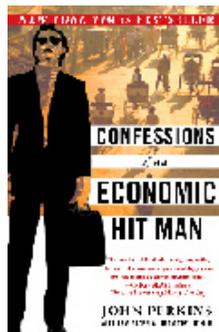


Confessions of an Economic Hit Man

By John Perkins

Preface



Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, U.S. Agency for International Development, and other foreign “aid” organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization.

I should know; I was an EHM.

I wrote that in 1982, as the beginning of a book with the working title *Conscience of an Economic Hit Man*. The book was dedicated to the presidents of two countries, men who had been my clients, whom I respected and thought of as kindred spirits—Jaime Roldós, president of Ecuador, and Omar Torrijos, president of Panama. Both had just died in fiery crashes. Their deaths were not accidental. They were assassinated because they opposed that fraternity of corporate, government, and banking heads whose goal is global empire. We EHMs failed to bring Roldós and Torrijos around, and the other type of hit men, the CIA-sanctioned jackals who were always right behind us, stepped in.

I was persuaded to stop writing that book. I started it four more times during the next twenty years. On each occasion, my decision to begin again was influenced by current world events: the U.S. invasion of Panama in 1980, the first Gulf War, Somalia, and the rise of Osama bin Laden. However, threats or bribes always convinced me to stop.

In 2003, the president of a major publishing house that is owned by a powerful international corporation read a draft of what had now become *Confessions of an Economic Hit Man*. He described it as “a riveting story that needs to be told.” Then he smiled sadly, shook his head, and told me that since the executives at world headquarters might object, he could not afford to risk publishing it.

He advised me to fictionalize it. “We could market you in the mold of a novelist like John Le Carre or Graham Greene.”

But this is not fiction. It is the true story of my life. Amore courageous publisher, one not owned by an international corporation, has agreed to help me tell it.

This story must be told. We live in a time of terrible crisis—and tremendous opportunity. The story of this particular economic hit man is the story of how we got to where we are and why we currently face crises that seem insurmountable. This story must be told because only through understanding our past mistakes will we be able to take advantage of future opportunities, because 9/11 happened and so did the second war in Iraq, because in addition to the three thousand people who died on September 11 at the hands of terrorists, another twenty-four thousand died from hunger and hunger-related causes. In fact, twenty-four thousand people die every single day because they are unable to obtain life-sustaining food. Most importantly, this story must be told because today, for the first time in history, one nation has the ability, the money, and the power to change all this. It is the nation where I was born and the one I served as an EHM: the United States of America.

What finally convinced me to ignore the threats and bribes?

The short answer is that my only child, Jessica, graduated from college and went out into the world on her own. When I recently told her that I was considering publishing this book and shared my fears with her, she said, “Don't worry, dad. If they get you, I'll take over where you left off. We need to do this for the grandchildren I hope to give you someday!”

The longer version relates to my dedication to the country where I was raised, my love for the ideals expressed by our founding fathers, my deep commitment to the American republic that today promises “life, liberty, and the pursuit of happiness” for all people, everywhere, and to my determination after 9/11 not to sit idly by any longer while EHMs turn that republic into a global empire. That is the skeleton version of the long answer; the flesh and blood are added during the chapters that follow.

This is a true story. I lived every minute of it. The sights, the people, the conversations, and the feelings I describe were all a part of my life. It is my personal story and yet it happened within the larger context of world events that have shaped our history, brought us to where we are today, and form the foundation for our children's futures. I have made every effort to present these experiences, people, and conversations accurately. Whenever I discuss historical events or re-create conversations with other people, I do so with the help of several tools, including published documents; personal records and notes; recollections—my own and those of others who participated; the five manuscripts I began previously; and historical accounts by other authors, most notably recently published ones that disclose information that formerly was classified or otherwise unavailable. Footnotes and references are provided to allow interested readers to pursue these subjects in more depth.

My publisher asked whether we actually referred to ourselves as economic hit men. I assured him that we did, although usually only by the initials. In fact, on the day in 1971 when I began working with my teacher Claudine, she informed me,

“My assignment is to mold you into an economic hit man. No one can know about your involvement—not even your wife.” Then she turned serious. “Once you're in, you're in for life.” After that she seldom used the full name, we were simply **EHMs**.

Claudine's role is a fascinating example of the manipulation that underlies the business I had entered. Beautiful and intelligent, she was highly effective; she understood my weaknesses and used them to her greatest advantage. Her job was typical of the cogs that keep the system on track. Claudine pulled no punches when describing what I would be called upon to do. My job, she said, was “to encourage world leaders to become part of a vast network that promotes U.S. commercial interests. In the end, those leaders become ensnared in a web of debt that ensures their loyalty. We can draw on them whenever we desire—to satisfy our political, economic, or military needs. In turn, they bolster their political positions by bringing industrial parks, power plants, and airports to their people. The owners of U.S. engineering and construction companies become fabulously wealthy.”

Today we see the results of this system run amok. Executives at our most respected companies hire people at near-slave wages to toil under inhuman conditions in Asian sweatshops. Oil companies wantonly pump toxins down rain forest rivers, consciously killing people, animals, and plants and committing genocide among ancient cultures. The pharmaceutical industry denies life-saving medicines to millions of HIV-infected Africans. Twelve million families in our own United States worry about their next meal. The energy industry creates an Enron. The accounting industry creates an Andersen. The income ratio of the one-fifth of the world's population in the wealthiest countries to the one-fifth in the poorest went from 30:1 in 1960 to 74:1 in 1995. The United States spends over \$87 billion conducting a war in Iraq while the United Nations estimates that for less than half that amount we could provide clean water, adequate diets, sanitation services, and basic education to every person on the planet.

And we wonder why terrorists attack us?

Some would blame our current problems on an organized conspiracy. I wish it were so simple. Members of a conspiracy can be rooted out and brought to justice. This system, however, is fueled by something far more dangerous than conspiracy. It is driven not by a small band of men but by a concept that has become accepted as gospel: the idea that all economic growth benefits humankind and that the greater the growth, the more widespread the benefits. This belief also has a corollary: that those people who excel at stoking the fires of economic growth should be exalted and rewarded, while those born at the fringes are available for exploitation.

The concept is, of course, erroneous. We know that in many countries economic growth benefits only a small portion of the population and may in fact result in increasingly desperate circumstances for the majority. This effect is reinforced by the corollary belief that the captains of industry who drive this system should enjoy a special status, a belief that is the root of many of our current problems and perhaps is also the reason that conspiracy theories abound. When men and woman are rewarded for greed, greed becomes a corrupting motivator. When we equate the gluttonous consumption of the earth's resources with a status approaching sainthood, when we teach our children to emulate people who live unbalanced lives, and when we define

huge sections of the population as subservient to an elite minority, we ask for trouble. And we get it.

In their drive to advance the global empire, corporations, banks, and governments (collectively the corporatocracy) use their financial and political muscle to ensure that our schools, businesses, and the media support both the fallacious concept and its corollary. They have brought us to a point where our global culture is a monstrous machine that requires exponentially increasing amounts of fuel and maintenance, so much so that in the end it will have consumed everything in sight and will be left with no choice but to devour itself.

The corporatocracy is not a conspiracy, but its members do endorse common values and goals. One of corporatocracy's most important functions is to perpetuate and continually expand and strengthen the system. The lives of those who “make it,” and their accouterments—their mansions, yachts, and private jets—are presented as models to inspire us all to consume, consume, consume. Every opportunity is taken to convince us that purchasing things is our civic duty, that pillaging the earth is good for the economy and therefore serves our higher interests. People like me are paid outrageously high salaries to do the system's bidding. If we falter, a more malicious form of hit man, the jackal, steps to the plate. And if the jackal fails, then the job falls to the military.

This book is the confession of a man who, back when he was an EHM, was part of a relatively small group. People who play similar roles are more abundant now. They have more euphemistic titles, and they walk the corridors of Monsanto, General Electric, Nike, General Motors, Wal-Mart, and nearly every other major corporation in the world. In a very real sense, *Confessions of an Economic Hit Man* is their story, as well as mine.

It is your story too, the story of your world and mine, of the first truly global empire. History tells us that unless we modify this story, it is guaranteed to end tragically. Empires never last. Every one of them has failed terribly. They destroy many cultures as they race toward greater domination, and then they themselves fall. No country or combination of them can thrive in the long term by exploiting others.

This book was written so that we may take heed and remold our story. I am certain that when enough of us become aware of how we are being exploited by the economic engine that creates an insatiable appetite for the world's resources and that results in systems that foster slavery, we will no longer tolerate it. We will reassess our role in a world where a few swim in riches and the majority drown in poverty, pollution, and violence. We will commit ourselves to navigating a course toward compassion, democracy, and social justice for all.

Admitting to a problem is the first step toward finding a solution. Confessing a sin is the beginning of redemption. Let this book, then, be the start of our salvation. Let it inspire us to new levels of dedication, and drive us to realize our dream for balanced and honorable societies.

Prologue

Quito, Ecuador's capital, stretches across a volcanic valley high in the Andes, at an altitude of nine thousand feet. Residents of this city, which was founded long before Columbus arrived in the Americas, are accustomed to seeing snow on the surrounding peaks, despite the fact that they live just a few miles south of the Equator.

The city of Shell, a frontier outpost and military base hacked out of Ecuador's Amazon jungle to service the oil company whose name it bears, is nearly eight thousand feet lower than Quito. A steaming city, it is inhabited mostly by soldiers, oil workers, and the indigenous people from the Shuar and Kichwa tribes who work for them as prostitutes and laborers.

To journey from one city to the other, you must travel a road that is both tortuous and breathtaking. Local people will tell you that during the trip you experience all four seasons in a single day.

Although I have driven this road many times, I never tire of the spectacular scenery. Sheer cliffs punctuated by cascading waterfalls and brilliant bromeliads, rise up one side. On the other side, the earth drops abruptly into a deep abyss where the Pastaza River, a headwater of the Amazon, snakes its way down the Andes. The Pastaza carries water from the glaciers of Cotopaxi, one of the world's highest active volcanoes, and a deity in the time of the Incas, to the Atlantic Ocean more than three thousand miles away.

In 2003, I left Quito in a Subaru Outback and headed for Shell on a mission that was like no other I had ever accepted. I was hoping to end a war I had helped create. As is the case with so many things we EHMs must take responsibility for, it is a war that is virtually unknown anywhere outside the country where it is fought. I was on my way to meet with the Shuar, the Kichwa, and their neighbors, the Achuar, Zaparos, the Shiwiars—tribes determined to prevent our oil companies from destroying their homes, families, and lands, even if it means they must die in the process. This is a war that for them is about the survival of their children and cultures, while for us it is about power, money, and natural resources. It is one part of the struggle for world domination and the dream of a few greedy men—global empire.

That is what we EHMs do best: we build a global empire. We are an elite group of men and women who utilize international financial organizations to foment conditions that make other nations subservient to the corporatocracy that runs our biggest corporations, our government, and our banks. Like our counterparts in the Mafia, we provide favors. These take the form of loans to develop infrastructure—electric generating plants, highways, ports, airports, or industrial parks. One condition of such loans is that engineering and construction companies from our own country must build all these projects. In essence, most of the money never leaves the United States; it is simply transferred from banking offices in Washington to engineering offices in New York, Houston, or San Francisco.

Despite the fact that the money is returned almost immediately to corporations that are members of the corporatocracy (the creditors), the recipient country is required to pay it all back, principal plus interest.

If an EHM is completely successful, the loans are so large that the debtor is forced to default on its payments after a few years. When this happens, like the Mafia, we demand our pound of flesh, which often includes one or more of the following: control over United Nations votes, the installations of military bases, or access to precious resources, like oil or the Panama Canal. Of course, the debtor still owes us the money—and another country is added to our global empire.

Driving from Quito toward Shell on this sunny day in 2003, I thought back thirty-five years to the first time I arrived in this part of the world. I had read that although Ecuador is only about the size of Nevada, it has more than thirty active volcanoes, over 15 percent of the world's bird species, and thousands of as-yet unclassified plants, and that it is a land of diverse cultures where nearly as many people speak ancient indigenous languages as speak Spanish. I found it to be fascinating and certainly exotic; yet, the words that kept coming to mind back then were pure, untouched, and innocent.

Much has changed in thirty-five years.

At the time of my first visit in 1968, Texaco had only just discovered petroleum in Ecuador's Amazon region. Today, oil accounts for nearly half the country's exports. A trans-Andean pipeline, built shortly after my first visit has since leaked over a half million barrels of oil into the fragile rain forest—more than twice the amount spilled by the Exxon Valdez. Today, a new \$1.3 billion, 300-mile pipeline constructed by an EHM-organized consortium promises to make Ecuador one of the world's top ten suppliers of oil to the United States. Vast areas of rain forest have fallen, macaws and jaguars have all but vanished, three Ecuadorian indigenous cultures have been driven to the verge of collapse, and pristine rivers have been transformed into flaming cesspools.

During this same period, the indigenous cultures began fighting back. As one result, on May 7, 2003, a group of American lawyers representing more than thirty thousand indigenous Ecuadorian people filed a \$1 billion lawsuit against Chevron Texaco Corp. The suit asserts that between 1971 and 1992 the oil giant dumped into open holes and rivers over four million gallons per day of toxic wastewater, contaminated with oil, heavy metals, and carcinogens, and that the company left behind nearly 350 uncovered waste pits that continue to kill both people and animals.

Outside the window of my Outback, great clouds of mist rolled in from the forests and up the Pastaza's canyons. Sweat soaked my shirt and my stomach began to churn, but not just from the intense tropical heat and the serpentine twists in the road. Knowing the part I had played in destroying this beautiful country was once again taking its toll. Because of me and my fellow EHMs, Ecuador is in far worse shape today than before we introduced her to the miracles of modern economics, banking, and engineering. Since 1970—during this period known euphemistically as the oil Boom—the official poverty level grew from 50 to 70 percent, under- or unemployment increased from 15 to 70 percent, and public debt increased from \$240 million to \$16 billion. Meanwhile, the share of national resources allocated to the poorest segments of the population declined from 20 to 6 percent.

Unfortunately, Ecuador is not the exception. Nearly every country we EHMs have brought under the global empire's umbrella has suffered a similar fate.

The Subaru slowed as it meandered through the streets of the beautiful resort town of Baños, famous for the hot baths created by underground volcanic rivers that flow from the highly active Mount Tungurahua. Children ran along beside us, waving and trying to sell us gum and cookies. Then we left Baños behind. The spectacular scenery ended abruptly. The Subaru sped out of paradise and into a modern vision of Dante's Inferno.

A gigantic monster reared up from the river, a mammoth gray wall. Its dripping concrete was totally out of place, completely unnatural and incompatible with the landscape. Of course, seeing it there should not have surprised me. I knew all along that it would be waiting in ambush. I had encountered it many times before and in the past had praised it as a symbol of EHM accomplishments. Even so, it made my skin crawl.

That hideous, incongruous wall is a dam that blocks the rushing Pastaza River, diverts its waters through huge tunnels bored into the mountain, and converts their energy to electricity. This is the 156-megawatt Agoyan Hydroelectric Project. It fuels the industries that make a handful of Ecuadorian families wealthy, and it has been the source of untold suffering for the farmers and indigenous people who live along the river. This hydroelectric plant is just one of many projects developed through my efforts and those of other EHMs. Such projects are the reason Ecuador is now a member of the global empire, and also the reason why the Shuar, the Kichwa, and their neighbors have declared war on our oil companies.

Because of EHM projects, Ecuador is awash in foreign debt and must devote an inordinate share of its national budget to paying this off, instead of using its capital to help the millions of its citizens officially classified as dangerously impoverished. The only way Ecuador can buy down its foreign obligations is by selling its rain forests to the oil companies. Indeed, one of the reasons the EHMs set their sights on Ecuador in the first place was because the sea of oil beneath its Amazon region is believed to rival the oil fields of the Middle East. The global empire demands its pound of flesh in the form of oil concessions.

These demands became especially urgent after September 11, 2001, when Washington feared that Middle Eastern supplies might cease. On top of that, Venezuela, our third-largest oil supplier, had elected a populist president, Hugo Chavez, who took a strong stand against what he referred to as U.S. imperialism; he threatened to cut off oil sales to the United States. The EHMs had failed in Iraq and Venezuela. But we had succeeded in Ecuador; now we would milk it for all it is worth.

Ecuador is typical of countries around the world that EHMs have brought into the economic-political fold. For every \$100 of crude taken out of the Ecuadorian rain forests, the oil companies receive \$75. Of the remaining \$25, three quarters must go to paying off the foreign debt. Most of the remainder covers military and other government expenses— which leaves about \$2.50 for health, education, and programs aimed at helping the poor. Thus, out of every \$100 worth of oil torn from the Amazon, less than \$3 goes to the people who need the money most, whose lives have been so adversely impacted by the dams, the drilling, and the pipelines, and who are dying from lack of edible food and drinkable water.

Every one of those people—millions in Ecuador, billions around the planet—is a potential terrorist. Not because they believe in communism or the tenets of anarchism, nor because they are intrinsically evil, but simply because they are desperate. Looking at this dam, I wondered—as I have so often in so many places around the world—when these people would take action, like the Americans against England in the 1770s or Latin Americans against Spain in the early 1800s.

The subtlety of this modern empire-building puts the Roman centurions, the Spanish conquistadors, and the eighteenth- and nineteenth-century European colonial powers to shame. We EHMs are crafty; we learned from history. Today we do not carry swords. We do not wear armor or clothes that set us apart. In countries like Ecuador, Nigeria, and Indonesia, we dress like local schoolteachers and shop owners. In Washington and Paris, we look like government bureaucrats and bankers. We appear humble, normal. We visit project sites and stroll through impoverished villages. We profess altruism, talk with local papers about the wonderful humanitarian things we are doing. We cover the conference tables of government committees with our spreadsheets and financial projections, and we lecture at the Harvard Business School about the miracles of macroeconomics. We are on the record, in the open. Or so we portray ourselves, and so are we accepted. It is how the system works. We seldom resort to anything illegal because the system itself is built on subterfuge, and the system is by definition legitimate.

However—and this is a very large caveat—if we fail, an even more sinister breed steps in, ones we EHMs refer to as the jackals, men who trace their heritage directly to those earlier empires. The jackals are always there, lurking in the shadows. When they emerge, heads of state are overthrown or die in violent “accidents.” And if by chance the jackals fail, as they failed in Afghanistan and Iraq, then the old models resurface. When the jackals fail, young Americans are sent in to kill and die.

As I passed the monster, that hulking mammoth wall of gray concrete rising from the river, I was very conscious of the sweat that soaked my clothes and the tightening of my intestines. I headed on down into the jungle to meet with the indigenous people who are determined to fight to the last man in order to stop this empire I helped create, and I was overwhelmed with feelings guilt.

How, I asked myself, did a nice kid from rural New Hampshire ever get into such a dirty business?

Here is an excerpt from Greg Palast's new book. I find it gripping, provocative, inspiring -- a modern Declaration of Independence, this book exposes the abuses of today's global Empire and calls on us to take action. Palast challenges us to replace a system he describes as "un-American" with one that will create a sane, equitable, and sustainable world for our children. This segment is about Ecuador -- a place I know well, and Palast's investigation exposes a story that must be told.

--John Perkins

THE ELECTRO-DOLLAR RIOTS IN ECUADOR

from "ARMED MADHOUSE: Who's Afraid of Osama Wolf?, China Floats Bush Sinks, the Scheme to Steal '08, No Child's Behind Left and other Dispatches from the Front Lines of the Class War"

by Greg Palast



In April 2005, I was in the Andes Mountains, standing on the Equator, when a condor flew over and dropped a document into my hand marked, "FOR OFFICIAL USE ONLY."

There were other warnings. The document's contents "may not be disclosed" without authorization of the World Bank. In light of the Bank's concern, please do not look at the document at http://gregpalast.com/armedmadhouse/TheNetwork_5.tiff

In that part of the world that hangs down perilously from Texas, Latin America, Mother Nature has stocked these nations with a wealth of resources from gold to oil to cropland to hydropower, creating an El Dorado richer than any in the most extravagant dreams of the conquistadors.

Yet 132 million South Americans live on less than \$2 a day; and just a couple of years ago you could find schoolteachers in Buenos Aires hunting through garbage cans for dinner. Why? Because one resource was mined from their land until it was exhausted: capital.

I admit, I made up the bit about the condor. But I really did stand on the Equator (a goofy, but obligatory, tourist stop for travelers to Ecuador) reading through a confidential document slipped to me by unhappy employees of the World Bank.

At the Ciudad Centro del Mundo, the City at the Center of the World, loudspeakers on poles scratch out some Inca-cum-New Age music while underdressed kids squat in the dirt selling gum. These great-great-grandchildren of the Inca have no water except what they can carry in jugs up hills. The national treasury cannot afford the \$5 million for vaccinations the United Nations says these children must have.

However, their parents have been hit with electric bills of \$30 to \$60 a month. The bills are based on a price per kilowatt-hour that is twice the average paid by consumers in the U.S. That's one of the conditions dictated by the World Bank in the confidential agreement between Ecuador and the Bank. That's quite a price to pay in a nation where only a minority of the population earns the "minimum" wage of \$153 a month. That's \$153 a month U.S. money, and most items cost what they cost in the U.S. Try it out yourself for a month.

Why, in a nation so painfully poor, is the World Bank, an agency founded after World War II to help the helpless, requiring this nation to sock it to electricity customers? The answer: "Electro-dollars." Electric utilities are marvelous cash cows. The costly systems are built with consumer and government funds, then "privatized" at pennies on the dollar. Electricity, water, and gas customers are hostages to the monopoly. To avoid the companies charging ransom instead of a fair price, these "natural" monopolies as economists called them, used to be regulated worldwide. Prices were set to match costs plus a strictly limited profit. No more.

Here's the secret condition set by the bank on Ecuador. If you want to see how the brave new globalization order works, forget code writers in India and iPods smaller than your pinky. This is what it's all about:

"The Borrower's [Ecuador's] Electricity Council has issued tariffs [that means 'set prices']...at the longer marginal cost of electricity generation, transmission and distribution calculated using a methodology acceptable to the Bank."

Let me translate from the Techno-Croatian. Charging at "cost" sounds fine. But "cost" and "marginal cost" are two different animals, especially by the "methodology acceptable to the bank." The cost of producing electricity is cheap in Ecuador—they have water falling right down the Andes for hydropower. But the "marginal cost" is based on the world price of oil and gas—way, way above actual costs. In effect, the Quechua families in Quito slums will be whacked with a light bill based on the price of oil set by OPEC.

And that's not all.

The Bank also required Ecuador to raise prices on basic foods. What is behind such devastating cruelty—forcing Ecuadorians to choose between lights and food? Always ask, *qui bono?* who benefits?

Ecuador's bondholders in Miami, for sure. But first and foremost, the privatized electric companies. Who are these guys? There's Duke Energy (of the Carolinas), founded decades ago by cigarette magnate James Buchanan Duke, which owns 51.5% of "Electroquil," which, in 2004, demanded \$30 million in back payments from the public. Duke's pathway into Ecuador's pocketbooks was paved for them by the owners of "Emelec," the Spanish acronym for its old name, American Foreign Power and Electric Corporation. It was taken over by one of Ecuador's richest men, also the owner of one of Ecuador's big banks whose assets, the deposits of half a million customers, just seemed to evaporate.

In 1999, that tycoon, Fernando Aspiazu, siphoned his Emelec shares out of his bank and dumped them into a Bahamas shell company to keep it out of government hands just before the police raided and seized the bank (and arrested Aspiazu, later jailed).

Aspiazu put a couple of front men in charge of selling the Emelec assets—now the government's claimed property—and sought Uncle Sam's political help. But Emelec was an Ecuadoran-Bahamian fugitive property by then, none of the business of the United States. So the Bahamas shell obtained U.S. corporate citizenship through a tried and true route: The company's operators hired Henry Kissinger's lobbying firm, Kissinger McLarty Associates. The "McLarty" in this power duo is Mack McLarty, former Clinton chief of staff. The concerns of the Bahamian Kissinger-Americans suddenly became a crucial foreign policy concern of the U.S. Secretary of State Madeleine Albright, who personally put the screws to the president of Ecuador to get Emelec's complaints "resolved."

In sum, the huge difference between electricity cost and price is a windfall for foreign owners, a windfall sucked right out of the Andes and sent straight to New York or to the Bahamas, or sometimes, simply pumped up the hill to the huge homes commanding the best views of Quito.

How that windfall is obtained is not always nice and rarely public. The World Bank, in its secret agreement with Ecuador, made sure the prices stayed sky high. Electro-dollars: one of the ways to squeeze dollar blood from the South American stone.

That was Margaret Thatcher's formula. If you want to seize a nation's economy, grab it by its light bulbs. She used the terminology of military conquest, "seize the commanding heights," to describe the sale of public utility systems. "Privatize" and "deregulate" public services, starting with electricity, telephone and water systems, and the rest of the economy will soon be forced to adopt the free-market nostrums of "supply-side" economics. If the nation doesn't come along willingly, the World Bank, holding the nation's access to credit markets in its hands, will impose a "methodology" for pricing and privatization "acceptable to the Bank" and its stockholders.

The World Bank and IMF also required Ecuador to throw away its own currency and replace it with U.S. dollars.

Those \$60 electric bills, for example, must be paid by Quito residents in U.S. currency. As a result, Ecuador must borrow and pay interest on the U.S. dollar bills sitting in every Ecuadoran's wallet.

When Ecuador's currency was "dollarized," the wealthy took their crisp new bills with Alexander Hamilton on them and sent them, literally, to Miami. Ecuador's banks, like Mr. Aspiazu's, with their dollar reserves missing and stashed in the USA, collapsed. The IMF demanded the nation's treasury bail out the banks' private shareholders. That added a huge new debt to be paid by all Ecuadorans.

But Ecuador can afford it. Ecuador is rich. The vast nation of only thirteen million citizens sits on a pool of oil worth a quarter trillion dollars. The solution is painfully obvious: Let Ecuadorans keep their oil wealth, at least enough to keep the lights on and pay for their children's vaccines.

But that solution runs smack up against paragraph III-1 of the World Bank's confidential plan, the "Structural Adjustment Program for Ecuador."

New oil wealth from a new oil pipeline will be spent per World Bank orders as follows:

"...10% to social spending; 20% for contingencies...; and 70% to debt buybacks, not for regularly scheduled budgeted amortizations."

How generous: Ecuador gets to keep 10%. "Social spending" by the way, means schools and medicine. The codicil says the big bucks, 70% of its new oil wealth, will go to bondholders to buy back their bonds. (These payments are over and above interest payments.) Another 20% will go into an "oil stabilization fund"—that is, another reserve for the bondholders.

The bonds are held by speculators who, in most cases, purchased them for twenty cents on the dollar. The IMF plan calls for expediting payment at five times what these speculators paid for the bonds, a swift, neat 500% return. Who are these guys collecting the windfall? Who is squeezing Ecuador by the bonds? The nation's President says, "The tragedy is that we don't know who owns the bonds."

The greater tragedy is that, according to a U.N. official I spoke with, the bonds are held by the same crew in Miami that bled the nation's banks dry.

The terms imposed by the IMF for new financing would make a loan shark blanch. Electricity prices would rise, as well as charges for cooking gas. And Ecuador would agree to open its delicate jungle areas to oil drilling by Chevron Oil, the company that named a tanker after a corporate board member, Condoleezza.

I had traveled to Quito to meet with the President, Alfredo Palacio, to discuss with him the confidential IMF terms. That was not easy. First, an aide to the President told me the U.S. State Department had warned Palacio against meeting with me. (It's comforting to know that someone in the Bush Administration is reading my reports.)

Second, Palacio had taken office only days before, on April 20, when his predecessor disappeared out the back door of the Carondelet Palace to seek asylum in Brazil. Then-President Lucio Gutierrez was fleeing a crowd of one hundred thousand protesters, angry and hungry Quechua Indians from the hills, seeking his arrest.

“Sucio Lucio” (Dirty Lucio, a nickname I believe even his mother uses) had won election in 2002 promising to break away from the supposedly “voluntary” austerity plan imposed by the World Bank. Within a month of taking office, Gutierrez flew to Washington, held hands with George Bush (a photo now infamous in Quito) and received instruction from U.S. Treasury officials in the financial facts of life. Lucio returned to Quito, reneged on his campaign promises and acceded to every demand of the IMF to raise prices of basic necessities and cut services, from hospitals to schools. The public, after a dispirited three-year delay, revolted. Sucio fled and his Vice President, Palacio, was sworn in.

On April 25, 2005, when I arrived at the Presidential Palace, crowds were still there, chanting their suspicions that the new President would follow Sucio Lucio’s path.

See <http://gregpalast.com/images/Ecuador/GPOutsidePalaceQuito.jpg>

But Palacio saw no reason to adopt the extreme free-market path to economic asphyxiation. At his inauguration, Palacio suggested that Ecuador might keep a little of its oil wealth for health and education needs.

That’s not what the Bush Administration wanted to hear. Secretary of State Condi Rice fired a diplomatic cruise missile, calling for new elections to get Palacio out of the way.

President Palacio seems an unlikely target of U.S. official assaults. He comes off like a cardiologist you’d meet at an AMA convention. That is, in fact, what he is: a heart doctor who practiced in the USA for a decade. Affiliated with no political party, he was brought into the government to build a national health program.

Palacio is soft-spoken, conservative in his views and pro-American—but his patient, his nation, is ill from diving into an extreme form of free-market globalization ordered by the World Bank.

He just wanted to keep a few petro-dollars for the vaccines and general welfare. “Sick people,” he told me, “are not going to produce anything.”

I showed him the World Bank confidential agreement signed by his predecessor. He was obviously familiar with the terms. “If we pay that amount of debt,” he told me, “we’re dead. We have to survive.”

He was quite certain that Condi Rice, the World Bank and the foreign bondholders would listen to simple medical logic. “If we die, who is going to pay them?” But they didn’t listen. Getting off the petro-dollar cycle, or at least slowing it down, is not so easy. Just by Palacio’s suggesting he might redirect some oil money, within weeks of Paul Wolfowitz taking over the World Bank, Ecuador was cut off by both the Bank and IMF. Ecuador’s bonds were facing a boycott.

Then, when hope seemed lost, in August 2005, a dark stranger rode into Ecuador, wrote a check for \$200 million to buy up Ecuador's bonds and restore the nation's credit. The Stranger from Caracas also brought along two million barrels of crude oil, diesel fuel and naphtha to keep the nation moving. Then he rode on to Argentina with a check for nearly a billion dollars to bail out that nation's bonds.

Who is this guy, a mini-IMF unto himself, breaking the cycle of ebb and flow?

The answer is in the chapter, "The Assassination of Hugo Chavez," in Palast's new book, ARMED MADHOUSE. www.GregPalast.com

What You Can Do...

We have arrived at the end of this book, and also at a beginning. You are probably wondering where to go next, what you can do to stop the corporatocracy and to end this insane and self-destructive march to global empire. You are ready to leave the book behind and pounce on the world.

You want ideas, and I could offer you some.

I could point out that the chapter you just read, about Bechtel and Halliburton in Iraq, is old news. By the time you read it, it may seem redundant. However, the significance of those newspaper articles goes far beyond the timeliness of their content. That chapter, I hope, will change the way you view the news, help you to read between the lines of every newspaper article that comes before you and to question the deeper implications of every radio and television report you tune in to.

Things are not as they appear. NBC is owned by General Electric, ABC by Disney, CBS by Viacom, and CNN is part of the huge AOL Time Warner conglomerate. Most of our newspapers, magazines, and publishing houses are owned - and manipulated- by gigantic international corporations. Our media is part of the corporatocracy. The officers and directors who control nearly all our communications outlets know their places; they are taught throughout life that one of their most important jobs is to perpetuate, strengthen, and expand the system they have inherited. They are very efficient at doing so, and when opposed, they can be ruthless.

So the burden falls on you to see the truth beneath the veneer and to expose it. Speak it to your family and friends; spread the word.

I could give you a list of practical things to do. For instance, cut back on your oil consumption. In 1990, before we first invaded Iraq, we imported 8 million barrels of oil; by 2003 and the second invasion, this had increased more than 50 percent, to over 12 million barrels. The next time you are tempted to go shopping, read a book instead, exercise, or meditate. Downsize your home,

wardrobe, car, once, and most everything else in your life. Protest against "free" trade agreements and against companies that exploit desperate people in sweatshops or that pillage the environment.

I could tell you that there is great hope within the current system, that there is nothing inherently wrong with banks, corporations, and governments - or with the people who manage them - and that they certainly do not have to compose a corporatocracy. I could go into detail about how the problems confronting us today are not the result of malicious institutions; rather, they stem from fallacious concepts about economic development. The fault lies not in the institutions themselves, but in our perceptions of the manner in which they function and interact with one another, and of the role their managers play in that process.

In fact, those highly effective worldwide communications and distribution networks could be used to bring about positive and compassionate changes. Imagine if the Nike swoosh, MacDonald's arches, and Coca-Cola logo became symbols of companies whose primary goals were to clothe and feed the world's poor in environmentally beneficial ways. This is no more unrealistic than putting a man on the moon, breaking up the Soviet Union, or creating the infrastructure that allows those companies to reach every corner of the planet. We need a revolution in our approach to education, to empower ourselves and our children to think, to question, and to dare to act. You can set an example. Be a teacher and a student; inspire everyone around you through your example.

I could encourage you to take specific actions that will impact the institutions in your life. Speak out whenever any forum presents itself write letters and e-mails, phone in questions and concerns, vote for enlightened school boards, county commissions, and local ordinances. When you must shop, do it consciously; get personally involved.

I could remind you of what the Shuars told me in 1990, that the world is as you dream it, and that we can trade in that old nightmare of polluting industries, clogged highways, and overcrowded cities for a new dream based on Earth-honoring and socially responsible principles of sustainability and equality. It is within our power to transform ourselves, to change the paradigm.

I could enumerate the amazing opportunities we have available to us for creating a better world, right now: enough food and water for everyone; medicines to cure diseases and to prevent epidemics that needlessly plague millions of people today; transportation systems that can deliver life's essentials to even the most remote corners of the planet; the ability to raise literacy levels and to provide Internet services that could make it possible for every person on the planet to communicate with every other person; tools for conflict resolution that could render wars obsolete; technologies that explore both the vastness of space and the most minute, subatomic energy, which could then be applied to

developing more ecologic and efficient homes for everyone; sufficient resources to accomplish all of the above; and much more.

I could suggest steps for you to take immediately, to help others understand the crises and the opportunities.

- ✿ Offer study groups about Confessions of an Economic Hit Man at your local bookstore or library, or both (a guideline for doing this is available at www.dreamchange.org).
- ✿ Develop a presentation for a nearby elementary school on your favorite subject (sports, cooking, ants - almost anything), and use it to help students wake up to the true nature of the society they are inheriting.
- ✿ Send e-mails to all the addresses in your file, expressing feelings triggered by this and other books you read.

But I suspect you have already thought of most of these things.

You just need to pick a couple that most appeal to you and do them, and to realize that all of these are part of a much greater commitment that you and I must make. We must commit ourselves absolutely and unequivocally to shaking ourselves and everyone around us awake. We must hear the wisdom of the prophecies, open our hearts and minds to the possibilities, become conscious, and then take action.

However, this book is not a prescription; it is a confession, pure and simple. It is the confession of a man who allowed himself to become a pawn, an economic hit man; a man who bought into a corrupt system because it opened so many perks, and because buying in was easy to justify; a man who knew better but who could always find excuses for his own greed, for exploiting desperate people and pillaging the planet; a man who took full advantage of the fact that he was born into one of the wealthiest societies history has ever known, and who also could pity himself because his parents were not at the top of the pyramid; a man who listened to his teachers, read the textbooks on economic development, and then followed the example of other men and women who legitimize every action that promotes global empire, even if that action result in murder, genocide, and environmental destruction; a man who trained others to follow in his footsteps. It is my confession.

The fact that you have read this far indicates that you can relate on some personal level to my confession, that you and I share a lot in common. We may have traveled different roads, but we have driven similar vehicles, used the same fuels, and stopped to eat at restaurants owned by the same corporations.

For me, confessing was an essential part of my personal wake-up call. Like all confessions, it is the just step toward redemption.

Now it is your turn. You need to make your own confession. When you come clean on who you are, why you are here during this time in history, why you have done the things you have -the ones you are proud of and those others - and where you intend to go next, you will experience an immediate sense of relief. It may be nothing less than euphoric.

Believe me when I say that writing this book has been deeply emotional, and often a painful and humiliating experience. It has been frightening in a way nothing I ever faced before has been frightening. But it has opened me to a sense of relief I have never known until now, a feeling I can only describe as ecstatic.

Ask yourself these questions. What do I need to confess? How have I deceived myself and others? Where have I deferred? Why have I allowed myself to be sucked into a system that I know is unbalanced? What will I do to make sure our children, and all children everywhere, are able to fulfill the dream of our Founding Fathers, the dream of life, liberty, and the pursuit of happiness? What course will I take to end the needless starvation, and make sure there is never again a day like September 11? How can I help our children understand that people who live gluttonous, unbalanced lives should be pitied but never, ever emulated, even if those people present them- selves, through the media they control, as cultural icons and try to convince us that penthouses and yachts bring happiness? What changes will I commit to making in my attitudes and perceptions? What forums will I use to teach others and to learn more on my own?

These are the essential questions of our time. Each of us needs to answer them in our own way and to express our answers clearly, unequivocally. Paine and Jefferson and all the other patriots are watching over our shoulders. Their words continue to inspire us today. The spirits of those men and women who left their farms and fishing boats and headed out to confront the mighty British Empire, and of those who fought to emancipate the slaves during the Civil War, and of those who sacrificed their lives to protect the world from fascism, speak to us. As do the spirits of the ones who stayed at home and produced the food and clothes and gave their moral support, and of all the men and women who have defended what was won on those battlefields: the teachers, poets, artists, entrepreneurs, health workers, the manual laborers... you and me.

The hour is ours. It is now time for each and every one of us to step up to the battle line, to ask the important questions, to search our souls for our own answers, and to take action.

The coincidences of your life, and the choices you have made in response to them, have brought you to this point...

RUSH TRANSCRIPT

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AMY GOODMAN: We turn now to John Perkins, returning to our airwaves, author of *Confessions of an Economic Hit Man*. Years ago, he wrote the words: "Economic Hit Men (E.H.M.s) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the U.S. Agency for International Development, and other foreign so-called aid organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex and murder. They play a game as old as empire, but one that's taken on new and terrifying dimensions during this time of globalization. I should know," John Perkins writes, "I was an E.H.M., an economic hit man." Welcome to Democracy Now!

JOHN PERKINS: Thank you, Amy. It's great to be here again.

AMY GOODMAN: Well, since we have last talked, many things have taken place, from the World Trade Organization meetings in Hong Kong to Evo Morales being elected in Bolivia to the New York City transit strike. Can you talk about the connections you see?

JOHN PERKINS: I think we're seeing a real change in consciousness, which is something we called for here last year about this same time. One of the reasons I wrote the book -- because people need to be aware -- where you live in a democracy, and people need to be aware of what's going on, and I think increasingly people are becoming aware of that. Yes, Bolivia voted for Evo Morales, who ran on a very strong anti-corporation, anti-U.S. platform; and now Evo Morales becomes one of seven presidents in South America, representing over 80% of the population of South America who have voted - presidents who have gone into office because they opposed American policy.

We see in the New York transit strike, laborers standing up to the corporatocracy, saying, 'We deserve to have pension funds. We deserve to have health care. We deserve to have benefits.' And, yes, at the World Trade Organization in Hong Kong, we basically saw the corporatocracy beaten. In the end, they put together, you know, a statement that made it sound like things were all hunky-dory; but, in fact, the developing countries really one in that one. Of course, that started in '99 in Seattle and then again in 2003 in Cancun with the World Trade Organizations there.

So, I think in the last year we've seen a tremendous rise in consciousness among people that we want to move into new directions, becoming more democratic, make our leaders respond in democratic ways.

AMY GOODMAN: When you talk about yourself as an economic hit man, explain very briefly. Though we have spoken before, for people who didn't hear that conversation, talk about your work as a consultant.

JOHN PERKINS: Well, as an - we economic hit men, basically in the last four decades, have managed to create the world's first truly global empire; and I talk in detail in the book, *Confessions of an Economic Hit Man*, about this and in various countries where we went in to create this first truly global empire. We've done it primarily without the military. The military comes in only as a last resort. We've done it through economics, and we've done it very, very subtly, so it's been a secret empire, unlike all of history's previous empires. Most Americans don't realize that we've created this empire. They don't realize what we've done in Latin America.

And the way economic hit men work, we use many different techniques, but probably the most typical is that we'll identify a company [country] that has resources that corporations covet, like oil. We'll arrange a huge loan from an organization like the World Bank for that country; but the money won't go to that country at all. It goes to big U.S. corporations -- Bechtel, Haliburton, ones we all hear about all the time -- to build infrastructure projects in that country.

These projects, like industrial parks and power plants, benefit the very rich of those countries and do nothing for the poor, except to leave the country in a huge debt, one it can't possibly repay, which means it can't give social services, education, health to its poor, and it's put in a position where it doesn't repay its debts; so, at some point, we economic hit men go back in and we say: 'Look, you can't repay your debts, so give us a pound of flesh. Sell oil to our oil companies real cheap or vote with us at the next U.N. vote, or send troops in support of ours some place in the world.' And that's how we've created this empire; and we've done it without most Americans even realizing that it's happening.

AMY GOODMAN: And explain who you were working for.

JOHN PERKINS: Well, I was recruited by the National Security Agency, the agency that's getting so much attention right now because of spying on Americans, while I was still in college at Boston University; and the National Security Agency put me through a series of very extensive tests, including lie detector tests, personality tests. And I was in business school. They determined that I could be a good economic hit man.

They also discovered a lot of weaknesses in my character (I like to think of them as kind of the big -- the three big drugs of our culture: money, power, and sex) that they could use as a hook to bring me in. So, I was told from the very beginning by this amazing woman, Claudine, (who's described in detail in the book) who is basically my trainer that, 'Look, you're going into a dirty business. Once you're in, you can never get out of this business; but we're going to make it very attractive for you to go into this business.'

AMY GOODMAN: Now, you didn't join the N.S.A.?

JOHN PERKINS: No, I never worked directly for the N.S.A., I worked for a company called Chas T. Main, big consulting firm out of Boston. And these days almost all of this work is done by private contractors. It's not done directly by the C.I.A. or the N.S.A. They may recruit us, but we work for private industry.

The same is true of the jackals, Amy. If economic hit men fail, which we don't usually do (but I did in Panama, for example, and I tell in detail in the book about how that ended up) - but my failure ended up in a jackal going in and assassinating Omar Torrijos, the president of Panama. When economic hit men fail, the jackals go in and either overthrow governments or assassinate leaders; and they, too, do not work directly for the government. These days, they're private contractors. The days of the government agent, the 007, who's licensed to kill, are long gone.

AMY GOODMAN: When you say you failed, you mean what?

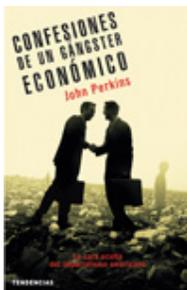
JOHN PERKINS: Well, I was sent in to Panama to bring Omar Torrijos around, to bring him into our system, and he refused to do that. He said, 'Look, I know if I play your game' -- he told me directly -- 'If I play your game, I'll become very rich. But that's not what interests me. I want to help my poor people.' And, so he said, 'You can either get out of Panama or play the game my way.' Well, we decided to stay and try to bring him around. He never would come around. And I knew all along that if I failed to bring this man around something dire would happen to him. And, you know, this is what's going on in Latin America right now. Evo Morales is being visited this week by an economic hit man who's going into his office saying, 'Congratulations, Mr. President -'

AMY GOODMAN: Who? Who is he being visited by?

JOHN PERKINS: Well, an economic hit man who has to remain nameless at this point, but --

AMY GOODMAN: Well, we're going to leave it there for right now; but this is just part one of our conversation, as we come to the end of our hour. We're talking to John Perkins. *Confessions of an Economic Hit Man* is his book, from a man who's done it, who's been there, who calls himself an economic hit man.

www.democracynow.org



Newsletter December 27, 2005

Dear Friends,

This season is a time of introspection for me, as well as for getting together with friends and family.

When I look back at this New Millennium, I recall how nervous everyone was about New Year's Eve 2000. Would computers crash? Electricity shut down? Planes drop out of the sky? Rumors abounded.

Nothing happened.

But 6 years later we see that the world has changed -- radically. Lots of anger: 9/11; thousands killed in Iraq; 80% of South America democratically electing presidents who ran on strong anti-US platforms. . . on and on.

And also an awakening. People are becoming more conscious -- in profound ways never before witnessed, at least not in my life-time. Something powerful is in the air.

A few memorable highlights from just the last couple of months of 2005 should give us all cause to rejoice and to feel our gratitude for the courageous people who have and are taking action:

The World Trade Organization (WTO) essentially fell apart at its mid December 2005 meetings in Hong Kong, and the corporatocracy was dealt a serious blow, largely because of opposition that began with the 1999 Seattle protests, continued through Cancun 2003, and to this most recent Hong Kong meeting. Led by those amazing Korean farmers, the developing countries stood up to the empire.

We honored Eugene McCarthy who died in December. He and all the people who voted for him primarily because they opposed the Vietnam War taught us a lesson that is pertinent to these current times. They and the inspiration they provided brought down one of the most powerful presidents in US history, LBJ; ended the war; and then forced another president, Richard Nixon, to resign.

Most Americans had no idea that Blacks were relegated to the back of the bus in many parts of the South, until one brave woman made an issue of it 50 years ago, in December 1955. Rosa Parks taught us that one person can change the way an entire nation views itself. Her act also led to new policies towards and major changes in South Africa and many other countries.

A slew of Hollywood movies with top-notch directors and actors have spoken out about the corporatocracy and reached millions of viewers around the world, including: *The Constant Gardener*, *Good Night and Good Luck*, and *Syriana*. The bookstores are full of books and the internet with websites that make it impossible for any American to claim that real information is not available, despite the corruption of the mainstream media. Every day I go to www.democracynow.org and rejoice that reporters like Amy Goodman do their jobs so very well, and with such courage.

As we participants move into 2006, let us recognize the power that each of us holds. Eugene M, Rosa P, Amy G, the Korean farmers at the WTO meetings and those directors and actors are people like you and me. Let us each make a commitment to channel our emotions into positive actions. Let us create a just and compassionate world.

John

Newsletter November 28, 2005

Dear friends,

As we pass through this holiday season -- and this time of so many serious crises in the world -- let us give thanks for all the blessings in our lives and let us commit to devoting a good portion of the rest of our lives to making this planet a better place for future generations of all species and elements. Let us dedicate ourselves to changing societies that are ruled by corrupt and greedy men, but let us do it in ways that will not perpetuate the mistakes of the past. Let us take action with courage and great determination. Let us not shrink from confronting those who oppress us and others. And let us be guided not by bitterness, but by love and compassion.

John

Newsletter September 7, 2005

Katrina + Oil =

Profits for Our Kings

By John Perkins

How are you feeling about your government's response to Hurricane Katrina? The fact that the people who should have been there to help your desperate neighbors instead are off killing and being killed in Iraq? Along with all that equipment your taxes bought.

How do you feel about oil prices? The fact that Exxon Mobile Corp, the world's largest publicly traded oil company, reported a 32 % jump in profits during the second quarter of 2005, while the rest of us dug deep into our pockets to fill our tanks. And Royal Dutch Shell, with a 34% rise in profits? Or ConocoPhillips, with a 51% increase. All of these in just 3 months! Wouldn't you like to have a shot at that kind of investment?

Of course, the guys who own your bank do. So do the folks you send to Washington. And the ones who own Wal-Mart and K-Mart and Nike and the places where most of us shop. These are the elite members of the corporatocracy, the equivalents of the Kings and Emperors of times past. They are all benefiting from the oil price hikes and – dare I say it! – from the tragedy of Katrina. That storm will serve as another excuse for the oil kings to whine and moan – and profiteer. As will their brethren who receive the lush billion-dollar reconstruction contracts.

Who else is making big bucks off oil – and Katrina? Well, let's not forget the members of the House of Saud and the other families who run the 7 “Persian Gulf Sisters” (Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates). And, of course, Osama bin Laden; he receives a great deal of money from these folks. Your gas-guzzler finances Al Qaeda.

Now, please don't misunderstand me. As an economist (remember I once held the title of Chief Economist, even if it was an alias for EHM), I know that oil is still way underpriced – if you factor in the costs of the environmental damage drilling causes to places like Alaska and the Amazon and the toll on our children of CO2 emissions that are threatening to smother us (and undoubtedly are causes of the “once-in-a-hundred years” hurricanes that hit every year now). We should all pay a lot more to fill our tanks, we should drive cars that get at least 70 miles a gallon. However, the additional money should go to offset the problems oil is creating for our progeny. Not to the Bush-Clinton crowd, oil companies, and all their friends at the corporatocracy.

“Ah, wait,” you may be saying. “Perhaps I would not want a shot at that kind of investment. I don't care to be party to the destruction of our planet. I don't want the blood of indigenous people on my hands. Or the ruination of future generations on my conscience.”

If you feel that way, then you must ask yourself whether you want people who do make such investments to control your country, and your destiny. Will you accept as your leaders men, and a few women, who are party to planetary destruction, do have blood on their hands, and the ruination of future generations on their consciences – and who seem entirely comfortable with this? Is it in your best interest – or your children's – to keep these rulers on their thrones? To continue to send them your tax money. To sacrifice your sons and daughters – and those of innocent people around the planet – so they may flit around in private 747s and live in modern-day castles?

The obvious answer is a resounding NO!

It is time, my fellow Americans, to listen to the words of our Founding Fathers. Profiteering without representation must go. The destruction of our world, for the short-term benefit of a new type of royalty, is unacceptable.

Rise up. Insist that we funnel our money to the victims of Katrina, the tsunami, the 24,000 people who die every single day from hunger and hunger-related diseases, and all the others who suffer while a very few of the very rich make themselves richer.

File lawsuits against oil and coal companies and government officials who continue to cover-up the facts behind Global Warming – a toxic poisoning of your children far more deadly than secondary cigarette smoke.

Together, let's topple the throne of King Corporatocracy.

John,

Newsletter August 15, 2005

Dear Friends,

I am ecstatic to report that "Confessions of an Economic Hit Man" has been nominated for the prestigious Quill Literary awards in two categories - "Business" and "Book Of The Year." This should help spread the word even more. I would love to have you vote for it -- and other books you like.

The deadline was September 15, 2005.

Readers voted on the 5 nominees selected by the Nominating Board in each of the 19 categories and Book of the Year from all nominees in all categories. Winners will be announced at a Black Tie gala ceremony on October, 11 in New York City. **Contact Ann Binkley at 646 746-6458 or abinkley@quillsliteracy.org for ticket information.**

For more updates, please click onto <http://www.quillsliteracy.org/nominatingvoting.html>

Thank you

Newsletter July 9, 2005

Before the horrible events in London, I wrote the following as part of a section that will appear in the paperback edition of "Confessions" to be published by Penguin/Plume in January 2006. It is even more relevant now that London has happened.

John

QUESTION: Is the current move to forgive Third World debt an indication that the EHM are losing?

JP: On the contrary, I'm sorry to have to say that it shows a new level of sophistication on the part of the EHM. I certainly favor the idea of forgiving those debts - which, we must remember, were accumulated without the consent of the majority of the people in those countries and served to make the corporatocracy and a few wealthy Third World families even richer - but that is not what this is all about. The G8, World Bank, and IMF are once again exploiting these nations and they are calling it "debt forgiveness". They are insisting on "conditionalities" that are cloaked in phrases like "good governance", "sound economics", and "trade liberalization." While the language is enticing, it is also terribly deceptive. These policies are "good", and "sound" only if you are looking at them through rosy corporate glasses. The countries that agree to such conditionalities are called upon to privatize their health, education, electric, water, and other public services - in other words, sell them to the corporatocracy. They are forced to drop subsidies and trade restrictions that support local businesses while at the same time accepting that the US and other G8 countries can continue to subsidize certain of our businesses and erect trade barriers on imports that threaten our industries.

When Bolivia gave in to such "good governance" policies, it opened the door for Bechtel and other multinationals to "privatize" -- buy -- its water supply system; prices of water skyrocketed and Bolivians claimed that service was suspended to some neighborhoods. In Cote d'Ivoire, the French firm that bought the assets of the privatized telephone company raised prices so high that many people had to forego connections to the system, including university students who could not afford Internet access essential for their studies. In Tanzania, these policies led to the appalling situation where children have to pay to go to school and many are simply too poor to do so. Similar stories abound in the countries that have accepted the conditionalities that come as a pre-requisite to what is being touted as debt forgiveness. (1)

One of the shocking things about this new sham is that so many people seem willing to accept it, rather than seeing it for what it truly is - an EHM ploy. It is almost as though all the celebrities and journalists want to believe that a new order is emerging, when in fact this is simply the latest and perhaps most subtle step along the road to world empire.

The Third World, however, is conscious of what is going on - and they are angry. The resistance to the July 2005 G8 meetings in Scotland was, to a large degree, an expression of anger against the deceptions. Many people believe that Blair and Bush are simply playing "good guy, bad guy" in an attempt to legitimize a highly

exploitative system that is balanced heavily in favor of the multinational corporations at the expense of the poor, downtrodden, and starving around the world.

When will we in the US -- which is the coach and captain of the G8 corporatocracy team - demand that our leaders fess up to their lies? When will we admit to the deeper truth behind 9/11, the Madrid, Saudi Arabia, and other bombings, and so many other acts of violence - that they may be perpetrated by mass-murdering criminals, but they continue to happen only because millions of people are desperate and are silently applauding? When will someone point the finger and say "Look at that, Dad, the emperor isn't wearing any cloths"?

Regarding the New Round of Debt "Cancellation"

6/17/2005

Regarding the New Round of Debt "Cancellation"

I want to praise all attempts at debt forgiveness for developing countries. However, most of the 18 who are slated by the G8 for a \$40 billion reduction have been forced to accept draconian measures in order to receive this "generosity." These measures include privatizing their energy and water sectors (selling them to US and other foreign companies), dropping subsidies to farmers and other businesses who might compete with ours, and dropping trade barriers -- at the same time accepting that we will continue to subsidize our farmers and other businesses and to erect trade barriers. I hate to be the messenger of bad news, but much of this debt forgiveness is a ploy to once again help the rich get richer, while making it look like we are benefiting the poor. Another EHM strategy!

John Perkins

Newsletter May 28, 2005

Dear friends,

Once again I want to thank you for your interest in what is going on in the world and for your commitment to helping others become more aware.

Berret-Koehler, publisher of *Confessions of an Economic Hit Man*, created the "EHM Alert" series in response to requests they have received for more information about the nature of work currently being done by international "aid" organizations and the EHM. I think you will find the following most interesting.

John

EHM Alert: Cooking the Books in Laos

The first in a series of Economic Hit Men Alerts, which aim to expose any continuing bad faith practices of the World Bank, IMF, USAID, and other international aid organizations in developing countries around the world.

On March 31, 2005 the same day as the controversial appointment of Paul Wolfowitz to be the next president of the World Bank, the Bank's Board of Executive Directors approved a \$50 million loan for the Nam Theun 2 Hydroelectric Project (NT2), a project with noble ambitions but, critics say, flawed reasoning that will lead to devastating consequences.

By building a dam to supply electricity to neighboring Thailand, the \$1.3 billion project aims to generate revenue for education and basic health spending in Laos, the poorest country in Eastern Asia. The World Bank heralds the project as a sound first step toward poverty reduction in Laos but many social and environmental organizations have raised serious doubts about the Bank's rationale for supporting the dam.

The International Rivers Network (www.irn.org) states that there are no guarantees that the revenue from NT2 will be used for poverty alleviation, nor that the project's significant impacts on local communities and on the environment can be successfully managed (<http://www.irn.org/programs/mekong/namtheun.html>). The dam will displace more than 6,000 indigenous Laotians and affect more than 100,000 other villagers who depend on the river for their livelihood. The Laos government is notoriously corrupt, and accountability for responsible use of revenue from the project will be difficult to monitor.

The Bank itself admits that the NT2 project entails a significant number of risks and *triggers all ten of the World Bank's safeguard policies* (emphasis added; Project Information Document: (<http://web.worldbank.org/external/projects/main?pagePK=104231&piPK=73230&theSitePK=40941&menuPK=228424&Projectid=P076445>)). Additionally, the IRN cites past failures by the World Bank to follow through on similar projects in Thailand, failures that inspired hundreds of farmers and activists to burn an effigy of current Bank President James Wolfensohn in a demonstration protesting NT2 in mid-March (http://www.rfa.org/english/lao/2005/03/14/thailand_laos_dam/).

But perhaps the most telling analysis comes from the Bretton Woods Project (www.brettonwoodsproject.org), a watchdog organization whose mission involves working for increased transparency and civil society participation in WB and IMF policies and interventions? ([http://www.brettonwoodsproject.org/article.shtml?cmd\[126\]=x-126-174503](http://www.brettonwoodsproject.org/article.shtml?cmd[126]=x-126-174503)):

In an in-depth presentation to European executive directors in Brussels in March, Witoon Permpongsacharoen, of Thai NGO TERRA, questioned the Bank's economic assumptions and provided evidence that the Bank had:

manipulated Thailand's power development plan to reveal a shortfall equivalent to the electricity that NT2 would generate;
exaggerated the growth of future electricity demand in Thailand;
suppressed analysis of cheaper energy conservation and renewable energy; and
ignored alternative options which are cheaper and cleaner than NT2.

Since then, final versions of the Bank's two main economic analyses of the hydropower project, released just before project approval, contained dramatic new assumptions regarding assumed costs of natural gas alternatives. This was raised in a letter by Thai economic and energy analysts sent to Bank executive directors on 29 March who questioned the dramatic diversion from the analysis in earlier versions of the studies. The unexplained changes appear to have been made at the last minute to provide a stronger case to support the project. (full article at:

[http://www.brettonwoodsproject.org/article.shtml?cmd\[126\]=x-126-174503](http://www.brettonwoodsproject.org/article.shtml?cmd[126]=x-126-174503))

The involvement of economic hit men clearly cannot be proven, but the point is clear: NT2 is not all it seems.

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Please join in the ongoing Confessions of an Economic Hit Man Dialogue that is being hosted at the Global Dialogue Center on their 24/seven Conversations Forum Board.



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To learn even more about *Confessions of an Economic Hit Man*



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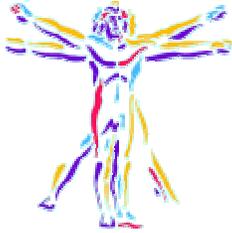


The International Campaign for Tibet (ICT) works to promote human rights and democratic freedoms for the people of Tibet. Founded in 1988, ICT is a non-profit membership organization with offices in Washington D.C., Amsterdam and Berlin.



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