SCHIP programs. Legislation to do that, SF 1897/HF 2000, was introduced in the Minnesota legislature last March. A good place to start this debate would be to demand hearings by state legislatures on whether the privatization "demonstration" projects were ever evaluated to determine the impact of privatization on cost and quality.

On October 18, the House of Representatives sustained Bush's veto of CHIPRA. It's hard to know how to feel. On the one hand, it is infuriating to live in a country as rich as America is and watch the president deny health insurance to millions of kids. On the other, it is infuriating to watch politicians enrich the insurance industry under the pretext that that is the only way to insure six million more kids. We deserve better choices than this.

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Corporate America and Healthcare Reform

By Roger Bybee

For U.S. CEOs who pride themselves on the all-out pursuit of the self-interest of their firms, fundamental health-care reform would seem to be as urgent as putting out flames burning up cash in their office vaults. U.S. health costs are double those of any comparable advanced nation while the health system delivers low-quality results by almost every measure.

But a substantial segment of businesses has responded by invoking "free-market ideology" and resisting reform of any shape. This hard-line stance is also shared by private insurers, pharmaceutical firms, hospital chains, and other elements of the medical-industrial complex that have the most to lose if fundamental reform is enacted. The most politically influential component of corporate America, the massive, "borderless" transnational corporation, has shown relatively little commitment to health-care reform.

At the state level, where reform battles will chiefly be fought, leading CEOs and business groups are generally remaining intransigent against reform. These executives and business associations seem bent on committing "economic suicide," says an exasperated Jack Lohman, retired CEO of a Wisconsin medical-services firm. "Free-market health care is the biggest enemy of free-market businesses in Wisconsin," says Lohman.

Globalization adds to the complexity of the health-care debate among business CEOs. Some executives recognize that the burden of health-care costs makes their products and services uncompetitive in global markets. "Wisconsin pays so much more than other states, and then on top of that, we're competing with national economies that have lower costs and better results," says Paul Linzmeyer, president of Bay Towel Inc. in Green Bay, Wisconsin.

The hard-right ideology of groups like Wisconsin Manufacturers and Commerce (WMC) coincides neatly with the self-interest of private health insurers clinging to their role

as parasitic middlemen, pharmaceutical firms resisting negotiated pricing of drugs, and hospital chains seeking unrestrained expansion of their empires.

While Lohman and a handful of other leading businesspeople have openly split with the WMC and publicly advocated some version of reform akin to Canada's single-payer plan, it is WMC's leaders who make the legal payoffs to political candidates that have long produced the payoff of excluding reform from the state's agenda.

Timid Steps at National Level

At the national level, corporate America has taken some timid steps toward reform. Joining in coalition with Service Employees International Union and Families USA have been such unlikely bedfellows—the U.S. Chamber of Commerce, Wal-Mart, and other long-time foes of reform—who now publicly state their support of universal coverage within the next five years.

Certainly, this is a welcome step away from opposition to reform that has long characterized the top echelons of U.S. business. This resistance softened in the early 1990s, but hardened again when increasingly hard-line corporate leaders: (a) embraced "managed care" as a cure-all for health costs; and (b) came to fear that the Democrats' health-care reform would keep Republicans out of power for decades, as neoconservative leader William Kristol warned.

But the new set of pro-reform proclamations by CEOs have been constrained, voicing a vague version of reform, whose specifics would be worked out later. They have hardly been an oath written in blood. The specific contours of the reformed system—most especially if it will continue to be dominated at its heart by private insurers—have not been addressed.

Yet it is difficult to seriously discuss reform without confronting the question of who will control the system. If private insurers remain at the helm of a nominally "universal" system, their administrative overhead and profits will continue to unleash spiraling costs and soaring premiums; universality thereby figures to be short-lived. As Dr. Marcia Angell of Harvard Medical School states, the goals of universal coverage and cost controls are inextricably linked: "Though well-intentioned, plans like these [Massachusetts and California] all have the same fatal flaw. They offer no workable mechanism to control costs, mainly because they leave the private insurance industry in place. Yet, soaring costs are the fundamental problem; lack of coverage follows from that."

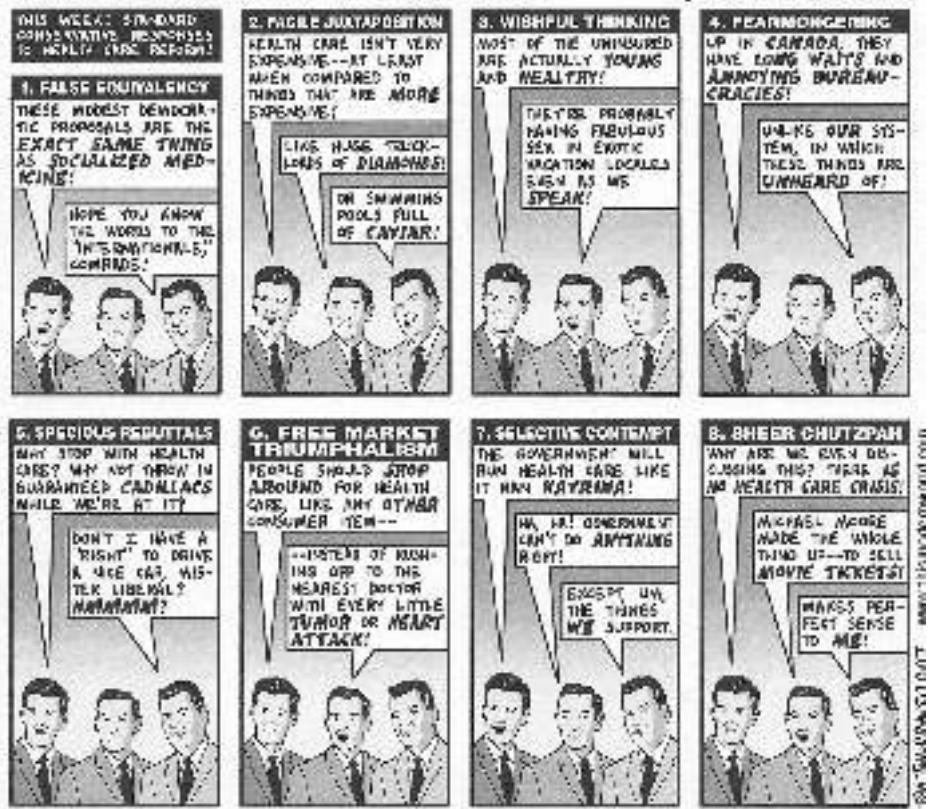
Further, the recent statements by national business leaders have not been commensurate with the scope and urgency of the crisis of healthcare in the U.S., where 47 million are uninsured. As outlined recently in the Commonwealth Fund report, "Mirror, Mirror on the Wall: An International Update on the Performance of American Health Care," the reflection is downright gruesome. The U.S. pays twice what other advanced nations do for healthcare, yet ranks only 37th in terms of overall health outcomes such as infant mortality and life expectancy. The U.S. also ranks low on the number of patient visits and the length of hospital stays, contrary to right-wing ideologues who insist that higher U.S.-style co-payments will deter frivolous "over-use" of the system. The U.S., despite its vaunted technology, earns low grades even on the effective use of information technology needed to share patient records and improve quality.

With a steady drumbeat of well-documented flaws, growing public complaints, and soaring premiums, elements of corporate America have felt obligated to speak out in favor of "reform." But even as Wal-Mart CEO Lee Scott speaks vaguely for universal healthcare, secret Wal-Mart memos show that the company is trying to force out older workers with health problems, by assigning them onerous tasks.

The most tangible concrete step thus far has been the passage of a notably non-viable plan in Massachusetts requiring moderate-income individuals to purchase insurance. Labeled a "fraud" by Dr. Steffie Woolhandler of the Physicians for a National Health Program, many of the program's supposed beneficiaries will continue to be unable to afford insurance, just as they are currently, she says.

THIS MODERN WORLD

by TOM TOMORROW



Single payer: Disqualified From Debate By Elites

In California, Governor Schwarzenegger vetoed a single-payer plan, which would have supplanted the private insurance industry with a state agency and slashed administrative costs by an estimated \$12 billion annually. But the veto of a health-care model proven successful in numerous nations captured barely a mention from major corporate media. Instead, Schwarzenegger was hailed as a progressive innovator when he proposed a plan to provide coverage by subsidizing private insurers.

As it did during the 1992-94 public debate over health care, the mainstream corporate media have largely disqualified the single-payer model from serious consideration despite strong support in the general public and even in the medical profession. For example, a 2005 *Business Week* poll found that "67 percent of all Americans think it's a good idea to guarantee healthcare for all U.S. citizens, as Canada and Britain do, with just 27 percent dissenting." Further, the Minnesota Medical Society released a study in February showing 64 percent of Minnesota doctors favoring a single-payer system.

The notion of uprooting private insurers from their central role in healthcare is largely dismissed by policy-making elites, including liberals like SEIU President Andy Stern. But with private insurers running healthcare, there is no effective mechanism for controlling costs that would keep a system of universal care financially viable. As economist Dean Baker put it (*Common Dreams.org*), "Basically, anyone who is not serious about controlling health-care costs is not serious about providing universal coverage. It's that simple."

Between the detachment and resistance of a significant chunk of corporate executives, genuine reform is moving at a snail's pace at both the state and national levels. One traditional segment of business, active in state-level politics, is maintaining its decades-old opposition to any reform that would require companies to make payments for "socialized" healthcare. Their almost-suicidal intransigence largely drown out business leaders arguing that healthcare reform is essential for their competitiveness.

A newer element is the role of large transnational corporations like the automakers who felt a strong self-interest in a national health plan in the early 1990s. But with an ever-growing share of their workforce and markets located overseas, transnationals seem disconnected from the fate of health reform in the U.S. With a mounting share of their profits derived from overseas operations and often stashed in offshore tax havens, they have felt little motivation to promote health-care reform that would require them to shell out more taxes toward solving the health problems of a nation from whose conditions they are increasingly remote.

The U.S. auto industry, despite its allegedly parlous condition, appears to fit this description. "The stock prices of GM and Ford have been depressed because of long-suffering North American operations, but the companies' earnings are increasingly international," William J. Holstein reports in the *New York Times*. "Among the Dow industrials, the stock

of GM was the second-best performer in the second quarter, after Intel's."

Withdrawal From Health Debate

Rather than press for national healthcare in the U.S., the automakers are pursuing a strategy of slashing their domestic workforce to less than one-fifth of its level of 400,000 in 1990 and developing trust funds to lower health costs for their remaining workers and retirees in America. The latest GM contract with the United Auto Workers, reached in late September, addresses the health-care issue through the pact's "main feature—a health-care trust called a voluntary employee benefit association, or VEBA—[which] means that GM will no longer have to carry the debt it will owe for employee and retiree health care benefits on its books," the *NYTimes* reported.

The *Times* called this provision "a momentous step toward eliminating much of that burden, a step likely to be followed by Ford Motor and Chrysler." Further, "The American automakers will no longer have the excuse that their health care burden is a barrier to successfully battling Japanese auto companies in the United States." As a hollow concession to the UAW's pressure for company support for a single-payer system,

GM agreed to provide \$15 million for a commission. This figures to produce yet another report, in addition to all those previous commissions whose recommendations for universal healthcare have been ignored, to study solutions for health-care costs. Meanwhile, GM has failed to reiterate its previous support for single-payer reform (*NYTimes*).

At the same time, GM will continue to dump another burden—more U.S. workers—with as many as 13 plant closings over the next four years. This is on top of the more than 320,000 lost U.S. jobs and the shift of many of them to Mexico and China, where employer obligations on health benefits are nonexistent.

While publicly stating that the Canadian single-payer system has provided quality healthcare and held down costs in that country, GM, Ford, and Chrysler have seemingly spent virtually no political capital—whether lobbying the president or seeking to influence state business lobbies, much less advertising dollars to aggressively promote reform—in fighting for a similar system in the U.S.

The auto firms were not absent due to some inexplicable oversight. As Morton Mintz noted in his superb "Single-Payer is Good for Business" piece in the *Nation*, two of GM's 11 board members are drawn from the pharmaceutical industry. Next to private insurers, Big Pharma has the most to lose from a national health plan that would feature direct negotiations between the government and drug companies over prices, as occurs in virtually every other advanced nation. Thus, GM's board contains many decision-makers whose primary commitment is to resisting fundamental health reform at any cost, regardless of the enormous toll that U.S. health costs take every hour on GM's bottom line. It no longer supports a single-payer system, as it did in the early 1990s under CEO Jack Smith.

...the mainstream corporate media have largely disqualified the single-payer model from serious consideration despite strong support in the general public...

While the U.S.-based auto firms have been shedding U.S. workers in huge numbers, they have continued to aggressively expand overseas in low-wage nations. General Motors and its subsidiaries have long been Mexico's biggest private employer. This spring, GM announced plans to increase its investment in India to \$750 million, with CEO Rick Wagoner noting that Indian manufacturing costs are already "extremely competitive and among the lowest in the world." But the GM CEO claimed that this is "not just due to lower wage rates" but also, rather implausibly, to the Indians' thriftiness.

On the contrary, it is the Indian government's enormous generosity with tax breaks—not some innate rupee-pinch-ing—that has whetted GM's interest. As the *International Herald Tribune* revealed, "The Indian government has been pushing to turn the country into a new low-cost car manufacturing center in Asia through tax incentives and other measures."

China, with its combination of a high repression/low-wage economy, has also become a magnet for a wide array of U.S. corporations seeking cheap labor across the entire spectrum of the production process, from assemblyline workers to highly-trained engineers. While wages in mostly U.S.-owned "maquiladora" plants just inside Mexico average less than 10 percent of the stagnant average factory wage in the U.S., China offers an even bigger low-wage bonanza. According to calculations by economist Jeff Faux, manufacturing wages in China average just 3 percent of U.S. wages.

The spread of U.S. jobs to such low-wage sites as Mexico, China, and India reflects a powerful, constantly-reinforced ideology of "free trade" which argues in essence that corporations can no longer afford the longstanding "social contract" between U.S. employers and their workers and home communities. "There is no job that is America's God-given right anymore," Hewlett-Packard CEO Carly Fiorina regally announced. "We have to compete for jobs."

More than two-thirds of what U.S. corporations sell overseas now actually originates from their plants located abroad. As the *New York Times'* Louis Uchitelle reported U.S.-based corporations' "overseas sales, which have risen to more than \$2.2 trillion annually in recent years, dwarf the nation's exports of roughly \$1 trillion." While the output of overseas U.S. plants has nearly tripled in the past 15 years, exports from U.S.-located factories have grown much more slowly.

Despite America's spiraling trade deficit, which hit \$763.3 billion in 2006 (\$232.5 billion with China alone), neither transnational corporations nor the Bush White House seem particularly alarmed by the trade imbalance. Informed observers "conclude record trade deficits aren't as threatening as they appear, because they are being driven in part by increasingly profitable U.S. companies producing [outside the U.S.] and shipping their goods and services back to the U.S., [thereby serving] to keep overall corporate profits strong," the *Wall Street Journal* states. "Earnings overseas account for 40 percent of the profit growth for all corporations."

The highly-profitable "outsourcing" phenomenon is both rapidly accelerating and climbing up the occupational ladder. "Just as with the move of manufacturing overseas, you're going to see an increasing flux of technical jobs out of the U.S. We don't have any protected domains anymore," Intel Corp. Chief Operating Officer Craig R. Barrett told *Business Week*.

The projected loss of white-collar professional jobs due to outsourcing is staggering: Princeton economist and former Federal Reserve Board member Alan Blinder, who describes himself as a "free trader down to my toes," believes that up to 42 million professional jobs are "highly out-sourceable" (*Wall Street Journal*).

No longer is it simply low-end "call-center" and manufacturing jobs at risk, says Blinder. Large numbers of actuaries, film and video editors, medical transcriptionists, accountants, microbiologists, and most ironically, financial analysts and economists—who have been vocal and influential backers of "free trade"—now find their highly-skilled jobs on the endangered species list because replacements can be found in China, India, or Russia for as little as 20 percent of their cost in the U.S.

Free-market Fundamentalism At Work

As with the outsourcing of U.S. jobs to low-wage, authoritarian regimes, the U.S. health system reflects the same free-market "fundamentalist" elevation of capital over human needs. While this position captures little popular support among Americans, the struggle for decent healthcare for all Americans will surely be arduous, as evidenced by the corpses of past efforts strewn along the roadside. Notably, FDR felt compelled to delete a health plan from the Social Security Act in order to get it passed without medical interests killing the entire bill; Truman's post-war health plan was crushed by the AMA despite 75 percent public support for it at the outset; and even the



highly-flawed Clinton plan in 1993-94 provoked an onslaught of modern PR techniques and advertising by medium-sized insurers. The coming counterattack against the new drive for health reform will be rocket-propelled with the even larger profits and increasingly sophisticated communication strategies of the big insurers and Big Pharma.

But while the existing system benefits immensely some influential sectors of Corporate America, enactment of an efficient, high-quality single-payer health system would benefit the majority of U.S.-located businesses in competing internationally. Some corporate leaders and a substantial portion of the public are finally recognizing this, at long last casting off the “free-market” blinders that kept them on a path toward economic suicide. “The people of the United States cannot effectively compete unless their government reorganizes our disastrously inefficient healthcare system that takes 15 percent of our GDP, compared with 10 percent in France and 8 percent in Japan, and provides less longevity, greater infant mortality, and generally less health than that of any other developed nation,” warns Jeff Faux in *The Global Class War*.

Referring to the need for massive investments in healthcare, energy, and technology to insure continuing U.S. competitiveness, even globalization cheerleader Thomas Friedman of the *NY Times* openly worries that the U.S. corporate elite is not stepping forward: “When I look around for the group that has both the power and interest in seeing America remain globally focused and competitive—America’s business leaders—they seem to be missing in action.”

As much as Friedman has defended the corporate-supremacy agenda of globalization, even he recognizes that it is outsourcing that has led so many CEO’s to be “missing in action.” Outsourcing both manufacturing and white-collar work has unhooked many CEOs from their historic self-interest in a well-trained and healthy U.S. workforce: “In today’s flatter world, many key U.S. companies now make most of their products abroad and can increasingly recruit the best talent in the world without ever hiring another American” (*NYT*).

The sobering implications of this secession from U.S. workers and communities by many American-based transnationals from the U.S. are concisely explained by Faux: “The CEOs and principal owners of corporations who have disconnected, or are in the process of disconnecting, their fate from America’s have no interest in paying more taxes to make the society they are abandoning more competitive.”

Finding effective leverage to exert on these secessionist transnational corporations figures to be one of the most vital and most difficult tasks for America’s reinvigorated reform movement. As these corporations shift more and more resources out of the U.S., it will be harder to make effective public claims on the revenues needed to pay for universal, quality healthcare in the U.S. Thus, the fight for a single-payer healthcare system in the U.S. is likely to become increasingly intertwined with the movement to impose democratic controls over corporate globalization. Z

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VEBAs in the Auto Industry:

How Companies Dump Union Negotiated Health Plans

By Jack Rasmus

Once partners in pioneering employer-union health benefit plans in the early 1950s, the United Auto Workers Union (UAW) and the big-three auto companies—General Motors, Chrysler, and Ford—now find themselves jointly presiding over the rapid dismantling of that very system. The transition vehicle which now makes possible the accelerating collapse of employer financed health benefit plans is called a VEBA (Voluntary Employee Beneficial Association). On the shop floor in the auto industry it is sarcastically referred to by the rank and file as Vandalizing Employee Benefits Again.

This past October the UAW and GM established a VEBA health benefits fund. It was quickly followed by a Chrysler-UAW VEBA. And as this article is being written, the UAW and Ford Motor Co. have begun preliminary discussions on establishing the same, as the company and union prepare for general contract negotiations.

With a VEBA, what were once health benefit plans funded by the companies—with defined dollar contributions per employee per every hour worked deposited into the fund—are now transferred to the union to manage and run. The companies transfer the plans and the funds that remain left in them; the union now “owns” and administers them. The companies abandon all financial responsibility and liability for providing or financing health care benefits; the union assumes that same full liability and responsibility.

One problem is that the VEBAs of the U.S. big three auto companies are severely under-funded—individually and collectively. They have a total liability of approximately \$100 billion, according to a *New York Times* article of October 6, 2007. However, the three will have only available total funds upon transfer to the UAW of around \$50-\$52 billion. That leaves about \$48-\$50 billion short. By any definition from any fiduciary source, a trust fund (a VEBA, pension, or other) with only a 50 percent funding ratio would be considered severely underfunded, a candidate for bankruptcy, and would be at significantly great risk of collapse.

The day of reckoning for funding the \$50 billion shortfall may come sooner than later, as the auto companies know full well. Thus, the auto companies are conveniently exiting the game just in time, leaving the union and workers holding the bag.

Various sources estimate the GM VEBA fund’s total liability as high as \$55 billion and its available funds at only around \$35 billion, which leaves roughly \$20 billion under-funded. But the available \$35 billion includes only \$29.9 billion cash and \$4.4 billion company securities. The point

is that under-funding in the GM VEBA may rise well beyond \$20 billion should the value of the securities in the VEBA fall.

In the case of Chrysler the actual amount in the VEBA and its unfunded liability is murkier. Recently purchased by a private equity firm, Cerberus Capital Management, Chrysler is no longer a public company and need not report its finances in as much detail as GM or Ford. But it appears that Chrysler's VEBA is reportedly only 53 percent funded, according to business sources. Chryslers' VEBA shortfall may be around \$13 billion.

With bargaining about to commence between the UAW and Ford, it is virtually certain that a third VEBA will be agreed to by the union. The only question is what percentage of the total liability will be available at transfer. Ford claims it is financially the least profitable of the big three. It will no doubt request even greater contract concessions from the UAW and offer less of a contribution to its VEBA than Chrysler or GM. In a *Wall St. Journal* article, one of the participants on the bargaining team, noted that "the two sides still haven't agreed what Ford's retiree health-care liability is—let alone how it will be funded." One thing is certain, however, Ford is "trying to figure out a way to get more than GM got." Ford will most likely contribute around \$7 billion. With a total liability of around \$22 billion, and available funds of \$7 billion, that leaves an unfunded liability for the Ford-VEBA of roughly \$15 billion.

UAW union leadership has thus far been unable to save other VEBAs it has negotiated in recent years. The most notable example was the early VEBA set up with the UAW-represented unit at Caterpillar in 1998. The VEBA there ran out of funds in 2004.

Other unions like the United Steelworkers have also set up VEBAs and they too are doing poorly. This leads one to suspect that perhaps VEBAs are not meant to be long term solutions, but only transitional devices on the way to what is the real endgame—to get workers to cash out their respective share of the fund at some future point and go buy an individual insurance health plan, called a Health Savings Account (HSA). HSAs represent the fundamental long-term direction Bush and corporate America want to drive the health benefits system. A VEBA is the intermediate stage on the way to HSAs and what Bush & Co. call consumer-driven healthcare. The editorial page of the *Wall St. Journal* recently suggested that once the VEBAs are transferred, the UAW should "rethink its coverage plans, using the new generation of consumer driven health care options (such as personal health savings accounts)."

Unattractive Alternatives

It is likely that the VEBA under-funding crisis will further deteriorate. There will be few choices or options for effectively dealing with it. The following are some of possible, and not so attractive, alternatives.

First, the union can attempt to restore its under-funded VEBAs by raising dues for its members to restore the VEBA funds. Or, it can reduce benefit levels. Or both. Retiree members will resist benefit cutting and favor

dues increasing. Actively working union members will reject the dues increasing and prefer benefit cutting. The two elements in the union—retirees and actively working members—will thus attempt to protect their respective interests at the other group's expense. Internal dissension in the union will grow, undermining further the union's future bargaining effectiveness. Both groups in turn will blame the union, since the union will now have to make the unpalatable decision to cut benefits or raise dues—not the companies and management as before.

Instead of raising dues the union could negotiate with the company to divert part of current hourly wages to the fund. But with new two tier wage structures and wage cuts of 50 percent or more in the new UAW-GM contract, it is not likely that wage diversion would be supported by union members.

An alternative route might be for the government to prop up VEBA funds by setting up an agency similar to the Pension Benefit Guarantee Corporation (PBGC), which currently administers the dismantling of pension funds. A PBGC socializes the costs with contributions from other companies whose funds are more stable. The PBGC then uses those contributions to partially pay out workers whose pensions go bust. Workers can cash out about half of what they would have earned in retirement from their now defunct pensions. At present, however, it is politically unlikely that a PBGC-like agency for VEBAs would happen.

Another possible route is for the government to change rules that now allow companies to transfer money from company pension funds to health care, in effect increasing the limits that can be transferred. Companies siphoning off pension funds to pay for rising health care costs has been going on for more than a decade now. The practice has contributed to a parallel crisis of under-funding for defined benefit pension plans. This option would move money from one leaky bucket to another. It's not a real solution.

Government might let private sources like insurance companies and investment banks buy out an under-funded VEBA (at bargain discount prices of course) and then cash out workers from the VEBA at a fraction of its value. Insurance



companies in the UK are now being allowed to pilot such leveraged buyouts of pension funds, in effect buying the fund and then managing it at a profit (and cutting benefits in the process). The concept could easily extend to VEBA funds. Severe cuts in benefit levels would almost certainly accompany such an option, however.

Finally, the government could bail out VEBA's on a case-by-case basis at direct taxpayer expense. After all, the Savings and Loan banks were bailed out to the tune of \$1 trillion dollars at taxpayers' expense in the 1980s. But what government might do for businesses, it is not likely to repeat for a union and its members. Thus, case by case bailouts of troubled, underfunded VEBA's is unlikely.

Yet the preceding option may be the long-term solution UAW leadership may be hoping for. It may be that UAW President Gettlefinger and staff are hoping VEBA's can be kept afloat for a few years until some kind of national health insurance can be enacted by a Democratic-controlled Congress. At that point they could roll the VEBA's into such an arrangement and get out from under the liability.

On the other hand, almost all Democratic Party presidential candidates are proposing plans to ensure that insurance companies maintain a central role in any future health benefits financing system. If this is what the current UAW leadership is thinking, it is a highly risky gamble. But then, they will be retired and comfortably out of the picture.

The Selling of VEBA

The recently negotiated union contracts at GM and Chrysler containing VEBA agreements were nonetheless ratified by UAW autoworkers this past fall. GM's was ratified by about a 2 to 1 vote. Chrysler's ratification margin was about 55 percent. A UAW-FORD contract and VEBA will almost certainly pass as well.

Despite this approval, a number of large plants, both at GM, and in particular at Chrysler, voted by significant margins to turn down the proposed contracts. Significant rank and file movements also began to appear during the ratification process, although they were not able to link up in time to form an effective national opposition movement. Many highly-regarded and respected local union presidents and leaders came out publicly against the VEBA deals and overall contract, as did several retired, regional directors and international UAW executive board members. There was even a flurry of outside legal opposition to the GM-VEBA deal aimed at obtaining a temporary restraining order to stop the vote. This legal move was based on the argument that UAW leadership did not fully or properly inform the membership during the voting of the full details of the financing of the VEBA, as was required under federal securities laws.

Why then, one might ask, did the recent auto industry contracts, containing not only VEBA's with \$50 billion under-funded liability, but tens of billions of dollars of wage and other concessions as well, nonetheless pass? First, it must be recognized that major verbal assurances were given by both the auto companies and the UAW leadership to the workers to get them to vote for the contracts. To begin with, there was the assurance by Gettlefinger that the VEBA's would have sufficient funding to ensure payments to retirees for 80 more years—a claim without any verifiable proof or substance. Then there was the assurance by GM that in exchange for offloading the VEBA from the company to the

union (as well as in exchange for the historic wage cuts and other concessions), the company would provide more job security. Specifically, it would place a moratorium on outsourcing of jobs and would commit to new investment in 17 of the companies' 82 plants in the U.S.

These two major assurances were presented to workers essentially as guarantees, although no such guarantees were made if one consulted the fine print. The outsourcing moratorium could be lifted and investment in plants does not necessarily mean job-creating investment. The company even made it clear the investment was depended on market conditions and investment didn't mean a guarantee of no layoffs.

Indeed, on October 3, GM announced its plans to close 13 plants within the next 4 years—4 more than originally announced. A few days later GM also announced plans for an early retirement buyout package for 18,000 of its remaining 73,000 workers, making way for a second wage tier of workers earning \$14-\$16 an hour compared to the \$28 an hour average of first tier wage workers.

Concurrent with the above assurances was the threat—pushed by both the company and the union—that if major concessions were not agreed to in the contracts GM might well go bankrupt. If that happened, it was argued, there would be nothing left in the health fund to pay for benefits. Better that the union take over the fund in the form of a VEBA and manage it, the UAW argued to its members.

Fears of bankruptcy at Chrysler and Ford were projected as even more likely, given that Chrysler was recently bought out by the private equity firm, Cerberus International Management, a company notorious for buying then splitting up and selling off parts of companies. Ford, having publicly announced its intentions to sell off divisions, made it easier still to raise the bankruptcy red flag. Companies typically raise such threats in negotiations. What was somewhat new was the union aggressively pushing the fear factor on behalf of the company. In plants and local unions where the vote was close, UAW staff descended on union meetings and played the company's bankruptcy card to the hilt.

In reality, neither GM nor the other companies are approaching financial collapse. On October 19, for example, a major story in the business press reported GM's record 9.1 million in global vehicle sales for the past year. The most recent quarter was the highest on record, with sales of 2.38 million cars worldwide. This is hardly a picture of a company about to go bankrupt.

GM now sells more than a million cars a year in China and is rapidly expanding its output there as well as in India and Russia, including a new state-of-the-art plant in St. Petersburg in that country. Similarly, Chrysler recently announced plans to double its sales outside the U.S., particularly in China and Europe. Despite this global focus and profitability, the UAW bargaining team, it was reported to this writer by a seasoned UAW negotiator, does not insist in contract negotiations with the companies that they provide it data reflecting their worldwide operations and profitability. Only the relatively weaker U.S. data is provided as a basis of U.S. bargaining. The union thus negotiates with half a dataset, while the companies view themselves truly as international entities and calculate their profitability worldwide.

In short, the selling of the VEBA deals was made possible by the cumulative decades of what can only be called the terrorizing of autoworkers by their companies and with the increasing assistance of the union in that task.

UNFUNDED LIABILITIES OF THE UAW VEBAs

	Contributions to VEBAs	Estimated Total Liabilities	Unfunded Liabilities
GM	\$35 billion	\$55.0 billion *	\$20.0 billion
Chrysler	\$8.8 billion	\$22.5 billion **	\$13.7 billion
Ford	\$7.0 billion	\$22.5 billion **	\$15.5 billion
Totals:	\$50.8 billion	\$100 billion	\$49.2 billion

* Wall St. source estimate; ** Writer's estimate based on publicly reported total liabilities

The coming of VEBAs in the auto industry means VEBAs will now quickly spread throughout other unionized companies in the U.S. Every major company will assign a team to study how to implement a Veba of its own. Many will attempt to reopen current contracts with their unions in order to negotiate the changes. Already Bloomberg, the financial news company, reports that companies like AT&T, Verizon, and others have internal preparations underway to shift their health benefits to VEBAs.

If the rise of private, individualized 401k pensions marked the beginning of the demise of traditional, employer-union negotiated defined benefit pension plans, the coming of Veba represents the further, and now accelerating, decline of the union-employer negotiated health benefit plans. This means a major acceleration in the shift of relative income from workers to corporations and their investors. An example of how much income can shift is shown by the following calculation: GM estimates that its total cost per hour per employee is approximately \$78. Most studies show health benefit contributions are equivalent to about 20 percent of the total hourly labor costs. That's about \$14 based on the above \$78 assumption. With Veba, GM will no longer have to pay the \$14 per hour per employee. For GM that's savings equivalent to about \$2.1 billion per year. Add another \$2 billion at least for Chrysler and Ford. Now factor in rising health care costs over a typical contract term, and the total corporate savings comes to at least \$15 billion. Include the discounted future value of those savings and the total savings easily equals \$20 billion.

VEBAs also represent a fundamental change in both the institution of collective bargaining and the nature of unionism in the U.S. From the late 1940s to the mid-1970s, collective bargaining expanded in scope, adding new areas to contracts like health benefits, pensions, cost of living clauses, job banks, and a host of other innovations. Collective bargaining also expanded in terms of magnitude, as levels of funding for these areas were increased and wages were also raised in sync with rising productivity levels. This was

the golden age of contract bargaining—and of what might be called “contract unionism.”

From about 1978-1982 on, however, a major shift occurred reflecting the aggressive corporate offensive launched about that same time. Nationwide bargaining agreements were broken up, balkanized, and the primary focus of bargaining increasingly was on concessions and reductions in the dollar value levels in contracts. Wage gains also increasingly fell behind productivity year after year. This period, which lasted until the present, might be called “concessionary unionism,” with its focus on minimizing the reduction of magnitudes and values in bargaining.

But Veba funds may represent the beginning of a further fundamental transformation in the nature of collective bargaining and in unions themselves. With VEBAs, unions now find themselves directly cooperating with companies on the actual dismemberment of contracts and jointly eliminating previously sacrosanct contract provisions won over the course of many decades—i.e., negotiating spinning off entire sections of contracts, excluding them from future bargaining and turning their function over to third parties, such as insurance companies and investment banks to buy out pension plans and directly manage them for profit.

This new condition might be identified as the era of “corporate unionism” where unions become even more integrated with the strategies, aims, and objectives of global corporate management. Corporate unionism means, at the level of collective bargaining, the basic outsourcing of the union contracts themselves. VEBAs clearly lie in that orbit and are strategic precursors to a new corporatism in union-company relations. Z

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Egypt

With Friends Like These

U.S. solidifies relations with Egypt, ignoring increasing human rights violations there

By Sara Abbas

Laura Bush, writing in the *Wall Street Journal* on October 10, said: "Whatever last shred of legitimacy the junta had among its own citizens has vanished. The regime's stranglehold on information is slipping; thanks to new technologies, people throughout Burma know about the junta's assaults. The public mood is said to be 'a mixture of fear, depression, hopelessness, and seething anger.'" Substitute "state" for "junta" and "Egypt" for "Burma," and you're left with a description of the current mood on the street in Egypt. I am referring to the same Egypt that receives nearly \$2 billion in U.S. aid every year, including more military assistance than any other country in the world except Israel. It was the same Laura Bush who, in 2005, praised Egyptian President Hosni Mubarak for his "very bold step" towards democracy just days before the opposition was beaten down by his supporters in Cairo as riot police stood watching.

In January a video of police officers raping a bus driver with a stick spread like wildfire from cell phone to cell phone, eventually making its way to the Internet. The video had apparently been sent around by those same officers as a warning to other drivers, in a bid to humiliate them. Another video showed a woman hanging from a pole by her knees and wrists, under police interrogation. In July a 19-year-old man accused of theft died inside a police station after he was tortured and burned alive. A month later, a plumber who had had the audacity to file a complaint about a previous incident of police brutality was hurled headfirst by police officers from his balcony while his 9-year-old son and wife watched. The same



month, a 13-year-old boy died after being held in police custody. He had been arrested for stealing a few packets of tea from a shop. In September the government shut down the Association for Human Rights and Legal Aid (AHRLA), an NGO leading the campaign against torture in police stations and prisons.

Contrary to assertions by the Egyptian government, these are not isolated incidents. The Egyptian Organization for Human Rights (EOHR) released a report in August 2007 documenting 567 cases of torture in police custody since 1993, including 167 deaths that EOHR "strongly suspects were the result of torture and mistreatment." EOHR also estimates that as many as 16,000 to 18,000 people, often held in inhumane conditions, remain imprisoned without charge or trial. Some of these detainees have been held for more than a decade, including many whose release had been ordered by the courts. The banned Muslim Brotherhood opposition movement contends that Egyptian security forces arrested more than 1,000 of the organization's members over the past year alone. Calls to the regime have also gone unheeded for the release of Ayman Nour of the secular Al-Ghad party, who ran against Mubarak in the 2005 elections. He has already served one year of a five-year sentence on what are widely believed to be false charges of voter fraud.

Mubarak, who is nearly 80, has ruled Egypt for the past 26 years. Although he denies that he is grooming his son Gamal to take over the presidency, for many Egyptians it is a foregone conclusion. Earlier in the year, the government took to highlighting a March 2007 constitutional referendum as proof that it is engaging in political reform. According to government figures, nearly 76 percent of those voting in the referendum endorsed the proposed constitutional changes. These include presidential powers to dissolve parliament without a referendum, to

suspend civil liberties when deemed necessary to fight terrorism, and to limit the role of the judiciary in election monitoring. Opposition and human rights organizations argued that not only are the constitutional changes the result of widespread vote-rigging, they elevate presidential emergency powers to the level of the constitution.

The government, however, denies this, insisting that the new amendments represent progress for Egypt, moving the country closer to lifting the Emergency Decree in effect since 1981. Indeed, a myriad of laws around this decree facilitated the repressive environment that has prevailed for decades. One law in particular, Article 188 of the Egyptian Penal Code, has been getting quite a workout lately. It stipulates punishment in the form of prison sentences and fines for anyone who “makes public—with malicious intent—false news, statements or rumors that [are] likely to disturb public order.”

Not surprisingly, Article 188 has direct consequences for Egypt’s independent media. While much of Egypt’s press is under state control, several privately owned newspapers have flourished since 2005, when the government, under intense domestic as well as U.S. pressure at the time, allowed some opposition parties to run in presidential and parliamentary elections. This year, however, with U.S. pressure no longer a reality and the press increasingly becoming a thorn in the government’s side, the state apparatus took swift action to silence independent journalism. Most dramatically, in September, 11 journalists were handed custodial sentences for “libeling” senior members of the ruling National Democratic Party (NDP). This crackdown on the press drew intense attention from the Egyptian public and the international media because, in an unprecedented move, four senior editors from various independent newspapers were fined and sentenced to one year custodial sentences. Less than two weeks later, the editor-in-chief and two journalists from another paper were given even harsher sentences.

Of the editors convicted, Ibrahim Eissa, editor of *Al-Dustour* newspaper and a vociferous critic of the regime, has learned that a further, more serious case against him is being pursued, under the charge of attempting to destabilize national security by spreading false information about President Mubarak’s health. Furthermore, by allegedly spreading those rumors, Eissa is accused of driving away foreign investment, resulting in the loss of \$350 million in the stock exchange. If convicted, he faces up to three years in jail.



A 2005 demonstration against the Mubarak government—photo by John Donoghue, GlobalAware

The use of Article 188 as a weapon in the assault on liberties has not stopped with the media. Just a few days after the conviction of the four editors, the same clause was used to hand out a one-year sentence to Kamal Abbas, coordinator of the Center for Trade Union and Workers’ Services (CTUWS). The case, filed by a member of the NDP, accused Abbas and his lawyer of “slander and defamation of character.” The accusation came following the reporting in CTUWS’s magazine, *Kalam Sinai’ia (Workers’ Talk)*, of financial and other irregularities in the running of a youth center chaired by the NDP member. Ironically, the allegations were corroborated by an internal investigation led by the youth center’s own Committee on Financial and Administrative Inspection, the results of which led to the dismissal of the NDP member and the center’s board of directors. Nevertheless, the courts went ahead with the conviction of the unionists. This was proof to many that the convictions had little to do with the official charges and more to do with recent bouts of labor unrest in Egypt.

For 17 years, CTUWS has provided an alternative to the government-controlled General Federation of Trade Unions, including critical legal counseling to workers, awareness-raising about workers’ rights, and reporting on labor-rights violations. The assault on CTUWS began earlier in the year, when the organization’s headquarters and several branches were closed down by the government for “security reasons.” Faiza Rady, writing in the October 11–17 edition of the Cairo-based *Al-Ahram Weekly*, noted that the prosecutions come at a time “when workers, long thought to have been neutralized by the government, are beginning once again to organize and act in the face of a resurgent privatization drive that threatens their livelihoods and rampant inflation that has steadily eaten into their ability to afford the basics necessary for a

dignified life." In this privatization drive, the U.S. has been a steady presence, providing through its Agency for International Development (USAID) approximately \$1.8 billion in cash transfers to the Egyptian government since 1992 for carrying out "reform-related activities, such as privatizing state-owned companies."

This leads to American-Egyptian relations more broadly and whether they have been impacted at all by the events of the past year. In June the U.S. House passed a fiscal 2008 appropriations bill that voted to withhold \$200 million of the Pentagon's \$1.3 billion Foreign Military Financing (FMF) package to Egypt, pending certification that Cairo has progressed in judicial reforms, police training, and the control of weapons smuggling into Gaza. Not long after, the Senate Appropriations Committee approved the original \$1.3 billion Pentagon request with no conditions. Earlier in June, a group of U.S. companies with significant Egypt-related defense trade programs launched Operation Pyramid to advocate congressional support, free of any conditions, for Egypt's 2008 FMF plan. Given that as a condition, U.S. military aid (with the exception of Israel) goes almost exclusively towards U.S. weapons purchases, it was not in the companies' interests for relations between the American and Egyptian administrations to deteriorate. More and more, it is looking like the defense contractors will get their wish. With the nightmare in Iraq continuing, Iran growing in influence, and last ditch efforts at brokering an Israeli-Palestinian agreement faltering, Egypt's support in the region is arguably more critical to Washington now than it has been in a long time.

In fact, Washington has recently moved to cement its military relationship with Cairo for years to come. In late July, a short time prior to their high-profile trip to the Middle East, Secretary of State Condoleezza Rice and Defense Secretary Robert Gates announced plans to provide billions of dollars over the next 10 years for ad-

vanced weapons purchases to the U.S.'s key allies in the region, including Egypt, which stands to get \$13 billion in military assistance. The main argument for the arms deal, in Rice's words, is "to give a chance to the forces of moderation and reform" in the face of Iranian influence in the region. As with the war in Iraq, Congress showed itself unwilling to check White House power. The main concern of the Democrat-headed Congressional committees which considered the proposal had little to do with the further militarization of a volatile region; rather, they simply wanted an assurance that the weapons packages would only be "defensive," posing no threat to the Israeli military.

Speaking to a Procter and Gamble gathering in Cairo at the height of the crackdown on labor and the media, U.S. ambassador to Egypt, Francis Ricciardone, declared that he sees "a country on the move.... What remains about Egypt," he went on to say, "is its stability, its safety and its security...what is new is the movement, activity, dynamism and excitement." He asked Egyptians to consider "the numerous benefits that our friendship brings" beyond aid, pointing to the flow between the two countries in trade and investment, which has increased by nearly 50 percent in both directions since 2001. Concluding, he affirmed, "We are very optimistic about you and your future." Naturally, Ricciardone made no mention of his own State Department assessment of the human rights situation in Egypt in its latest report on the subject, which states that "the [Egyptian] government's respect for human rights remained poor, and serious abuses continued in many areas."

For his part, George W. Bush used a speech to the UN General Assembly the same week as Ricciardone's remarks to urge others to join him in a broad "mission of liberation," reproaching the UN's Human Rights' Council for having "been silent on repression by regimes from Havana to Caracas to Pyongyang and Tehran." Cuba,

Zimbabwe, Sudan, North Korea, Iran, Syria, and Belarus were singled out as particularly heinous regimes, while the situation in Burma occupied center stage. Egypt on the other hand failed to garner a single mention. Once again, human rights proved to be relative as far as Washington is concerned. In the process of protecting its strategic interests in the Middle East, Washington made sure that 2007 turned out to be just another year in the life of America's friends in the region. **Z**



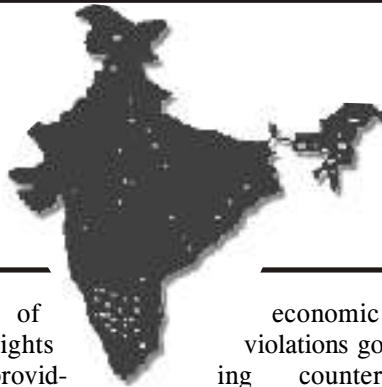
Cairo demonstration before the 2007 crackdown—photo by John Donoghue, GlobalAware

Sara Abbas has worked the past five years in international affairs and human rights, both at the UN as well as at not-for-profit organizations in the U.S., UK, and Sudan. She is currently an intern at the Nation magazine in New York.



Economies

India's Special Economic Zones



Socioeconomic blunders in the making

By Sriram Ananthanarayanan

No scheme of the Indian government has evoked as much controversy in recent years as the creation of Special Economic Zones (SEZs) for industry aimed at exports. This has resulted in the displacement of poor farm families and villagers, brutal land acquisition, and gross human rights violations by the state at the behest of private capital. In addition, there is the economic infeasibility of the plan, which is not discussed as much. When the economic arguments are deconstructed, it becomes evident that SEZs are nothing but a manifestation of the state's genuflection to private capital. The scheme is further invalidated when one observes the resistance to SEZs—resistance that has come in a variety of political hues and streams.

Addressing the economic rationale (and its obvious weaknesses) is important because it is always given by the powers that be as justification for any rights violations, i.e., it is okay if poor families are brutally displaced because the employment generated will be of a much larger magnitude; or some agricultural land must be acquired because the exports industries set up will help in economic growth; or exports catering to the international market are important to boost the economy; or fiscal breaks and labor deregulation are needed to attract investment; or investment is needed because there is insufficient capital in the country, which is further needed to expand the industrial base.

So the list ofifications for rights violations goes on. In addition to providing counter-arguments, another reason for examining the economic invalidity is to change the paradigm of the debate. Thus far, the argument in the mainstream Indian media has tended to revolve around displacement and compensation, with an unspoken sentiment that if adequate compensation was given there would be no problems with SEZs. The crux of the argument needs to change to address whether there is economic validity in SEZs.

Zones for export processing have been around for a while in India, but were still under a certain amount of regulation with respect to labor and taxes until about ten years into the liberalization era (post-1991). The government started looking at SEZs in 2000 to address what it



felt was insufficient capital in the country to increase industrial capacity and put India on an export-led growth path. This was a manifestation of the shift from an import-substitution model to an export-promotion one, as well as the veering of the state in favor of large private capital. The plan followed the supposed success of SEZs in other countries, especially China. It was felt that SEZs would address infrastructural deficiencies, procedural and bureaucratic hassles, as well as inbuilt legal protectionist measures raised by monetary, trade, fiscal, taxation, tariff, and, probably most important of all, labor policies. The gain, as promised by the Indian government, was the expected employment it would generate for local people and the technology transfer that would benefit domestic industry. Thus, the stated rationale was a wholly economic one and constituted, in a nutshell, economic growth led by mostly private investment capital and the promotion of exports. However, this economic rationale falls apart when examined.

While industrialization aimed at exports might be important, it has to be diversified in order to protect it from the whims of the international market. Past Indian SEZs have made neither a particularly high contribution to exports, nor are they diverse. In 2004-05, SEZs accounted for barely 5 percent of India's exports. Even if this trend improves, unit approvals for SEZs have come overwhelmingly in the IT sector. This concentration on one sector is always risky. This was evident in Sri Lanka, which had over 50 percent of its exports in the garment sector and soon collapsed with the end of the Multi-Fiber Agreement that had helped the country corner some of the market.

Furthermore, investment that is coming into SEZs because of tax breaks and labor deregulation will simply move on to the next most deregulated place at the drop of a hat. This happened with maquiladoras in Mexico when units in those zones closed due to capital flight to cheaper and more deregulated places like China. The same bodes for India as well in this proverbial race to the bottom. Investment for SEZs has overwhelmingly come from the private sector, which is far more unstable in terms of

long-term economic growth than the public sector and which is based on one mantra—the increase of profits.

While footloose investment and non-diversified exports characterizes the nature of industrialization in SEZs, their implementation features massive labor, fiscal, and environmental deregulation. Large corporations have always lobbied for this from the state, especially "labor flexibility," which is the benign term used by corporations. However, due to the relative strength of unions and other formations in India, this was impossible to implement throughout the country, which is why separate zones were required. This kind of deregulation places the "race to the bottom" between regions of the same country, as has been witnessed with many states in India falling over each other to set up SEZs with even more regional deregulation.

It is first of all a myth to think that labor deregulation is important for industrial productivity. Evidence from many erstwhile socialist countries shows that providing fair and safe work with proper employment conditions and benefits for workers improves productivity. The International Labor Organization (ILO) has also found that productivity is highest in countries with well-regulated labor relations systems and high wage growth. The real reason for deregulating labor is to further bolster the profit margins of big business, giving them an escape route from paying proper wages, ensuring adequate benefits, providing safe work environments, etc.

With regards to fiscal deregulation in order to attract investment, it's critical to understand that it is not the investment itself that is important, but the positive impacts of that investment. One of the most important impacts of investment resulting in growth is widening the tax base of the national exchequer, which can then be used for a variety of social security measures, public sector undertakings, public health systems, scientific research, public education, subsidies for farmers, further industrialization measures, and a host of other social programs. Many of these are the very areas that the government is supposedly trying to address through SEZs, such as widening the industrial base, research, infrastructure development, etc. The revenue loss coming from SEZs will amount to more than \$40 billion over the next 5 years, by some conservative estimates, and possibly much more. This money could feed the country's 320 million hungry people for a couple of years or provide employment to at least 2 members of every rural family for the next 5 years. The annual tax concessions envisaged originally in the SEZ proposals is five times the annual budget for the National Rural Employment Guarantee Scheme. To put this number fur-



ther in perspective, the allocations in the 2007-08 budget for Secondary Education is about \$900 million; for the Rajiv Gandhi National Drinking Water Mission \$1.4 billion; for the National Rural Health Mission \$2.4 billion; for the entire North-Eastern Region \$3.5 billion; and for women's development \$5.5 billion. It does not bode well for Indian society to take this kind of a fiscal blow to cater to private capital.

Among the stated benefits of the SEZ scheme has been an increase in employment and improvement in infrastructure. There is little evidence to suggest that either will happen with the SEZ plan. Employment generation is merely a guideline and not even a mandated requirement for approval. The employment claims are varied and dubious. They have ranged from 5 million jobs to 15 million in the next 4 years, to a foolhardy claim of 25 million jobs in the Mumbai SEZ alone, which is more than the total number of organized sector jobs created in the entire country in 15 years of liberalization. In April 2005 all the SEZs in the country combined were providing employment to a little over one million people. Some estimates show that there will be only one job created for every four taken away. Also, only a handful of skilled workers and staff are likely to benefit. The farm families and farm workers being displaced are hardly going to be considered for anything other than casual labor, if at all. This does not include the many other rural workers, such as artisans who, despite being displaced, are not considered eligible for employment in the SEZs. Private companies have always given impossible claims of employment growth. In Punjab, when Pepsico entered in the 1980s, it promised 50,000 jobs; in 1991 the Food Production Ministry acknowledged that it had created only 482. There is only one thing that concerns the holders of private capital and that's the further increase of profits. One of the best ways to do that, as already mentioned, is to chip away at the wage/benefits share meant for workers.

The SEZs have likewise seen no real infrastructure development except in real estate growth and speculation—the dominant private sector investment in SEZs—with a whopping 61 percent of developer approvals. It has already been reported from different areas that such land mafia are using the SEZs to carve up huge chunks of overpriced real estate. With the state all but withdrawing completely from these zones, the only infrastructure that is going to be created won't be for the public, but for tax-free profit. Even in terms of efficiency the SEZs have fallen short. In April 2007, of the 63 new SEZs, which were given approval since March 2006, none had yet developed infrastructure and started manufacturing. SEZs are completely sequestered enclaves and parallel institutions, so even if some infrastructure does develop, it is only going to benefit the main stakeholders. What is likely to then happen is the sprouting of little gated is-



lands to benefit the upper class. This is already on display in a place like Noida, the first SEZ on the outskirts of Delhi. Noida has good roads and adequate services, primarily catering to Delhi, but sucks up even more resources as investors pump money there while the rest of the area languishes.

The final argument given by Indian policy-makers for SEZs is the supposed Chinese success. The reality is that SEZs in China have resulted in arable land loss, inequities in development, rampant real estate speculation, labor violence and abuse, increasing crime including smuggling, sex trafficking, and child labor, as well as huge resource and environmental costs. SEZs were empowered to create their own land regulations, which resulted in the large-scale transfer of rural and arable land to developers, undoing all the gains of the revolution that protected farmers' land. Soon local provincial governments declared their own "development zones" for private industries and it went out of control. By 1993 there were 6,000-9,000 development zones with a built up area of more than all of China's cities combined. Lots of the construction lies idle at great cost to farm families. This has not happened quietly, as protests and spontaneous out-

bursts of anger happen every day in these regions. In 2004 the government admitted to 74,000 riots in the countryside. There has also been rampant abuse of labor, including 500,000 child laborers in Shenzhen alone, which is supposed to be the shining star of China's SEZ program. Companies have defaulted on wages or are paying well below minimum wages. Though unions are not allowed, there were 10,000 wildcat strikes in Shenzhen in 2006 alone. In addition China's pursuit of fast growth and resource consumption has resulted in an environmental time bomb, with over 20 percent of the population living in severely polluted areas and over 70 percent of the rivers and lakes in grim shape. This trend has resulted in an inequality index worse than India, when just three or four decades ago China had one of the most equitable societies in the world.

A very visible sign of the undemocratic, anti-people nature of the planned SEZs comes from the resistance—from peasant groups, farmers associations, trade unions, political parties, unaffiliated progressive movements, and the radical left. The widespread protests resulted in the federal government announcing a suspension of all land acquisition for establishing new SEZs in February 2007 until a new rehabilitation program for displaced people was realized. This temporary retreat on the part of the government represented a significant victory of sorts for the various movements and gave particular cheer for those believing in participatory democracy and people's enfranchisement.

In Raigad, Maharashtra many farmers' organizations came together to resist the SEZ being developed for Reliance. The movement started in early 2006 and gained the support of parliamentary left parties, trade unions, and other people's movements. Kalinganagar in Orissa bore

witness to a very militant agitation against the acquisition of land by the state for the MNC Posco (although not an SEZ). When the struggle was launched in January 2006, 13 people were killed in the village of Ambagodia. The movement is believed to be led by tribal villagers and staunchly supported by the radical left. The movement has since stood firm on its "no displacement" stand and refused to compromise or back down, hoping to merge with other similar movements.

The outskirts of Bangalore in Karnataka saw the beginning of a fledgling resistance movement in mid-2007. The movement was led by Karnataka Rajya Raitha Sangha, a large peasants' association, along with local left groups and various trade unions. A movement resisting the SEZ in Nandigram, West Bengal consisted primarily of local villagers and miscellaneous political fronts, including the more radical left. However, while the largest parliamentary left party, the Communist Party of India (Marxist), supported the resistance against many SEZs across the country, it was also serving as the ruling party in West Bengal and thus acquiring land for the SEZ in Nandigram (which they had to later back down from in the face of continued protests). With the SEZ in Jhajjar, Haryana, the resistance primarily came from local farmers who formed an umbrella committee to lead the struggle along with the support of some political parties.

The All India Trade Union Congress came out vociferously against a plan to set up an SEZ in Pondicherry, saying that the project would displace hundreds of farmers. Various movements and activists resisting the SEZs came together in June 2007 for a convention in Delhi which ended with the formation of an All India Committee Against SEZs and Forcible Acquisition of Land. The committee, consisting of experienced social activists and advised by prominent intellectuals supporting the movement, was formed to help develop and coordinate anti-SEZ movements throughout the country.

The SEZs have not been the only target of grassroots resistance. Similar activism is occurring in areas where land was acquired for different private companies in various regions—from Haryana to Karnataka, from Maharashtra to West Bengal. The movements have been varied, even disparate in nature and have often failed to sustain momentum or link up with larger struggles. But it is this variety that has exemplified the popular nature of resistance against SEZs—proof that a truly people-friendly and democratic industrialization alternative should be sought.

Z



Protest against SEZs in India countryside—photo from all4all.org

Sriram Ananthanarayanan is a member of the Boston-based Alliance for a Secular and Democratic South Asia.



Ken Burns's *The War*

By Ron Linville

Ken Burns has produced some remarkable documentaries, my personal favorites focusing on baseball, the civil war, Mark Twain, and the politics/friendship of Susan B. Anthony and Elizabeth Cady Stanton. To each of these works he brought a storyteller's sensibility, personalizing great themes or de-hagiografying the lives of great people.

Further, he has shown a tendency to stretch our understanding of oft-told histories exposing little-known but important ignored facts. *Baseball* dealt not only with the shame and glory of the negro leagues and with Ty Cobb's virulent racism, but also with both sides of the Black Sox scandal, and kept track of the players' generations-long efforts to organize a union. *The Civil War* went into (although perhaps not enough) Northern anti-war sentiment and Abraham Lincoln's politically calculated tardiness to the cause of abolition. None of these angles were news to professional historians, of course, or to baseball or civil war buffs, but given the mass marketing of Burns's work—most have been viewership windfalls for PBS—these truths found, for the first time, a much wider audience. No one who watched those two particular series, for instance, could ever again simply idolize Cobb or even Lincoln.

In *The War*, his latest and most ballyhooed production, Burns tackles WWII, the defining moment for what is popularly, and thus commercially, called "the Greatest Generation." Burns deserves praise for spending a decent amount of time on the issue of Japanese-American internment, al-

though the obscene exploitation and swindling that accompanied that displacement are downplayed, as are the protests and the overt racism that allowed neighbors to go along with this. You come away with the feeling that Executive Order 9066 was a rotten shame, alright, but it was unique to its time—never happened before or, goodness knows, since—when in fact this nation was built on forced relocation.

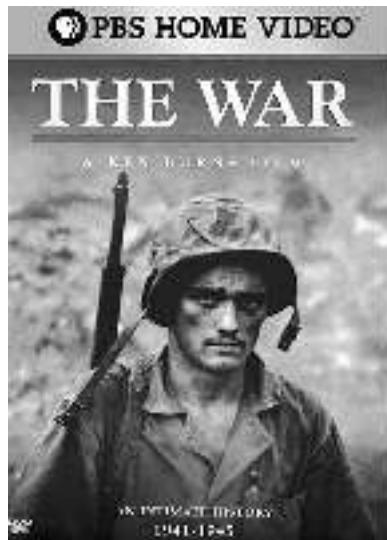
Where Burns remains strong is in presenting the picture of the small individual placed in a hellish situation, reluctantly but inescapably playing his/her part in the great drama. Near the end of the series, we hear a veteran relate how, nearly mad with exhaustion and terror and wishing beyond all things for sleep, he silently

of battles and generals and twice-told tales; history where the only "forces" are in uniforms. Britain miraculously withstood the Luftwaffe solely because of the pluck of its pilots (and God's favor), not because they had a working radar system that told them when enemy planes were coming. To his credit, there are themes that would not have appeared on my old TV—most startlingly, an admission that U.S. soldiers at times acted brutally and criminally against enemy soldiers. But even these specific instances are framed as payback for earlier enemy atrocities, rather than phenomena inherent to war and the inescapable result of the brutalization and dehumanization of military training.

True to his political bent, Burns feels obligated, early in his nine-hour opus, to make the case for WWII "being a necessary [and therefore good, by some lights] war." Herein lay the first of many traditionalist traps. All histories have to deal with the problem of origin and at the risk of adding another hour to the work, WWII's necessity, and therefore its goodness, are seriously compromised if its roots are not traced back at least to the dishonest and cruelly punitive Versailles Treaty, the Depression (which is mentioned only in a U.S. context, and briefly) and its catastrophic effects in Germany, the League of Nations' failure (significantly the U.S.'s fault), and Spain.

A WWII history that does not trace the politics and technologies (at the very least) to the Spanish revolution of 1936-39 is worthless. Burns spends less than a minute on it. Militarily, the new style of warfare known as the Blitzkrieg was honed in Spain, as well as the practice of carpet-bombing civilians. Perhaps Burns didn't dwell on that last because we "good guys" employed the bombing of civilian targets on an even more extensive, strategic basis than our enemies (and promptly outlawed it after we won).

Politically, Hitler was again raising the ante. Having gotten away



urges a wounded, moaning, but unreachable comrade to die—not for an end to that person's misery, but to his own sleeplessness—only later to discover that the now-dead man was his close friend.

All that having been said, I must report my severe disappointment with *The War*. This film is below standard in both form and content. Watching it, I had feelings of *déjà vu*, of Saturday afternoons spent watching old WWII documentaries heavy on chronology, skimming the captions out of the history texts, history as a catalog

with re-occupying the Rhineland in 1935, in express violation of the Versailles Treaty—by which the Allies were pre-authorized to expel him by force—he was pushing the war-weary West to see how far they would let him go. (The universal opinion of Hitler's general staff, and even Hitler himself, admitted later that the Germans would've had to “crawl back with our tails between our legs” had the allies intervened.) It is no longer considered radical to suggest that Spain, erupting a year later, presented the West's last good chance to stop fascism without a worldwide conflagration. Seen in this context, WWII was arguably a “necessary” war only if world history begins in 1939.

Spain demonstrates the danger of Burns's trying to steer a good war story away from politics. The rest of the capitalist world had been living fairly comfortably with fascism since 1922 when Mussolini took over Italy. Il Duce's imperial ambitions in Africa went unresponded to also, except verbally. But when Franco's Spanish fascists revolted against the legitimately elected liberal government and the popular defensive reaction morphed into a true revolution, so frightened were Western elites by “the threat of a good example” that, not only did the “democracies” fail to defend a modern, European democracy against a coup d'état, but they quickly and uniformly instituted a so-called “neutrality” policy, effectively blocking any significant material aid passing through Western ports. The sight of industrial workers not only temporarily “taking over” or “occupying” their workplaces—as was happening on the tumultuous 1930s labor scene elsewhere—and then running them as the new rightful owners gave Wall Street and its global partners nightmares.

An abiding and fanatical anti-communism fueled the malign neglect of Spain, making possible, in the early Cold War years following WWII, the oxymoronic phrase “premature anti-fascist” applied to individuals and groups who had tried to help Spain.

This rabid anti-communism also had its effects during the war when a certain senator from Missouri publicly expressed the wish that the

USSR and Nazi Germany should be allowed to destroy each other without our interference. I don't know if this attitude played any part in the Allies' postponement of the “second front” to relieve Nazi pressure on the USSR—Burns relates the standard Western rationale here—but it would have been nice to explore that possibility, especially considering that the senator was none other than Harry S. Truman. Small wonder that Stalin, certainly aware of the stated opinion of the man who would be across the table from him at Potsdam, should suspect Western motives.

A much-acclaimed feature of Burns's previous work has been his attention to sound and music. In particular, the haunting “Ashokan Farewell” of *The Civil War* has to be one of the most fitting music themes of all time, so much so that it seemed wrong that it was original music and not a traditional, period tune. In *The War*, the dirgelike music seems forced, not of the period, and its repetition is distracting rather than enhancing. At times it becomes inappropriately amusing in its predictability.

Burns also tries to adapt a framing device from *The Civil War* where he periodically checked in with two common soldiers, one from each side, to keep the “worm's eye view” alive. In *The War* the best he can do is to focus on four localities in the U.S. where a few characters pop up now and then. Although perhaps unavoidable, as no one person from each town was seemingly “everywhere”—the way Privates Elisha Hunt Rhodes and Sam Watkins were—our interest is too diffused for us to identify strongly with anyone. More troubling, in establishing a pre-war baseline of the nation's behavior and ambiance, Burns lets go unchallenged similar statements by a white man in Sacramento and an African American in Mobile, to the effect that “people got along fairly well” back then. Violent labor struggles? Jim Crow? Even with the black man's hasty qualification of “as long as you knew the rules,” these are astonishing statements to let slide.

And it is hard not to hear the triumphalism when, at the end of the series, Burns offers us the image of a

transformed United States, newly mature and ready to take its rightful place at the head of an empire. As though it were evolution, almost, or perhaps Manifest Destiny.

The most surprising, even shocking, let down had to do with Truman's decision to use the atomic bomb. Scholarship that strongly indicates, if not proves, that its use was political rather than military, is abundant and authoritative. Several works, plus the testimonies of a former president (and WWII general, Eisenhower) and a former CIA director, must be taken into account in any honest history of the war's end. Burns says absolutely nothing, but lines up veteran after veteran to say how relieved and grateful they were to not have to storm the Japanese home islands with horrendous loss of life all around. Those dire predictions and the consequent pro-bomb conclusion would have been reasonable, save for the (known to Washington) readiness of the Japanese to surrender precisely on the (de facto) terms they later did surrender on.

The Allies had publicly announced that only “unconditional surrender” was acceptable, but the one condition that the Japanese were holding out for, from mid-1945, was the preservation of the imperial institution. The idea that General MacArthur, as occupation proconsul, made a postwar, unilateral decision granting that “tiny” item is absurd. The war could have ended months earlier, without invasion and without nuclear horror. The U.S. wanted to use the bomb to send a postwar anti-valentine to the USSR, announcing its own new imperial role. That Burns passed on this perfect occasion, when he had the sympathetic ear of millions, to correct the record on this seminal decision—or at the very least explore it as an alternative explanation—is a tragic failing for a documentarian. One can only wonder if future funding was on his mind (sadly, an entirely reasonable worry).

Evidence that Burns's news was indeed “manufactured” doesn't stop there. Another major issue Burns neglects hits closer to home. Investigative reporting, starting immediately after the war with an official inquiry by the Army, brought to light illegal

business dealings with Hitler by major U.S. corporations, not only late enough to have already been morally questionable, but during the war, which was illegal (to say the least). Only after Pearl Harbor and the declaration of war on the U.S. by Germany and Italy four days later—over two years since WWII began—did General Motors, for example, relinquish day-to-day management of their German plants, which had been producing strictly military vehicles for months. GM, along with Ford, today disavows responsibility for arming Hitler and they have fought claims by surviving former slave-laborers used at their plants.

Of course, that didn't stop GM from (successfully) suing the U.S. government for bombing damages or from accepting their share of profits, held in escrow for them, as major stockholders, by the Nazis. Before each episode of *The War* series, a proud voice announces, "For over ten years, General Motors has been the sole corporate sponsor of the films of Ken Burns. We're proud of our association." But is Ken Burns? **Z**

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Book Reviews

Getting Off

Pornography and the End of Masculinity

By Robert Jensen

Cambridge, MA, South End Press, 2007, 196 pp.

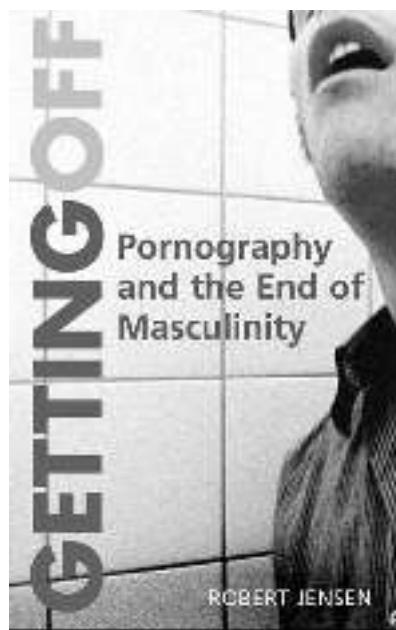
Review by Eleanor J. Bader

My husband tells me that when heterosexual men talk about women in the locker room, the conversation reeks of sexism. For example, his largely middle-aged comrades reject their intellectual and social equals—they argue that females over 30 are universally unattrac-

tive—and instead fixate on hot 20-somethings. When he tells them that he's happy with me, his partner of 23 years, he claims they visibly bristle.

It's certainly possible that this group is an aberration. But it may also be a clue to the magnitude of problems besetting male-female relations. University of Texas journalism professor Robert Jensen has been studying gender for more than 20 years and has been heavily influenced by Andrea Dworkin and Catherine McKinnon. Like them, he's a feminist activist who situates pornography at the center of America's penchant for violence and domination. While many of his arguments rehash their work, he also seeks to make the men who consume porn aware of the messages they're absorbing and asks them to assess why they are turned on by what they see.

Great questions. Sadly, *Getting Off* spends so much time chronicling the plots, sub-plots, and depictions in individual pornographic films—Jensen has apparently seen them all—that issues of gender competition and woman-hating get short shrift. In addition, Jensen's solutions for curbing our culture's anti-woman biases range from the nonsensical to the bizarre. First, he wants men to feel guilt—but not shame—about their porn use. "Shame names the feeling that one is bad, while guilt describes the recognition that one has done a



bad thing," he writes. "We need not reject the positive role of guilt by which one comes to see that an action was morally unacceptable."

Sounding eerily ministerial, Jensen thunders that men need to pursue the sexual pleasure that derives from deep intimacy between partners. Missing is the acknowledgement that not everyone wants a deep commitment, that some of us are perfectly content to love 'em and leave 'em.

What's more, Jensen's world view includes the "abolition of masculinity." At one point he goes so far as to write that he "chooses to renounce being a man." It's absurd. Jensen can be conscious of male privilege and can even attempt to forge non-chauvinistic relations with women. At the same time, he's still male; while there is a huge continuum of behaviors that fall under the arc of masculinity, renunciation seems pointless, if not wholly impossible. In the same way that Caucasians can refuse to benefit from white skin privilege, a quick look in the mirror will reveal that despite their anti-racist politics, they're still as white as they've always been. Likewise, fighting sexism is about ending male supremacy, not forcing men to morph into another species.

Even if you buy Jensen's argument about the centrality of pornography to women-bashing, the many other arenas in which sexism is expressed—from the sermons of religious leaders to fashion magazines—are left dangling. Yet for all that, Jensen's reminder—if we somehow forgot—that men bear the brunt of responsibility for perpetuating brutality and inequality against women, is worth repeating.

Still, I can't help wondering how Jensen's theories would resonate in the locker room. Might men agree to stay away from porn? Will guilt feelings surface and benefit them and their female companions? More importantly, will this improve conditions for women? Maybe I'm overly cynical, but I doubt it. At the same time, analyzing why most men are threatened by strong, smart women is essential if we're ever going to have a healthy body politic.

Yes, porn's depiction of women—in Jensen's words as "three holes and

two hands"—is often heinous. But the underlying issue of why men accept this portrayal as accurate requires a deep understanding of the psychological and political forces that shape identity. Challenging sexism and misogyny requires men to own up to both their power and their desires. It also requires women to be assertive, pushing the status quo toward inclusion and respect. Porn may play a role, but it's at best just the tip of a large and unwieldy iceberg. **Z**

Eleanor J. Bader is the co-author of *Targets of Hatred: Anti-Abortion Terrorism* (St. Martin's Press, 2001) and a contributor to *In These Times*, Library Journal, the NY Law Journal and the Progressive.

Dead Man in Paradise

Unraveling a Murder from a Time of Revolution

By J. B. MacKinnon

New York, the New Press, 2007, 272 pp.

The Art of Political Murder

Who Killed the Bishop?

By Francisco Goldman

New York, Grove Press, 2007, 416 pp.

Reviews by Vijay Prashad

Call it the curse of Columbus. The conquistadors came to what would be called the Americas in search of gold, god, and glory. Gold they found, eventually, and between the sword and the crucifix they brought God as well. It was harder to measure glory—to have one's name engraved on the landscape gives you posterity. But to get there, one would have to spill blood without mercy. David Stannard, in *American Holocaust* (1992), estimates that European violence along the hemisphere led to the death of about 100 million people. The curse of Columbus carried forward; the country named for him, Colombia, has an entire decade (1948-58) named La Violencia, when over 200,000 people died in what is politely called a "political feud."

Call it the curse of Washington. Whenever the people south of the Rio Grande tried to fashion their own destiny, Washington's powerful stood aside as the generals sent forth one set of the poor to kill another. The salvo begins against Mexico (1846) and Nicaragua (1850), and from then on it is a torrent. A hundred years later, in the 1950s, Washington's intellectuals provided a framework for the dominance of the generals—military modernization. Since few institutions were allowed to flourish in Latin America, Pentagon intellectuals argued, the military is the only one capable of bringing the promise of modernity. So, the U.S. government could, in good conscience, back the generals as the agents of history. Massacres were the lubricant for progress.

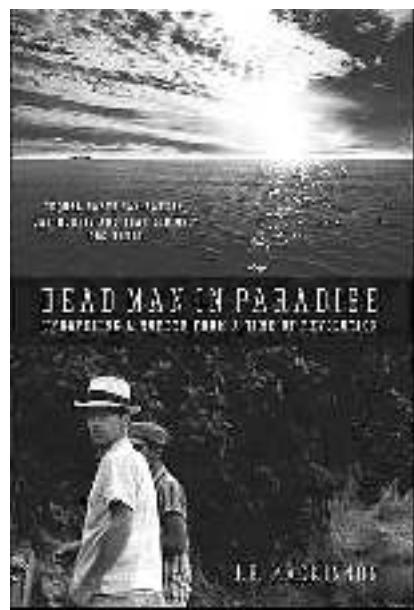
The contradictions of Catholicism intruded into Latin American history at around the time when socialist movements gained a fillip from the audacity of the Cuban Revolution. The Second Vatican Council (1962-65) elaborated on Pope John XXIII's 1961 encyclical that the church should concern itself with "man's daily life, with his livelihood and education, and his general temporal welfare and property." The inequalities of advanced capitalism, the pontiff continued, drove a wedge between the classes with wages so "insufficient even to the point of reaching starvation levels" and working

conditions such as "to be injurious to health, morality and religious faith." Between Castro and the Pope, people across Latin America, and their priests, felt the urge to move history from the barracks to the barrios.

Father Arthur MacKinnon of the Scarboro Foreign Mission Society felt that Castro was the leading danger to the world. Nonetheless, when MacKinnon, in his late 20s, arrived in the Dominican Republic in October 1960, he came with a sense of justice and an aversion to inequality. Three days into his sojourn, he wrote in his diary, "República Dominicana is a police state pure and simple—guards at every crossroad and soldiers everywhere. Life is cheap and freedom of speech practically nil." Could he have expected anything different?

Raised in the hardscrabble working-class landscape of Nova Scotia, Canada, MacKinnon instinctively felt for the Dominican workers and peasants. "Naturally the cry of the stomach overwhelms the interest of the soul, no matter how well meaning," the padre wrote in January 1962. "And can you morally force one to go to church on Sunday if he is ashamed to go because of the tattered rags he has for clothing?" Even for one wary of the Cuban example, the scale of suffering in the former plantation colonies of the Caribbean could not be overlooked. It became MacKinnon's spiritual guide.

Not long after he settled in, the Canadian padre, now Arthur to his flock, watched as the social democrat Juan Bosch Gavíño won a rare election. He was ousted in six months. Two years later, Bosch's legions rose against the military state and corralled the generals at their base (General Elías Wessin y Wessin and his tanks sat ominously silent in San Isidro, ready to strike). As the counter-revolution brewed in the late months of 1964, MacKinnon moved to the parish of Monte Plata. The army would not wait for an uprising so it arrested a number of young men from the town and its hinterland. MacKinnon went to San Isidro to demand their release. He had identified himself with the poor. The officers who saw him said, "You're a communist." He answered, "Not a com-



munist. I'm a man of the church." But the gap between the two meant little if the pulpit challenged the generals. A few days later, MacKinnon was shot to death in the company of two police, by their bullets and by that of a passing soldier. No investigation and no explanation followed his death. The Canadian vanished, except in the heart of scores of Dominicans.

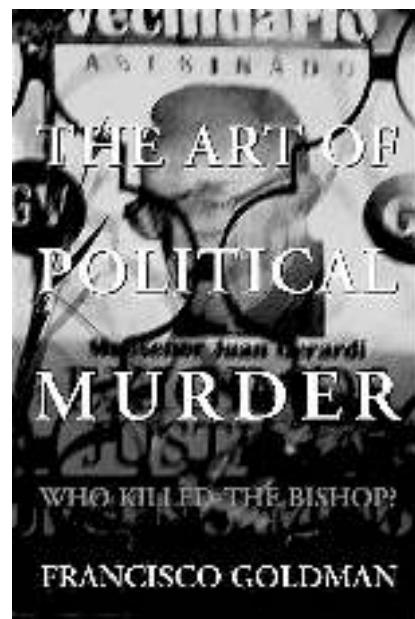
A generation later, Arthur's nephew, the journalist J.B. MacKinnon returned to find out what happened to his uncle. In an apartment in the western suburb of Santo Domingo, known as Kilometre Ten, MacKinnon met an old parishioner of Father Art. Juan María Ayala Regalo said, "When I heard you were looking for the story of your uncle, I was worried. I thought, here in this country, the truth costs a lot." Which is why, MacKinnon found out, he had a hard time chasing the story. His informants, many of whom have vivid memories of their priest, told him fragments of third-hand information. When he asked where they got their story, they replied, "Fulano told me" (Fulano equals whathisname). MacKinnon did not relent.

There is something naïve about his book, *Dead Man in Paradise*, which uses the futile search for the murderers and their motivation to tell the story of Father Arthur's short stay in the country and of the tragedy of the Dominican people. MacKinnon visits old friends of Father Arthur, whose memories are warm, but wanting. He avoids the various human rights organizations (such as the Instituto de Derechos Humanos Santo Domingo) in favor of his own investigation. His doggedness leads him to the homes of the generals, now older, apprehensive, but no less powerful. Wessen y Wessen is the leader of the Quisqueyan Christian Democratic Party. He won't see MacKinnon, but General Imbert will. Imbert shot Generallissimo Trujillo and took charge of the state after 1965. Imbert was the man who ran Operation Limpieza (Cleanup) from May 13 to May 21, 1965 when his forces, according to the U.S. government, "were successful in eliminating rebel resistance outside Ciudad Nuevo and silencing Radio Santo Domingo." All this was

done in the shadow of the arrival of the U.S. marines, whose intervention turned the tide against the rebels and on behalf of the generals. But Imbert has nothing for MacKinnon. "What time leaves behind," the general says to his young admirer, "remains to be forgotten."

On April 26, 1998, Father José Gerardi Conedera, head of the Guatemalan Archdiocese's Office of Human Rights (ODHA), was brutally killed in the driveway of his parish home. Gerardi had overseen the release of a remarkable document, the Archdiocesan Recovery of Historical Memory Project's (REMHI) "Guatemala: Never Again." Begun shortly after the 1996 peace accords, research for the 1,400-page document concluded that a war conducted by generals against the population claimed over 200,000 civilians. At a special mass to celebrate the release of the document, Gerardi said, "The REMHI project has been a door thrown open so that people can breathe and speak in liberty and for the creation of communities of hope." Bishop Gerardi was beaten to death with a concrete slab the next evening.

Francisco Goldman, a Guatemalan American, covered the investigation of the murder and the trial of those charged with the killing. Goldman, like the Dominicans who talked to MacKinnon, knew implicitly who



was responsible for his death. Gerardi spent his career fighting against the army, first in the highlands of Santa Cruz El Quiché, then in exile in Costa Rica, and finally through ODHA and REMHI. With the REMHI report done, Gerardi told his associates, "Now we know what happened, but we don't know who gave the orders." This is true as far as the substance of each killing is concerned, although it is clear who set the policy for Guatemala's tragedy. The U.S., for one, has intervened when it saw fit. In 1921 President Coolidge sent a message that President Carlos Herrera y Luna was not acceptable, so he was removed; in 1954, the CIA overthrew the popular nationalist Jacobo Arbenz Guzman. In 1965, the CIA, according to historian Greg Grandin, provoked Guatemala's own Operation Limpieza (Cleanup), a license for the army to kill communists and their supporters.

Goldman's book, *The Art of Political Murder*, is an exquisite collage of the legal, political, and social threads that collide at Gerardi's battered corpse. Those who conducted the murder not only killed Gerardi, but also left an array of clues to divert any potential investigation. Allegations of homosexuality and gang violence fogged up the evidence and fear of the army silenced many eyewitnesses.

Goldman's account purports to be a straightforward documentary of the investigation and the courtroom drama, but actually is about something else. Given the enormous social power of the military, the process of identifying the perpetrators and finding them guilty already works toward the reconstruction of Guatemalan society. It takes social courage to challenge people like the Limas (the Captain and Colonel, both of whom were eventually found guilty as accessories), Francisco Escobar Blas and Marco Tulio Espinosa, both in the elite intelligence unit during the "civil" war, and people in government such as the Presidents Alvaro Arzú Irigoyen and Efraín Ríos Montt, both knee deep in gore. The ODHA team, the journalists, and, significantly, the judges hold fast to prove that something other than the status quo is possible. In fear, law-

yers and investigators flee the country for enforced exile, but many of them return (crucially, Judge Yassmín Barrios, who flees to Spain, but returns to Guatemala's bench two weeks later). Goldman sees hope, as he writes of the judges, "They were too young to have been corrupted, demoralized, or made cynical." They are the future of his country.

The "dirty wars" that wracked Latin America through the 20th century are far from over. The scars linger. The people gradually attain enough confidence to live without a placet from the government, the army, and the Church. (Father Art and Bishop Gerardi don't exemplify the Catholic Church; there were also people such as Cardinal Manuel Arteaga of Havana, close friend of the dictator Batista, and Reverend Christian von Wernich, who was personally involved in the execution of people during the General's rule in Argentina.) Goldman's lawyers and activists are evidence of new beginnings, albeit through some very nerve-wracking struggles. At the trial, Captain Lima complained that he was the fall guy that ODHA wanted to "go after the others." Goldman interprets Lima's outrage: "For half a century the military's clandestine world had seemed impregnable," Goldman writes, "The Gerardi case has opened a path into that darkness." No more "Fulano told me." Now we need to name names. **Z**

Vijay Prashad's most recent book is The Darker Nations: A People's History of the Third World (2007). He teaches at Trinity College in Connecticut.

The Shock Doctrine: *The Rise of Disaster Capitalism*

By Naomi Klein

New York, Metropolitan, 2007, pp. 576

Review by Joshua Sperber

As with much scholarly political writing, Naomi Klein's *The Shock Doctrine: The Rise of Disaster Capitalism* is characterized by a deep schism divorcing its material from its

analysis. The content of *The Shock Doctrine* is outstanding, as Klein conducts a broad, rigorous, and richly informed survey of capitalism's creation and exploitation of disaster areas around the globe. From the CIA-backed overthrow of Allende to the ultimate imposition of neo-liberalism throughout the Southern Cone, Bolivia, Poland, Russia, China, South Africa, and Iraq, Klein describes how U.S.-led neo-liberal capitalism—inspired by Milton Friedman and his Chicago School disciples—rolled back social and economic advances via torture, death squads, and IMF-led "debt punishment."

The story is not new, as Alexander Cockburn notes in his review on Counterpunch. However, the book makes fascinating reading due to Klein's adept historicization of contemporary crises, such as the 2004 Asian Tsunami, Hurricane Katrina, and the 2003 war on Iraq. Her survey is equally enhanced by her ability to bring together an enormous amount of material within a cohesive analytical framework written in engaging and generally understated prose. Unfortunately, the weakness of this framework betrays the importance of her material.

The Shock Doctrine explicates contemporary capitalist ravages through the idea of shock therapy. In this interpretation, the important factor is that the imposition of neo-liberalism such as the IMF's notorious Structural Adjustment Programs—whereby high-interest loans to capital-starved countries are predicated on mandatory privatization and repeal of regulations and social welfare, as well as requiring restructuring toward single export economies, though Klein does not discuss this latter element—can best be understood as resulting and benefiting from events comparable to the trauma of administered shock. Deprived of its moorings following a crisis such as Pinochet's coup or the collapse of the USSR, public confusion is exploited in order to implement regressive economic policy that in other cases would spark popular outcry. Based partly on Ewen Cameron's 1950s sensory deprivation/overload shock experiments at McGill University—where a cali-

brated system of shocks was administered to "erase" memory as a precondition for psychiatric "healing"—the state application seeks to erase obstacles to profit, including the historical memory of whole societies.

As Cockburn argues, this thesis is limited, as it cannot account for the relatively peaceful implementation of neo-liberalism into the Indian economy or, for that matter, can it account for Bill Clinton's crisis-free attacks on the welfare state during the 1990s. Torture further constitutes a contrived metaphor, Cockburn continues, since one need only pay attention to the history of recurring primitive accumulation or the enclosure acts to see that capitalism has always

Whereas The Shock Doctrine provides an excellent description of contemporary capitalism, it largely fails to explain it

been a system of destruction and re-creation—a system of crisis.

Moreover, Klein's conception of a fundamental transformation in the economics of warfare following 9/11 is overstated. Previously, she writes, "The primary economic role of wars...was as a means to open new markets that had been sealed off and to generate postwar peacetime booms. Now wars and disaster responses are so fully privatized that they are themselves the new market." Yet this ignores, as she does throughout, that it was the Second World War's mass state spending for the nascent military industrial complex—and not the New Deal—that enabled the U.S. to emerge from the Depression. This military spending was so vital that the cessation of the war produced a great deal of concern over the effects of returning to a pre-Lend Lease economy. Thus, the permanent militarized economy and the Cold War were born.

Finally, Klein's description of "collective regression" following the 9/11 attacks is a simplification. While 9/11 did produce a reactionary backlash, it simultaneously created fis-

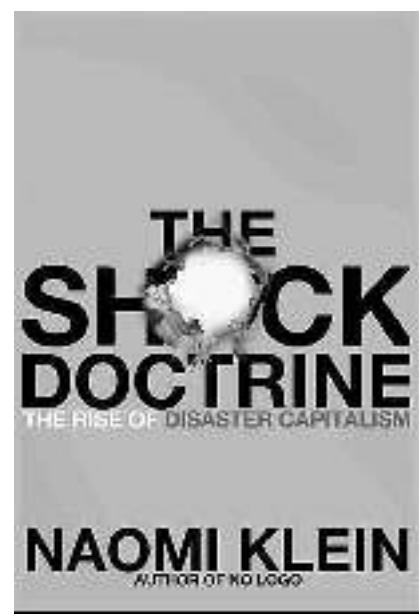
sures in the dominant national ideology, creating openings marked by uncharacteristically critical analyses in the corporate media while normally marginalized writers like Noam Chomsky reached the *New York Times* bestseller list.

Whereas *The Shock Doctrine* provides an excellent description of contemporary capitalism, it largely fails to explain it. Klein's erroneous conception of capitalism has her focusing on individual actors instead of larger transformations affecting the postwar economy. Her focus on Friedman, John Williamson, Jeffrey Sachs, and other economists, described as the self-serving ideologues they undoubtedly are, attributes the triumph of neo-liberalism to little more than the force of will of certain individuals—an incongruously conservative theory of historical transformation by an apparent radical. Klein's description of lifelong leftists who embraced Chicago School economics, such as Argentina's Carlos Menem and Bolivia's Victor Paz Estenssoro, indicates a primacy of economics rather than politics. The acceptance of neo-liberalism by other nominally liberal politicians like Clinton, Blair, and Schroeder further suggests that more was at work in the advent of neo-liberalism than the mere determination of individual ideologues.

Unbelievably, Klein omits any discussion of the 1973-4 global recession that triggered a fundamental transformation in the world economy. Described by Eric Hobsbawm as marking the end of the golden age of capitalism that had ruled since 1945, it was the 1973 recession that created the conditions for the resuscitation of laissez faire, hitherto discredited for its failure to respond to the Great Depression. It was not that laissez faire was now viewed as a panacea (save by some ideologues), but its long-standing demands to cut regulation and social spending—i.e., taxation (a crucial point Klein ignores)—achieved a new use value with the decline in profit. The post-1973 global climate was characterized by enhanced competition, dwindling markets, productive gluts, growing environmental ruination, and, as Immanuel Wallerstein describes in *The De-*

cline of American Power, the exhaustion of the historic surplus of rural labor, accelerating the long-term increase in taxes and wages. With strained outward growth, capitalism began to cannibalize itself. Less a response to good or bad politics than economic imperatives, neo-liberalism reduced taxation and provided new areas for investment.

This basic but oft ignored reality is what makes Klein's advocacy of Keynesian economics so disconcerting. This stance has no grasp of the unmanageable long-term costs that required its abandonment in the first place (Klein attributes its decline to political decision making following the end of the Cold War, which would seem to conflict with her description of early 1980s Thatcherism), while it dismisses the fact that, again, Keynesianism had little role in bailing capitalism out of the Great Depression. On a tactical level, advocating for Keynesian reform is also problematic. Klein accurately notes that the New Deal was intended to buy off increasingly radicalized workers and prevent the growing threat of revolution. By demanding Keynesianism and not revolution she has forfeited the bargaining leverage that allowed workers to win Keynesianism in the first place. More significantly, even if a return to Keynesianism were plausible it should be asked whether it is desirable.



Klein does not appear to recognize the fundamental and inevitable destructiveness of not just laissez-faire, but capitalism per se. Her quote of Ghandi decrying "the root of all evil—human greed" is a fallacy that obscures that capitalism's motor is perpetual expansion in general and economic survival within competition in particular; capitalism exploits, but hardly requires greed. Similarly, her description of Keynesian welfare as "generous" dismisses the point that under capitalism surplus value extracted from wage labor is the source of profit. Giving a pittance back should hardly be something to be congratulated.

Klein's defense of so-called mixed economies is buttressed by her dismissal of the state capitalism of the former USSR, which she incorrectly labels "state Communism" or "authoritarian Communism." Klein's failure to utilize Marx has her missing the fact that the USSR's transfer of private property to state hands and the resulting continuation of alienated labor characterized the Soviet system as something far more similar to U.S. capitalism than anything Marx supported. Her inability to critique alienated labor and private property—whether in corporate or national hands—results in vague assertions that "Markets need not be fundamentalist." This combination of belief in the positive potential of not only markets but the state, along with criticism of the logical manifestations of those institutions—a contradiction also found in works like Greg Grandin's *Empire's Workshop*, Mahmood Mamdani's *Good Muslim, Bad Muslim*, and David Harvey's *New American Imperialism*—is reflective of textbook liberal ideology: things can get better within the current system. They cannot. The physical environment alone and, therefore, the survival of the species, desperately requires the destruction of capitalism and its governing apparatus. Klein's impressive collection of data demonstrates the relentless rapaciousness of the status quo while promising more of the same. Z

Joshua Sperber is a freelance writer living in New York.

Events



EXHIBIT - Gaza Zoo, an exhibition of 40 prints by activist and artist Laray Polk at the Haley-Henman Gallery in Dallas, runs through January 5; hours, Wednesday-Saturday, 12-5 PM; Thursdays, until 8 PM by appointment.

Contact: Haley-Henman Gallery, 2335 Hardwick Street, Dallas, TX, 75208; 214-749-1277; info@haleyhenman.com; www.haleyhenman.com.



HR DAY - December 10 is Human Rights Day as declared by the United Nations. On that date in 1948, 48 members of the UN, including the United States, adopted the Universal Declaration of Human Rights. See the official website for this potentially revolutionary document in over 300 languages, along with related info and press.

Contact: OHCHR-UNOG, 8-14 Avenue de la Paix, 1211 Geneva 10, Switzerland; www.unhchr.ch/udhr.



DAY OF ACTION - The World Social Forum has called for a Global Day of Mobilization and Action on January 26, 2008, to feature educational events and demonstrations against corporate oligarchy and in favor of grassroots alternatives. This day was called instead of having a central WSF in 2008.

Contact: globalaction@wsf2008.net; www.wsf2008.net.

Proposals Wanted



LA FORUM - A Los Angeles Social Forum is being proposed for April 2008; planning meetings are open and ongoing in December and January and organizations are encouraged to attend and offer proposal ideas.

Contact: LA Social Forum, PO Box 79612, Los Angeles, CA 90079; 213-596-8226; info@lasocialforum.org; www.lasocialforum.org.



LEFT FORUM - The 2008 Left Forum is scheduled for March 14-16 at the Cooper Union in NYC and panel

proposals will be accepted through December 15.

Contact: Left Forum, c/o PhD Program in Sociology, CUNY Graduate Center, 365 Fifth Avenue, New York, NY 10016; 212-817-2003; leftforum@leftforum.org; www.leftforum.org.



EDUCATION - Proposals for the 2008 Rouge Forum Conference, "Education: Reform or Revolution?" will be accepted until December 15. The Rouge Forum—a group of educators, students, and parents seeking a democratic society—focuses on education this year, as one of the major socializing influences in our lives, hosted by Bellarmine University in Louisville, Kentucky, March 14-16.

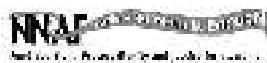
Contact: rougeforum@pipeline.com; www.rougeforum.org.

WORKING CLASS - The Center for Study of Working Class Life is accepting proposals until December 17 for its 2008 conference, "How Class Works," to be held at the State University of New York at Stony Brook, June 5-7, 2008. Guidelines for papers, presentations, and sessions available on the website.

Contact: www.workingclass.sunysb.edu.

Campaigns

ABORTION - In 1976, Congress passed the Hyde Amendment, which forbids federal funding for abortion. The only exceptions are in



cases of rape, incest, and danger to the life of the woman. We urge you to join the "Hyde-30 Years is Enough!" campaign demanding an end to this injustice.

Contact: Hyde-30 Years is Enough! Campaign, c/o the National Network of Abortion Funds (NNAF), 42 Seaview Ave., Boston, MA 02130; 617-524-6040; info@nnaf.org; www.hyde30years.nnaf.org.



FNB - Three city governments in the United States are trying to stop Food Not Bombs from publicly feeding the hungry and working for peace. Amnesty International has declared Food Not Bombs volunteers "Prisoners of Conscience" if convicted for their work.

Contact: Food Not Bombs, PO Box 424, Arroyo Seco, NM 87514; 800-884-1136; menu@foodnotbombs.net; www.foodnotbombs.net.



GIFTS - This holiday season, Leonard Peltier offers all his supporters an opportunity to give something back and honor the Lakota people. He respectfully requests your help making these holidays a little brighter and this winter

ZAPS

a little warmer for the children at the Pine Ridge Indian Reservation. Please send new toys, coats, socks, shoes, and clothing.

Contact: Leonard Peltier Holiday Gift Drive, C/O LPDC, 3800 N. Mesa #A2, El Paso, Texas 79902; 570-524-0749; info@leonardpeltier.net; www.leonardpeltier.net.

SOCIAL SECURITY - The 2007 Social Watch Report "In Dignity and Rights: Making the universal right to social security a reality" provides an overview of social security systems worldwide, with an approach that emphasizes the right of people to live in dignity with secure livelihoods.

Contact: Social Watch, Jackson 1136, Montevideo 11200, Uruguay; socwatch@socialwatch.org; www.socialwatch.org.



UNIONS - New Unionism is the collective name for unions who want to make change and set agendas, rather than just reacting to them.

Contact: NewUnionism.Net, Suite 7 Peel House, 30 The Downs, Altringham, Cheshire, WA142PX, UK; communications@newunionism.net; www.newunionism.net.

Organizations

ANARCHISM - The objective of the Institute for Anarchist Studies is to create an opening for voices of hope. Their work includes grants and editorial assistance to writers and translators documenting resistance, the Renewing the Anarchist Tradition conference, *Perspectives*—a broad-



based radical journal, the National Conference on Organized Resistance, and a new collaborative book series between AK Press and the IAS.

Contact: Institute on Anarchist Studies, PO Box 15586, Washington, DC 20003; info@anarchist-studies.org; www.anarchist-studies.org.

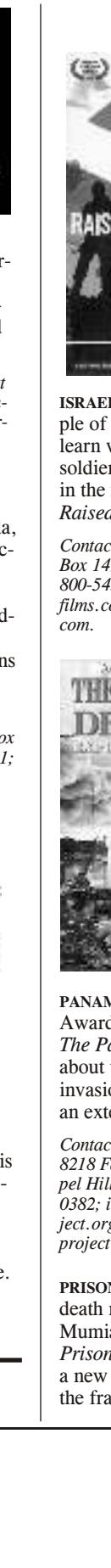
CENTRAL AMERICA - With its head office in Guatemala, Rights Action is a multi-faceted community development enviro- and human rights organization for funding people, communities, and human rights campaigns in Guatemala, Honduras, Mexico, and El Salvador.

Contact: Rights Action, PO Box 50887, Washington, DC 20091; 202-783-1123; info@rightsaction.org; www.rightsaction.org.



RADICAL SITE - Launched just before the protests against the Summit of the Americas in Quebec City, focusing first on real-time coverage, rabble.ca today is "news for rest of us"—articles, podcasts, book reviews, discussions, announcements, news links, art, and more. Always free.

Contact: information@rabble.ca; www.rabble.ca.



Films



ISRAEL - Through the example of Israeli Refuseniks we learn what happens when soldiers act out of conscience in the new documentary *Raised to Be Heroes*.

Contact: Bullfrog Films, PO Box 149, Oley, PA 19547; 800-543-3764; info@bulfrogfilms.com; www.bulfrogfilms.com.

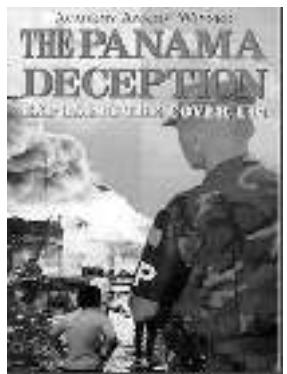


Contact: info@inprisonmywholelife.com; www.inprisonmywholelife.com.

VIETNAM WAR - *The Sixth Side of the Pentagon* is a chronicle of the 1967 Mobilization to End the War in Vietnam protest march on the Pentagon by documentary essayist Chris Marker.

Contact: First Run/Icarus Films, 32 Court Street, 21st Floor, Brooklyn, NY 11201; 718-488-8900; mailroom@frif.com; www.frif.com.

Books



PANAMA - The Academy Award winning documentary *The Panama Deception*, about the illegal 1989 U.S. invasion, is now available as an extended version DVD.

Contact: Empowerment Project, 8218 Farrington Mill Rd., Chapel Hill NC 27517; 919-928-0382; info@empowermentproject.org; www.empowermentproject.org.



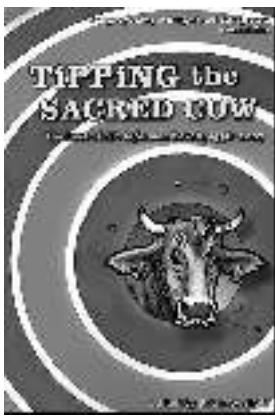
WAR - *War With No End* reveals the anti-war movement among America's literary community, showcasing a wide range of views on "the long war," from Arundhati Roy on the unsustainability of an "American way of life" to Naomi Klein on war as a lifestyle.

Contact: Verso Books, 180 Varick Street, New York, NY 10014; 212-807-9680; versony@versobooks.com; www.versobooks.com.

ZAPS

POETRY - Poets Against the Killing Fields is a new anthology by the Liberation Poetry Collective featuring ten poets who participated in a series of public anti-war readings in the Boston area over the past several years.

Contact: Trilingual Press, PO Box 391206, Cambridge, MA 02139; 617-331-2269; trilingualpress@tanbou.com; www.tanbou.com/trilingualpress.



CULTURE - For over a decade *LiP: Informed Revolt* concocted a deeply imaginative, iconoclastic mix of politics, culture, sex, and humor that took clear, sometimes uproarious aim at mass mediocracy and capitalist miserablism. *Tipping the Sacred Cow*, edited by Brian Awehali, is a collection of some of the best stories in its 11-year history.

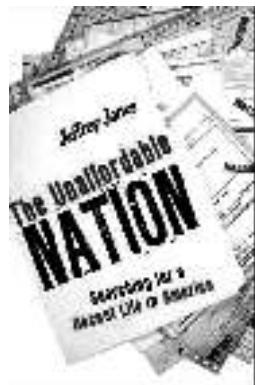
Contact: AK Press, 674-A 23rd St, Oakland, CA 94612; 510-208-1700; info@akpress.org; www.akpress.org.

HISTORY - In the historic *A Slave No More*, Yale University's David W. Blight tells the story of John Washington and Wallace Turnage, two slaves plotting their escape and then making their way as free men in a nation still raw from the Civil War.

Contact: Harcourt Trade Publishers, 15 East 26th St., New York, NY 10010; 800-543-1918; www.harcourtbooks.com.



CLASS - In *The Unaffordable Nation: Searching for a Decent Life in America*, Jeffrey Jones addresses the people of the U.S. in the most basic and equal of terms: in their capacities as working persons dependent upon their occupations, their employers, and the government.



Contact: Prometheus Books, 59 John Glenn Dr., Amherst, NY 14228; 800-421-0351; www.prometheusbooks.com.

GENDER - Jude Browne brings together prominent thinkers to address the elusive concept of *The Future of Gender*, addresses this crucial question with scholars from diverse backgrounds.

Contact: Cambridge University Press, 32 Avenue of the Americas, New York, NY 10013; 212-924-3900; www.cambridge.org/us.

ORGANIZING - In *Calling All Radicals: How Grassroots Organizers Can Help Save*

Our Democracy, Gabriel Thompson argues that we can reclaim our democracy in the old fashioned way: through grassroots organizing.

Contact: Nation Books, 387 Park Ave. S., New York, NY 10016; 212-822-0250; www.nationbooks.org.



FOREIGN POLICY - In *Black Mass: Apocalyptic Religion and the Death of Utopia*, John Gray offers a disquieting survey of contemporary right wing apocalyptic philosophy and politics currently holding and taking power in the West.

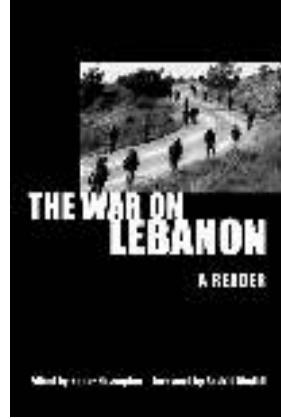
Contact: Farrar, Straus, Giroux, 19 Union Square West, New York, NY 10003; 888-330-8477; sales@fsgbooks.com; www.fsgbooks.com.

FOOD POLITICS - *Manifestos on the Future of Food & Seed* edited by Vandana Shiva is a pocket-sized col-



lection that grapples with these enormous questions, daring to imagine a food system and world that is sustainable, healthy, and ultimately just.

Contact: South End Press, 7 Brookline St. #1, Cambridge, MA 02139; 800-533-8478; www.southendpress.org.



LEBANON - *The War on Lebanon: A Reader*, edited by Nubar Hovsepian, offers a collection of essays examining the ethical, legal, and strategic issues of the conflict, and the regional and global consequences in the wake of the Israeli invasion.

Contact: Olive Branch Press, 46 Crosby St., Northampton, MA 01060; 1-800-238-LINK; info@intelinkbooks.com; www.interlinkbooks.com.

Corrections

The photo in the Vietnam Veterans Against the War Conference article in the October 2007 issue was misattributed to Bob Gronko. The photo was taken by Brooke Anderson.

The interview with Noam Chomsky in the November issue was conducted by Gabriel Matthew Schivone.

LAST CHANCE: Outrageous Offer

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We Own the World

a talk by Noam Chomsky

Chomsky looks at government corporate policies over the years. These policies, Chomsky argues, violate laws, involve imperialism, conspire involving assassinations, and the killing of innocent civilians on a mass scale. Yet, elites still lay claim to the U.S. being just, democratic, and benevolent. How can they do this? As Chomsky refutes over and over, they can do it only if they (and we) keep the basic assumption that "we own the world"—and therefore have the right to do whatever we want. Filmed June 2007 at Z Media Institute. 90 mins.



Revolution Or Submersion: The Politics of Global Warming

a talk by Brian Tokar

Tokar, an ecologist, activist, and social theorist, joins other popular discussers of today's looming ecological crisis and explores why they are asking in political conference or a systemic critique of the causes. As a result people are told that "lifestyle changes and market mechanism are the only way to solve the problem of climate disruptions, toxic pollution, and destruction of ecosystems." He points to the necessary movement to create for a new alternative. Filmed at ZMT 2007. 70 mins.



Liberating Gender & Sexuality

a United States Social Forum plenary

Imani Perry, Min Mingus, Belinda Martinez, Lorelei J. Ross, Andrien Smith, and Suzanne Pharr discuss the importance of integrating gender and sexual justice across movement for social change. Panelists speak about institutionalized and domestic violence, including growing political repression and poverty that women and gay, lesbian, bisexual, and transgender people have resisted by defending their rights and creating new organizations for justice. Filmed June 30, 2007. 60 mins.



Who You Calling a Bitch?:

Women of Color Fight Back Against Sexism and Racism in Media

a talk by Rosa Clemente

Rosa Clemente discusses the importance of Hip Hop culture and its expression of social reality for Black and Latino/Latina urban youth. In that context, she examines the situation for women, particularly women of color as they interact with an often patriarchal, sexist culture. She looks at some of the gains young women have made in their struggle to be express themselves through Hip Hop. Filmed June 7 at Z. Media Institute. 60 mins.



From SDS to Life After Capitalism

A conversation with Michael Albert & Noam Chomsky



Inspired by the Spring 2007 release of Michael Albert's book *Remembering Tomorrow*, Chomsky and Albert got together in early May at MIT—with Amy Goodman as moderator—to reminisce about the past as it provides lessons for future activism. Chomsky was on the faculty at MIT when Albert was a student organizer there in 1967-68. Also included is an interview with Albert about his experiences, as well as a Q&A session with three current student activists about lessons from past SDS and campus organizing. 105 minutes.



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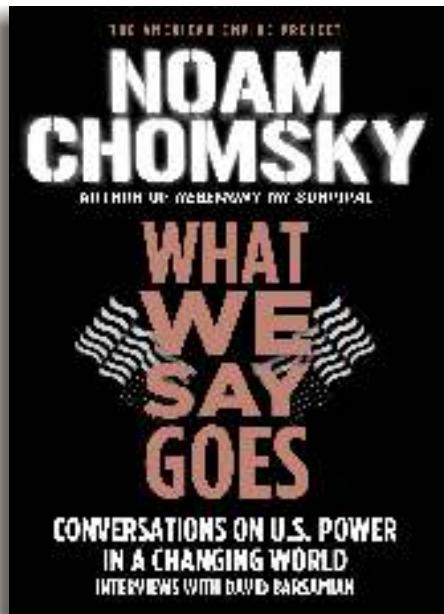
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The latest volume from a long-established, trusted partnership, **WHAT WE SAY GOES** shows once again that no interlocutor engages with Chomsky more effectively than David Barsamian. These interviews will inspire a new generation of readers, as well as longtime Chomsky fans eager for his latest thinking on the Many crises we now confront, both at home and abroad. They confirm that Chomsky is an unparalleled resource for anyone seeking to understand our world today.

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