

## Serving the Corporatocracy

*Confessions of an Economic Hit Man* by John Perkins

**What Economic Hit Men (EHM) do: "build global empire."** p. xvii

We ... utilize international financial organizations to foment conditions that make other nations subservient to the corporatocracy running our biggest corporations, our government, and our banks. ... EHMs provide ... loans to develop infrastructure -- electric generating plants, highways, ports, airports ... . A condition of such loans is that [U.S.] engineering and construction companies ... must build all these projects. In essence, most of the money never leaves the U.S.; it is simply transferred from banking offices ... to [corporate] engineering offices ...

Despite the fact that the money is returned almost immediately to corporations that are members of the corporatocracy (the creditor), 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, ... we demand ... one or more of the following: control over U.N. votes, the installation of military bases, or access to precious resources such as oil or the Panama Canal. Of course, the debtor still owes us the money -- and another country is added to our global empire.

**The Sequence of Interventions to promote empire** p. xxi :

- **EHM** -- offering exaggerated financial projections of the benefits of "development" and promising enrichment of those at top who go along.
- **Jackals** -- overthrow or assassinate heads of state who do not go along. They often die in violent "accidents."
- **Military** -- "When the jackals fail, young Americans are sent to kill and to die" ... "as [the jackals] failed in Afghanistan and Iraq" & Panama.

**Ostensible benefit:** growth of the country's GNP

**Actual effect:** pp. 15, 16

- large profit for U.S. contractors
- "make a handful of wealthy and influential families in the receiving country very happy"
- create a "debt burden on a country that would deprive its poorest citizens of health, education, & other social services for decades"

**"U.S. intelligence agencies** -- including the NSA -- would identify prospective EHMs, who could then be hired by international corporations. These EHMs would never be paid by the government; instead, they would draw their salaries from the private sector. ... their dirty work, if exposed, would be chalked up to corporate greed rather than ... government policy." (p 19)

## Examples:

- Indonesia - oil - electrification of Java, "saving this country from the clutches of communism ... [to] assure capitalism and democracy rule." "driven by greed rather than by any desire to make life better for the vast majority..." **"A word** came to mind: **corporatocracy.**"  
"I realized that my college professors had not understood **the true nature of macroeconomics**: that in many cases helping an economy grow only makes those few people who sit atop the pyramid even richer, while it does nothing for those at the bottom except to push them even lower. Indeed, ... **capitalism often results in a system that resembles medieval feudal societies.** p. 26
- Columbia - oil - hydroelectric dam project to open up vast oil & gas resources ... "thousands will die because the fish & water are poisoned ..."
- Ecuador - oil - Jaime Roldos challenged oil companies, denounced a conspiracy: politics, oil and religion (SIL - Summer Institute of Linguistics) ... Roldos died in a fiery helicopter crash.
- Venezuela - oil - "Saved by Saddam" - OPEC embargo, prices soared, loans for vast infrastructure projects, oil prices crashed, debt, Hugo Chavez challenged Washington, Bush supported coup, reversed.
- Iran - oil - U.S. installed the Shah ... overthrown. Now want to retake.
- Panama - the canal - Panama's rulers interpreted U.S. interests to mean putting down any populist movement that smacked of socialism. p. 59 President Omar Torrijos killed by a bomb in his plane. Manuel Noriega, connected to the CIA for decades, defied the U.S. on the canal, so G.H.W. Bush invaded.
- Saudi Arabia - oil - SAMA - Saudi Arabian Money-Laundering Affair
- Iraq - oil - Saddam previously an ally, defied U.S. which invaded. Had Saddam gone along, as had Saudi Arabia, he'd still be there.

## Conspiracy vs. Shared Common Interests

"I vacillated between viewing [the privileged class] as an actual conspiracy and simply seeing them as a tight-knit fraternity bent on dominating the world. ... These were men drawn together in a loose association by common beliefs and shared self-interest." (p. 57)

Local counterpart: The "Growth Machine" produces potholes & poverty.

## Advice:

- **Media:** "Things are not as they appear. Most of our newspapers, magazines, & publishing houses are owned -- and manipulated -- by gigantic international corporations. Our media is part of the corporatocracy." p 221
- **"Protest 'free' trade** agreements and companies that exploit desperate people in sweatshops or that pillage the environment." p.222