

CounterPunch

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THE STIGMATIZATION OF BLACK YOUTH BY LAWRENCE WARE

MILITARY CONTRACTOR PHILANTHROPY BY JOAN ROELOFS

THE CONSCIENCE OF AMERICA BY YVETTE CARNELL

RECONSTRUCTING THE MIDDLE EAST BY PATRICK LAWRENCE



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"Here She is Now, Entertain Us" (After Nirvana) by Nick Roney



In Memory of

Alexander Cockburn

1941–2012

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LETTERS TO THE EDITOR

Naming Evil

Reading this month's Empire Burlesque, I felt a sense on much-needed reassurance that I am not the only one who sees the evils of empire on the peoples of the world as completely mad, totally wrong, and absolutely evil. I know there are others out there, but sometimes it feels like it's been ages since I've heard evil called out as evil. I'm frustrated and exhausted by all the lame excuses my fellow citizens come up with, especially during the election season, for warmongering and mass murder. Thank you so much for the good work!

*Timothy Novak
Oregon*

Primary Madness

Please convey my admiration to Doug Johnson Hatlem for his series of articles on election procedures in the 2016 primaries. This is the kind of detailed, critical reporting and analysis that cannot be found anywhere else in the US. Thank you.

*Bill Julian
Davis, CA*

Missing Dave Dellinger

I miss David. Being anti-war matters, especially to those whose homes and lives are at stake. I was with David in Portugal at a conference many years ago, and was visiting with my friend, the ambassador of Vietnam. The ambassador asked if it was true David was there at the conference. I told him yes and he asked me to introduce David to him if I saw them bnear each other. We were near the elevators and just

then the door opened up and David walked out. I said there he is! As I prepared to introduce them, the ambassador ran past me and leaped into the air and hugged David, his feet literally wrapped around him, and began to cry, saying how much he meant to him and the resistance. It was a powerful moment. Always committed.

*Charlie Abourezk
South Dakota*

Safe Nukes?

My dad, who has a PhD in structural engineering was asked to give a lecture at USC engineering department ~30 years ago on how to build a safe nuclear power plant. My mother asked him before he stepped out the door, "Is that possible?" He said, "Absolutely not. They are never structurally safe from the disaster of a powerful earthquake."

*Manel Rad
Los Angeles*

Lay Off Bernie

Lay off Sanders. He's the best we can expect under these circumstances. We have one shot to reform the Democratic Party before it's too late and Bernie's it. CounterPunch should look for the positive and stop tearing down such honorable figures.

*Elaine Richards
Chicago*

Merle and Red

I'm always pleasantly surprised when Counterpunch wanders off the path of political commentary and brings to life cultural topics. Just having recently read probably the

best retrospective on Merle Haggard thanks to your web site, I now thoroughly enjoyed your inspiring and informative article about Red Garland and Miles Davis, and Amazon can credit you for prompting me to place an order. Another reason that I'm always happy to contribute to your web site.

*Regards,
Art Spencer*

One Final Comment

I have previously exchanged emails with the editorial staff regarding your covert support for Bernie Sanders. I decided to return one last time out of curiosity. It is readily apparent that your editorial selections leave no doubt that you are now openly supporting Bernie Sanders. Though I am hardly surprised at your previous duplicity, I continue to be disappointed in your support for a man that whose actions have been so detrimental the wellbeing of America and the American people. But like the National Review, once the founder is dead and buried, so too is the original vision and purpose. This election cycle has done me a great service by identifying literally dozens of websites. The call to support Sander's at all costs, has returned some surprising results. Thank you again for helping to clear the air set the record straight. I have a much clearer picture of just what America is up against now. Prior to this election I must admit that dozens of websites and individuals had successfully masqueraded their true intent. The size and scope of this effort is one for the record books. But like your

man and country; duplicity, deception, omissions and lies are the order of the day. And to that end I commend your zeal and dedication to the task. But in the real world David and Goliath is still just a fairy tale...

Daniel Dearborn

Better on Paper

I found St Clair's article on Bernie Sanders ("The Candidate Who Came in From the Cold") informative and right on target. All that can be said in his favour is that he looks better (on paper) than that unmentionable crook who will probably succeed to the White House. What Sanders has demonstrated in my view is that there is a huge fraction of the American public who want something quite different from the past and more enlightened than even he could or would provide.

John Danziger

Merlot and Xanax

Your website doesn't say how you manage to sleep at night? How do you nod off knowing you've spent your day lying to defend oppressive regimes while their populations are violently oppressed...?

Rob Smith

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ROAMING CHARGES

Good as Goldman

BY JEFFREY ST. CLAIR

Nothing seems to rattle Hillary Clinton quite so much as pointed inquiries about her personal finances. From her miraculous adventures in the cattle futures market to the Whitewater real estate scam, many of the most venal Clinton scandals have involved Hillary's financial entanglements and the serpentine measures she has taken to conceal them from public scrutiny.

Hillary is both driven to acquire money and emits a faint whiff of guilt about having hoarded so much of it. One might be tempted to ascribe her squeamishness about wealth to her rigid Methodism, but her friends say that Hillary's covetousness derives from a deep insecurity, which makes a kind of sense given Bill's free-wheeling proclivities.

Mrs. Clinton's stubborn refusal to disclose the text of her three speeches to Goldman Sachs executives in the fall of 2013 fits this self-destructive pattern of greed and guilt. She was fortunate that Bernie Sanders proved too feeble a candidate to seize the advantage. Each time Sanders was asked to show a nexus between the \$675,000 she was paid and any political favors to the financial vultures at Goldman, the senator froze, proving strangely incapable of driving a stake into the heart of her campaign.

A less paranoid politician would have simply released the tedious transcripts of the speeches on a Friday evening to bore insomniac NYT readers to sleep. The real question, of course, was never about the content of the speeches, but about why Goldman was paying her \$225,000 an hour to give them. Goldman executives weren't huddling around Mrs. Clinton to listen to her recite the obscurantist mish-mash

ghost-dictated by her top economic advisor Alan Blinder. Blinder, a well-known Wall Street commodity himself, is a former vice-chair of the Federal Reserve and co-founder of Promontory Interfinancial Network, a regulatory arbitrage outfit whose top executives pocket \$30 million a year. Blinder has publicly assured his Wall Street pals that Clinton will not under any circumstances break up the big banks and neither will she seek to reanimate Glass-Steagall, the Depression-era regulatory law killed by Bill.

The lavish fee from Goldman for Hillary's speeches was both a gratuity for past loyalty and a down payment on future services. Goldman's ties to the Clintons date back at least to 1985, when Goldman executives began sluicing money into the newly formed Democratic Leadership Council, a kind of proto-SuperPac for the advancement of neoliberalism. Behind its "third-way politics" smokescreen, the DLC was shaking down corporations and Wall Street financiers to fund the campaigns of business-friendly "New" Democrats such as Al Gore and Bill Clinton.

The DLC served as the political launching pad for the Clintons, boosting them out of the obscurity of the Arkansas dog-patch into the rarified orbit of the Georgetown cocktail circuit and the Wall Street money movers. By the time Bill rambled through his interminable speech at the 1988 Democratic Convention, the Clintons' Faustian pact with Goldman had already been inked, their political souls cleansed of any vestiges of the primitive southern populism Clinton had exploited so effortlessly during his first term as governor.

In 1991, the Clintons traveled to Manhattan, where they tested the

waters for Bill's then rather improbable presidential bid. At a dinner meeting with Goldman's co-chair Robert Rubin, Clinton made his case as a more pliant political vessel than George H.W. Bush, who many of the younger Wall Street raiders had soured on. Rubin emerged so impressed that he agreed to serve as one of the campaign's top economic advisors. More crucially, Rubin soon began orchestrating a riptide of Wall Street money into Clinton's campaign war chest. With Rubin priming the pump, Clinton's campaign coffers soon dwarfed his rivals and enabled him to survive the sex scandals that detonated on the eve of the New Hampshire primary.

After his election, Clinton swiftly returned the favor checking off one item after another on Rubin's wish list, often at the expense of the few morsels he'd tossed to the progressive base of the party. In a rare fit of pique, Clinton erupted during one meeting of his National Economic Council, which Rubin chaired, in the first fraught year of his presidency by yelling: "You mean my entire agenda has been turned over to the fucking bond market?" Surely, Bill meant this as a rhetorical question.

When the time came to do the serious business of deregulating the financial sector, Rubin migrated from the shadows of the NEC to become Treasury Secretary, where he oversaw the implementation of NAFTA, the immiseration of the Mexican economy, imposed shock therapy on the struggling Russian economy, blocked the regulation of credit derivatives and gutted Glass-Steagall. When Rubin left the Treasury to cash in on his work at Citigroup, Clinton called him "the greatest secretary of the Treasury since Alexander Hamilton."

In mid-May, Hillary announced her intention to make Bill the "economic czar" for her administration. This served to quell any anxiety that she might have been infected during the primary campaign by the Sanders virus. For Wall Street, the Clintons are still as good as Goldman. Quid pro quo. **CP**



EMPIRE BURLESQUE

Tangled Up In Trump

BY CHRIS FLOYD

The tangled tropes of Trump are many and various. Most have at least a tincture of veracity in them—although the phenomenon of his candidacy is so vast and gaseous it's not surprising that some discharge from it would fall, like mist, or a wet clump of coagulate matter, on scattered bits of the truth here and there.

One trope says we've been here before, with the political triumph of a gleefully ignorant, blustering, bigoted faux populist made famous by show biz: Ronald Reagan. Although he was more closely handled, Reagan's off-hand idiocies and nasty nativism were very much in the Trumpian vein. Then there's Dubya Bush, a certified chowderhead riding to power spouting gooberish nonsense and simplistic slogans while, like Reagan, acting as cover for a rapacious agenda of corporatism and militarism. In this view, Trump is just one more in an inglorious line of dimbulb hucksters whose success confirms, yet again, H.L. Mencken's bleak view of the knuckle-dragging American electorate, whose intelligence can never be underestimated. (Or even underestimated.)

Another view sees Trump as a welcome—if inadvertent—heightener of contradictions, exposing the unsustainable hypocrisies of the system and bringing the rancid impostume of our militarized hyper-capitalism to the bursting point. The poisons that ooze from this opened carbuncle—the racism, aggression, nativism, hatred and vulgarity that pour from Trump's mouth in a gangrenous stream—will provoke a movement that will—eventually, after much struggle and suffering—cleanse the body politic at last. (“The worse, the better” is a stance with a long history

in political warfare; Lenin was an adept of the principle, as are the Senate Republicans.)

Others take heart from some of Trump's sporadic sputterings that seem to echo fragments of a Ron Paul-like desire to rein in the bipartisan imperial project. They point to the fact that Trump declared—in a GOP debate, no less—that Dubya and his cronies should be put on trial for the Iraq War: something no other figure in either major party has ever done. He has also made noises about a more rational policy toward Russia (as opposed to the endless provocations and Cold War chest-beating of the Peace Prize Prez). He even once mentioned in a speech that we should take cognizance of the millions of foreigners who've been killed in the War on Terror: again, something that no other Dem/GOP politician has ever dared mention. (Not even Bernie Sanders, whose “radical” stance is that the Saudis should take over some of the killing for us.) Such statements have been seized upon by some who hope that a Trump presidency will break the bipartisan consensus on America's deadly and sinister foreign policy.

Other tropes view Trump as an unprecedented catastrophe for American politics, a fascist (or fascist-like) figure whose like has never been seen before in our Republic. Or as the undertaker of the Republican Party, which, some savants say, will now go the way of the Whigs. Still others see Trump as a lightning rod for the disaffections of the white working class and middle class whose security and prosperity have been destroyed by globalization and corporate greed; Trump provides them with racist and xenophobic scapegoats for their suffering, while obscuring the

true culprits: he and his fellow gorgers in the financial elite (and the politicians whom, he freely admits, the elite buy with their contributions).

This hardly exhausts the meanings that have been attached to Trump's ascendancy. And as noted, there's some truth in most of them. (Although I do think the reports of the GOP's death are greatly exaggerated.) We have had shallow fools in charge of the country before. It is true that the irreconcilable contradictions of the system are coming to a head. Trump has uttered some truths about U.S. imperialism that we never hear from our politicians. He is more openly like a quasi-fascist authoritarian than we've seen before. He is tapping into the justified frustrations of millions of Americans at the depredations of the bipartisan neoliberal project.

But almost all of these tropes have been contradicted by Trump himself. Yes, he occasionally critiques American imperialism—then makes bellicose statements about augmenting it, including the possibility of using nukes in the Middle East. (To be fair, he stole that from Hillary's 2008 campaign). Yes, he speaks to working class loss—then touts economic policies that will exacerbate it, such as lifting the few remaining feeble restraints on Wall Street. Yes, he talks of breaking the militaristic foreign policy paradigm—then promises to put the military in charge of foreign policy, expand the use of torture, “go after” the families of terrorist suspects, and so on.

Despite some garish trappings—such as the continual disgorgement of his id on Twitter—if Trump attains the White House, he will no doubt perpetuate the current system in its essential form. As will Clinton, of course; indeed, that perpetuation is the *raison d'être* of her whole campaign.

In either case, the Deep State—that unfathomably vast network of contracts and covert ops, surveillance and subversion, corruption and corporatism that constitutes the genuine substance of the American government—will carry on. **CP**



EXIT STRATEGIES

The Conscience of America

BY YVETTE CARNELL

The beginning of any political season is also the inaugural commencement for clichéd axioms. Glaringly obvious to political observers is the effectiveness with which clichés blunt piercing truth in favor of habitual misrepresentation. Queue the talking heads and their designation of African-Americans, viewed through the lens of moral fortitude as opposed to political economy, as the conscience of America.

This lens through which the African-American electorate is understood has consequences, not the least of which is how African-Americans are regarded both within the Democratic Party and by surly leftists circling the wagons of a dying political duopoly. Using moral language to describe the African-American electorate is comforting in that the trope affords a degree of certitude to pundits who spend little to no time interviewing African-Americans directly or consulting polls tangentially. Furthermore, this haloing also unfastens the person making prognostications from any accusation of bias. You can't be accused of being biased against or condescending to African-Americans so long as you're gushing praise about everything those people have overcome; you can't be accused of knowing them either, or putting forth at least a perfunctory effort to assess the political drivers that exist within the African-American community. This anchoring of the black community within the era of the Civil Rights Movement negates the neoliberal coziness blossoming within the electorate.

A 2013 *Washington Post*/ABC poll

found that 40 percent of African-Americans supported President Obama launching airstrikes against Syria, as opposed to 38 percent of whites. Edging out whites by 2 percent is a stark contrast for a community that normally situates itself to the left of the ideological spectrum. And in the Democratic presidential primaries, Hillary is sailing to victory on the wings of the African-American vote. So the question becomes, how does the Left position itself when Black America—the constituency most devastated by capitalism—remains committed to the right wing of the Democratic Party?

African-American pundits threw the rhetoric into high gear in a rush to vindicate black voters, with Keli Goff describing in *The Daily Beast* how bratty Bernie Sanders voters can afford to take chances with a Socialist because, “if there is anyone who can afford to vote for a candidate and genuinely not care whether he or she wins or loses, it is a young person of privilege who ultimately has very little at stake.”

Actually, millennials aren't entitled. *Fortune* reports that 80% of workers under age 30 say their generation will be “much worse off” in saving for retirement than their parents' generation. *TIME* reported in 2015 that more young people are living at home today than in 1940. Also, at around the time Goff wrote this, Sanders was polling ahead of Hillary in a head-to-head match-up against Trump. So if African-Americans were honestly putting their bet on the pony most likely to win the crown, their bet would've been on Sanders.

Goff was feverishly spinning her wheels in an effort to rationalize

the irrational. The truth is that both African-Americans and millennials are running face first into a buzzsaw economy that views their labor as either redundant, vastly overpriced or both. Further, widespread mechanization and globalization within multiple industries has even frozen out college educated workers who've earned the keys to a middle class life only to arrive and find all doors to entry nailed shut.

The difference between African-Americans and millennials is not one of privileged advantage versus clear-eyed realism. The difference here is that millennials vote their hopes whereas African-Americans far too often vote their fears.

But the clichés used to describe African-Americans leave no space for gradation, for understanding that African-Americans cultivated no superior moral anchoring as a consequence of the Civil Rights Movement in this country. That even the heirs to the Black Panther Party and Malcolm X are fertile sod for the seeds of manipulation.

With the exception of African-American millennials, the black community's voting pattern is carrying us toward an unimaginable ideological confrontation. The black community's majority voting pattern is unrecognizable to the progressive Left, and if it's unrecognizable, is it even a part of the progressive Left?

When neoliberal hacks like Jonathan Chait use the interwebs to spew nonsense, they're immediately called out for being complicit in accelerating the death spiral of the American worker. However, anyone who dares criticize the wisdom of African-American voters is immediately regarded as a petulant Bernie Bro.

The truth on everyone's lips that no one dares whisper is that political relationships are not static. When I hear pundits like Goff wax philosophic in defense of African-American voters, it occurs to me that not only is Goff not apart of any real Left that is discernable from Neoliberalism; she doesn't even understand the Left. **CP**



GRASPING AT STRAWS

The Fed's Primary Objective

BY MIKE WHITNEY

Whenever I hear someone railing about the evils of capitalism, I always look for the nearest exit. And it's not because I'm unsympathetic to that point of view either. It's just because most people don't have anything original to say on the topic. Besides, what interests me is how the system actually works. That's how you get to the heart of the matter, and that's how you locate the system's vulnerabilities. You can't expect to change something you don't really understand.

At present, the main manager of U.S. capitalism is the Federal Reserve with the Congress playing an essential but subordinate role. The Fed's monetary policy is basically the only game in town. Conservative members of the Congress have joined budget cutting President Obama in blocking any and all attempts by progressives to increase the amount of fiscal stimulus flowing into the economy. Their obstructionism has significantly undermined growth resulting in the weakest recovery in the post-war era.

It's important to see how Obama's economic policy fits with the Fed's overall agenda, which is to continue to maintain the low rates that have helped to send stocks to historic highs. Monetary policy is not designed to stimulate growth, increase hiring or even raise inflation. Nor has it. As Nomura chief economist Richard Koo has reiterated many times before, in the middle of a balance sheet recession—in which households are trying to minimize their debts rather than maximize their profits—monetary policy is basically ineffective unless, of course, the real goal is to boost asset prices. In this

regard, the policy has succeeded admirably. Stocks have more than doubled since bottoming-out in March 2009.

The sharp rise in inequality in the U.S. is largely attributable to the Fed's policy. This uncomfortable fact has been deliberately omitted from the recent coverage of the topic in the mainstream media. Apparently, it is perfectly okay to discuss inequality in a public forum provided one doesn't draw attention to the policies that created it.

So what is Congress's role in this ongoing transfer-of-wealth operation?

Like we said earlier, Congress is expected to block any bill that would increase public spending on fiscal stimulus. The rationale here is easy to understand. Fiscal stimulus increases economic activity which boosts demand and strengthens growth. More growth means more business investment, more hiring, higher wages and steadily rising inflation.

Regrettably, the Fed doesn't want higher inflation, because higher inflation forces the Fed to raise interest rates which sets off alarms on Wall Street where fears of the end of the cheap money era threatens to put stocks into a steep nosedive wiping out much of the gains of the last decade. The Fed is determined to avoid that scenario at all cost. It's worth noting that stocks had fallen by a mere 9 percent in the beginning of 2016 when the Fed indicated it planned to suspend its rate hikes until further notice. Investors picked up on the Fed's lack of resolve and acted accordingly.

So this is the basic conundrum. Congress and the Fed have been asked to choose between Wall Street and Main

Street. And, as the policy indicates, they've chosen Wall Street. But that doesn't mean that the path forward is going to be easy. Oh, no. The Fed has already picked the low hanging fruit by lowering interest rates to zero and pumping trillions into the financial system. In order to continue the wealth transfer at the current pace, the Fed will have to induce corporations and financial institutions to take on more leverage, increase their risk taking, and buyback more of their own shares. That will be a difficult task in the current environment which is the middle of an earnings recession.

You see, low rates are just one wheel on a two-wheel axel. The other wheel is profits. Despite what you may have read, growth doesn't really factor in to the decision-making. Markets are driven by cheap money and profits. That's it. Unfortunately, S&P 500 earnings are down 8 percent on the quarter which marks the third quarterly decline in a row and the worse since 2009. This is why the IMF, the BIS and other global financial institutions are calling for "bold action" to boost growth. It's not because they suddenly noticed that the so called recovery is a complete fraud. It's because they're afraid that the earnings swoon will discourage companies from engaging in the kind of financial engineering that's necessary to keep stocks bubbly.

The real fear is that flagging profits will lead to plunging stock prices. That's why former Fed chief Ben Bernanke and others have been jawboning the prospect of helicopter money, which would allow the Fed to usurp Congress's authority to spend public funds on "a tax rebate or on public works". In other words, the Fed is mulling over the prospect of replacing Congress altogether and managing the entire economy by itself. And the driving force behind this ambition is the desire to stimulate enough growth to boost corporate profits and push stocks higher still.

And that is the Fed's primary objective. **CP**

MIDDLE EAST NOTES

Isis, Iraq and Islamic Nationalism

BY JENNIFER LOEWENSTEIN

The Iraqi government is nearing collapse as ISIS militants continue to devastate Baghdad and many surrounding cities and towns. The consequences keep getting deadlier. Shi'a cleric, Muqtada Sadr, may be the only leader capable of preventing Iraq's complete disintegration or division into pieces of another imperial pie, but the task at hand is Sisyphean. Attempting to unite the three main Shi'a parties before bitter, internecine fighting breaks out, Muqtada Sadr is also extending an olive branch to the disaffected Iraqi Sunni Muslims that U.S. occupation forces alienated during the crucial first months of its 2003 invasion and occupation of Iraq.

The U.S.'s forced de-Baathification process, its imprisonment, widespread use of torture and abuse compounded by the social ostracism of hundreds of thousands of Sunni Muslims played a major role in the formation and incubation of extremist Sunni Islamist organizations. Abu Bakr al-Baghdadi, the leader or "Caliph" of ISIS, is currently the most infamous product of the miserable, dehumanizing, American-run prison system in Iraq set up during the U.S. occupation. Muqtada Sadr, a powerful Shi'a cleric whose deeply revered father and brothers Saddam Hussein had assassinated in 1999, is nonetheless attempting to re-unite Iraqis under a nationalist political banner.

Sadr hopes to reconstitute Iraq as a viable state despite the ethnic and religious differences that have plagued it since British imperialists drew its artificial boundaries after the First World War. A new Iraq would render its foundation in the 1916 Sykes-Picot agreement obsolete by reuniting its people in order to prevent rather than enable imperial meddling.

Unless Iraq has enough strength to function as an autonomous, sovereign power in the Middle East it will either be drawn into the orbit of Iran or dominated by the United States. Sadr rejects both options, but the obstacles he faces are great. Iraq was a country

ruled by Sunni Muslims, a minority in the predominantly Shi'a state, and faced with a restive Sunni Kurdish population struggling for self-determination (along with Kurds across the Middle East). Its sectarian and ethnic divisions have played a major role in its history, but they did not alone define it. Sunni-Shi'a sectarian fear and hatred at its current level was virtually unknown before the United States ignorantly cultivated it after the U.S.-led invasion and occupation of Iraq in 2003. What happens in Iraq now, therefore, is critical to the future of the Middle East.

The status quo is unsustainable. The system of patronage and quotas that define the Iraqi government, courtesy of the United States and its post-invasion Coalition Provisional Authority (CPA), is corrupt and dysfunctional. Without an overhaul of this U.S.-backed 'Lebanized' system, it will almost certainly weaken and eventually fail. Iraq's collapse would, in all likelihood, cause another U.S. created power vacuum—one that ISIS, al-Qaida, and a host of similar extremist groups, independently or combined, would almost certainly fill.

Such a challenge from within the state to its external proxy parties would threaten and potentially radicalize an increasingly divided Shi'a population. It could also extend ISIS' territorial control over portions of Iraq and strengthen the hold it still has over lands in the northeastern frontier of Syria. It is unsettling to contemplate this type of scenario, especially as it

is gaining ground in Libya, Yemen, Egypt's Sinai Peninsula, Somalia, and elsewhere.

Within Shi'a dominated Iraq, ISIS attacks have been unrelenting. Wednesday, May 11, 2016 marked the year's bloodiest day thus far when at least 90 people were killed in mostly Shi'a neighborhoods. In the space of one week, May 11–18 over 200 people died in a spate of bombings in and around Baghdad. On Friday, May 13, 2016, ISIS bombs killed 16 people. On Sunday, May 15th, ISIS carried out four more bombings: three in Baghdad and one in the town of Latifah, killing a total of 29 people and injuring scores of others. On May 18th, three more bombings in mainly Shi'a neighborhoods killed more than 70 people, increasing pressure on the government to provide basic security.

Most ominously for the weakening government of Iraqi Prime Minister Haidar al-Abadi, Islamic State fighters carried out a carefully planned multiple bombing of a natural gas plant on May 15 in Taji, 20 km north of Baghdad, killing 14. ISIS claimed the plant was being used as an Iraqi army headquarters. When security reinforcements arrived ISIS militants set off yet another bomb hidden in a parked car, engaged Iraqi forces in a fire fight before detonating their suicide vests, and set off an electrical chain reaction that further damaged the Iraqi national infrastructure: aside from the human carnage, two power stations in the vicinity were shut down owing to the cut in gas sup-

plies from the Taji plant.

It is unclear when electricity will be restored, a matter of particular concern for the Iraqi government as the shortage of electricity, especially during the withering heat of an Iraqi summer, fuels anger and unrest among the population increasingly resentful of its inept and seemingly oblivious government officials. The disabled power stations provide 153 megawatts to the already overstretched national power grid. It is unclear when they will be functional again. According to UN estimates, Iraq is facing one of the worst humanitarian crises in the world with more than 10 million people in need of immediate humanitarian aid.

Under the circumstances, it is hardly surprising that Muqtada Sadr seeks to unite the fractured state of Iraq. Importantly, he wants to merge all of the different militias into a single Iraqi national army as well, giving it greater power to defend itself—and a political entity its people would want to defend. In a 2013 interview by the London *Independent*, Sadr warned that “the near future of Iraq is dark” blaming much of its troubles on Sunni-Shi’a hostility. “...the Iraqi people will disintegrate, its government will disintegrate, and it will be easy for external powers to control the country,” he predicted. Shortly thereafter he went into “retirement” in Iran where he pursued his religious studies.

One can speculate as to the precise reasons for his sudden reemergence onto the political scene, but it is unlikely that at such a violent and volatile time it was coincidental. On February 26th, 2016, a day after yet another deadly ISIS suicide attack, this one on a Shi’a mosque in Baghdad, Muqtada Sadr led hundreds of thousands of his supporters in a non-violent demonstration demanding that Iraqi Prime Minister, Haidar al-Abadi, implement the government reforms he promised in the summer of 2015. Near daily ISIS attacks in Iraq as well as creeping political corruption have allowed Sadr to move in and call for major reforms at a

time when the Iraqi state is dissolving.

There are those who view his return as a manipulative bid for power. Abadi has complained that his actions are beneficial to ISIS because they force the government to divert its attention away from fighting it. This sounds as though Abadi is seeking someone on which to pin the blame for the unending attacks by ISIS and the inability of the Iraqi army definitively to defeat it. U.S. politics must also play a role in Iraq considering its backing of the Abadi government. It is impossible to say for certain what Sadr’s motives are. It is nevertheless important to remember that attacks and advances by ISIS as well as division amongst the Shi’a parties are not in his interest. Given the reforms he claims to want to implement, it is understandable why some in the Iraqi government—and elsewhere—might view him with anger and contempt.

“Abadi must carry out grassroots reforms,” Sadr said to his followers. “Raise your voice and shout until the corrupt are afraid of you.” Interestingly, Sadr has not called for the resignation of Abadi, nor suggested the possibility of a coup. He has instructed his followers to remain non-violent during each of his subsequent protests including, most recently, the storming of the “Green Zone” where protesters splashed in the fountains and lay on the grass enjoying the luxuries of the zone created by the Americans to safeguard their administration and which was handed over to the new Iraqi government when they withdrew. Protesters left the Green Zone intact.

The fundamental role the United States played in setting the stage for many of the catastrophes now engulfing much of the Middle East cannot be overstated. This does not absolve the perpetrators of their responsibility for inflaming sectarian violence, carrying out bombings, suicides and horrendous atrocities; rather it illuminates our understanding of how the present conditions developed. It highlights the social, political, military, and historical conditions that paved the way for the

emergence of extremist, fundamentalist organizations with their penchant for unspeakably sadistic, bestial behavior towards those they have deemed their enemy.

Americans may be outraged by accusations of their responsibility in causing the conflicts to worsen, but supporting documentation from UN, Human Rights, Humanitarian Aid and Observer Missions groups, along with independent media reports and, perhaps most crucially, multiple eyewitness accounts, only reinforce this claim. The military actions the United States has taken to combat ISIS are precisely those anticipated and desired by its leadership. Provoking the U.S. into military intervention in Muslim countries were the stated aims of al-Qaida after 9/11, and continue to be under the leadership of ISIS.

The re-emergence of Muqtada Sadr is not a result U.S. generals and politicians desired. American determination to break the will of ISIS while maintaining hegemony over a region hopelessly destabilized and riven with conflict is misguided at best. It is telling, therefore, that someone with Muqtada Sadr’s reputation, independence and vision should arise from the embers of a smoldering Iraq. Similar people may appear in other areas if there is to be a chance of gradual, internal healing and stability. It is irrelevant whether or not outside observers approve of what Sadr represents personally or whether the religious views and goals he may have are goals we find palatable for an independent nation.

What is important is how successful he is at unifying a desperately weak, dependent, and divided nation into an autonomous functioning state where sect and ethnicity are secondary to national sovereignty. We can only hope that a person of his stature has the ability to succeed and promote genuine unity without falling victim to his own rise to power. As quixotic and unattainable as it may seem, Sadr’s vision may be the most realistic hope right now for the future of Iraq. **CP**

The Transatlantic Trade and Investment Partnership (TTIP) has been under negotiation for the past three years, by stealth and in a hurry. Its antidemocratic furtiveness is such that European parliamentarians in Brussels and members of the United States Congress must seek permission to access a read-only copy of the agreement. This tells us all we need to know about transparency. Basically, the banks and big corporations are sidestepping democratic government by going directly to Brussels or, in the United States, the Executive Branch. Bye-bye democracy. Hello autocracy. The unseemly haste has more than a little to do with pushing it through before a big TTIP fan, Barack Obama ends his presidency in January 2017.

In early May, Greenpeace Netherlands released 248 leaked documents with details of the TTIP negotiations, thus sparking renewed political and social debate about the European Union's planned lethal sellout to corporate interests. The furor has drawn attention to similar agreements like TTP (Trans-Pacific Partnership), TiSA (Trade in Services Agreement) and CETA (Comprehensive Economic and Trade Agreement). In the words of the spokesman in the European Parliament for the Spanish green party Equo, Florent Marcellesi, "Social and political pressure forced the European Parliament to be a bit more transparent about TTIP but, unfortunately, CETA has not attracted attention, perhaps because of the smaller role of the European Parliament in the process, the total absence of any published document during the negotiations, and also the more dominant role of the big corporations. Whatever the case, it has been done in total secrecy and direct representatives have been notable for their absence. Yet we all know that democratic debate requires openness and transparency."

TTIP and other agreements are the latest stage of a long process in which local areas and their governments have

EUROZONE NOTES

Transatlantic Trade and Investment Plundership

BY DANIEL RAVENTÓS AND JULIE WARK

gradually been stripped of social, economic and political decision-making powers. In this capitalist international, as the scholar Silvia Federici calls it, such pro-business, antidemocratic bodies as the IMF, the World Bank, and the World Trade Organization are steadily accumulating political and economic clout and disempowering populations. Governments, feigning helplessness before international authorities, kowtow to companies like Monsanto and Chevron, ushering in their noxious products and repressing any information about or resistance against them.

With the rise of the BRICS countries (Brazil, Russia, India, China, and South Africa), the failure to establish a common market in the Americas, and to impose the western economic agenda through the WTO, power in this new stage of global capitalism is shifting from West and North to East and South, and China in particular. One non-military response of the western powers is containment by means of sweeping "trade agreements". Hence, the TPP covers the Pacific Rim, including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam and, crossing the Atlantic, TTIP aims to secure the European Union as a corporate plundering ground. More than trade, the concerns are geopolitical, nothing less than global governance.

TTIP, then, is not operating alone but in concert with other agreements going back at least as far as the Trans-Atlantic Business Council, founded in 1995 with

the aim, its website tells us, of "providing unfiltered business advice from CEOs, with the objective to work with policymakers". In all cases, the interests of multinational companies are situated above national sovereignty, rule of law and human rights, by means of hobbling legislation, measures and regulations protecting public interest, and limiting the policymaking space of local authorities and municipalities.

TTIP seeks "convergence" (read imposition) of non-tariff barriers so that goods can be exported back and forth with scant attention to quality control, food standards and safety measures. Three main general categories comprise the deal: market access (GMOs), regulations (affecting sanitary and phytosanitary standards in particular), and legal protection (Investor-State Dispute Settlement (ISDS), whereby investors win before the dispute is even expressed). This assault on European institutions would be felt in public health, food (for example the use of growth hormones in U.S. beef, now restricted in Europe), natural resources and environmental safety, banking, privacy, jobs, democracy (undermined by secrecy, surveillance and mechanisms like ISDS), city planning, public facilities, and local-level policies.

Companies would have special rights, not granted to states, to sue by means of ISDS ("the most toxic acronym in Europe", according to EU trade chief, Cecilia Malmström), challenging any laws which could hinder trade, and with direct participation of representatives of large compa-

nies. Also planned is a Regulatory Cooperation Body, a committee of private experts tasked with analyzing any regulation affecting trade, especially those relating to fracking, environment and social rights, which might then be abolished if deemed to thwart present or future business interests.

Among the privileges demanded for the U.S. by the “partnership” are: governments must heed the wishes of business groups; agree to import the US regulatory system (adept at delaying legislation in the public interest); the right to indicate European regulations that need “amending”; regulatory “cooperation” at the sectorial level; openness to proposals prioritizing trade over public interest; new EU regulations favoring “trade effects” at the expense of environmental and consumer protection; one-sided impact assessment based on industry data and overruling concerns over effects on society; eliminating the precautionary principle (in the absence of scientific consensus, the burden of proof that an action or policy is not harmful to a population or environment falls on those pushing said policy or action); and “mutual recognition”, meaning, for example, that U.S.-produced foodstuffs can be sold freely in the EU, which stipulates much lower levels of pesticide tolerance.

One of the frequent political confusions regarding TTIP concerns deregulation and regulation of markets. All markets, without exception, are the product of state intervention, shaped by means of legislation, norms, decrees and regulations in keeping with political choices. The widespread view that the right wants “deregulation” of the market (“the market” actually means many markets) and the left wants to “regulate” it is totally mistaken. As the economist Dean Baker points out, “The Right has every bit as much interest in government involvement in the economy as progressives. The difference is that conservatives want the government to intervene in ways that redistribute income upward. The other difference is that the Right is smart

enough to hide its interventions, implying that the structures that redistribute income upward are just the natural working of the market. Progressives help the Right’s cause when we accuse them of being “market fundamentalists,” effectively implying that the conservatives’ structuring of the economy is its natural state”.

After Washington, Brussels has the world’s greatest concentration of political fixers, more than 4,000 lobbyists in the European Parliament alone, plus some 20,000 to 25,000 dragooning European institutions and not exactly with the wellbeing of the population in mind. After all, they’re working for magnates, financiers, tycoons and other nabobs. With the new trade deals and the concomitant blah of “free trade”, “job creation”, “well-being of the people”, looters in suits are snatching even more control of the material existence of millions of people and, with it, their freedom.

If governments are really answerable to the populations which elect them, it is their duty to destroy or limit as much as possible the economic and institutional base of any individuals, entities, cabals or other private organization which threatens to interfere with the public good. The moment a private power can impose its conception of private good on the state, the state’s neutrality is eradicated and, with it, justice and freedom. The conception of state neutrality specifies that the government must prevent such an imposition. If steamrolled through, TTIP would render states even more powerless to protect populations from the planet-threatening depredations of ravening private interests. Today’s governments are taking orders from sociopathic marauders.

Despite and, no doubt, because of all the secrecy, resistance against TTIP has been gathering steam. A year before the Greenpeace leaks, 43% of Germans thought TTIP would be bad for the country and 26% saw it as positive. By then, half of the European Parliament committees had rejected the ISDS.

More recently, at the state level, TTIP is also under threat after President Hollande has said that France cannot accept this undermining of essential economic and cultural principles of the French way of life. Without France’s compliance, TTIP’s future looks bleak. By May 2016 more than 1,800 TTIP and CETA Free Zones had been declared across Europe in a network of cities, municipalities and regions.

In April 2016, at the “Local Authorities and the New Generation of Free Trade Agreements” meeting in Barcelona more than forty mayors demanded that TTIP and TiSA negotiations should be suspended until the concerns of local and regional governments are fully taken into account. For Barcelona’s Deputy Mayor, Gerardo Pisarello, the meeting was, “a way for cities to raise their voices and be heard”. Walter Mario Mattiussi from Mereto di Tomba in north-east Italy, told the meeting that the alliance of rural and urban authorities was vital for combating the trade agreements, which he sees as akin to a return to medieval fiefs where ordinary people were denied the right to decide anything for themselves.

Even if TTIP is defeated, it is just one head of a many-headed monster attacking the basic conditions for human life on this planet. In TTIP terms, the earth must be sacked, and humans dispossessed and exploited, as long as money can be made and power grabbed. Direct producers must be separated from their use of natural, common resources, the earth we tread, the water we drink, and the air we breathe. According to Global Witness, more than two people are killed every week defending land, forests and waterways against agribusiness, mining, logging and other forms of despoliation. The treaties represent and intensify a war against nature, against environmentally respectful ways of life, and against the vast majority of human beings. They are extremely perverse.

Even if the battle seems to have been won, the war is by no means over. Only sustained organized movements across

borders can successfully oppose this postmodern global feudalism, and perhaps the best hope lies with the most democratic and, accordingly, the most beleaguered institutions and groups, at local government and municipal levels. **CP**

All Bases Covered

Military Contractor Philanthropy

BY JOAN ROELOFS

Why does military contractor philanthropy matter? It is important to examine every tentacle of the elephantine, serpentine, monster that rules the roost. Those people not entrapped by another of its armed arms can with donations be lured into silence about the illegal wars and the overstuffed military budget. Contractor philanthropy buys not only good will with cash; the partnerships, projects, and programs shape content and culture, especially of children. Corporations with super profits, like the military contractors, can enthrall their vassals, the defunded and privatized arts, education, and social services.

Of course, philanthropy is not the only reason militarism reigns. All government officials, elected or appointed, democratic, republican, green, or nonpartisan, know that the economy is dependent on defense spending. There is no exception for the most “liberal” or “progressive” regions of the country: New England and California. Of course it could be organized in more pacific ways, but this would be traveling further down the road to socialism, out of sync with the ruling class mood.

The free market will not keep the economy afloat. What does are government purchases, and government subsidized or taxpayer financed industries: military, education, health care, agriculture, highways, other infrastructure, and conservation. Even the significant charitable, nonprofit sector, including churches, is subsidized through tax benefits; and mostly exempt from local property taxes, can stay in business while receiving free municipal services.

The military industry fills an important niche, as it provides work for scientists, engineers, and mechanics, sustaining manufacturing industry that has mostly wandered offshore. The profits are huge, and the pay is high for executives and workers. Investment income is enjoyed by widows and orphans, charities, churches, and human rights organizations, among others. Those not impressed by job numbers may still be persuaded by the argument that for security reasons we must have a domestic high tech capability, even if the things (which don't really enhance our security) can be produced more cheaply overseas.

Weapons corporations are multinational and U.S. based

firms operate throughout the world. Some of the largest contractors such as BAE Systems, a British firm and the largest in Europe, are foreign owned. Weapons are a significant part of the export trade of the US, and there are also imports of arms parts. Thus our corporations are in a tight embrace with the military industrial complexes of the world, especially the NATO nations, which are required to meet the highest standards in killing machines.

Some military products are meant to be destroyed after one use, but all of the output can be declared obsolete, necessitating constant production. It is a perpetual motion Keynesian machine. Not just equipment but military bases are lucrative locales of economic stimulus. The areas surrounding bases are also perked up by the demand for real estate, coffee shops, prostitutes, and entertainment.

High tech construction companies win astounding contracts for work in the U.S. and abroad, building, repairing, and updating bases. In recent years, one firm, Hensel Phelps, won a contract for \$92 billion and another, Fluor, for \$110 billion. In 2015, a Black-owned small business, KEPA-TCI, received a contract for nearly \$11 billion.

Civilian businesses of all kinds benefit from Department of Defense contracts, notably documented in *The Complex*, by Nick Turse. From the giant C&S Wholesale Grocers, located in my city, Keene, NH, to child care centers, carpenters, cleaning services, landscapers, etc., many get a piece of the pie. Even the tiniest contract can create enthusiasm or at least neutrality about the vast military budget. Furthermore, universities and state and local governments also enjoy grants and contracts from the military budget.

Other sources of arms industry power are campaign contributions; lobbying; and the revolving door between military personnel, contractors, and government. Obama's political career was impelled by General Dynamics; an offshoot, General Atomics, is in the drone business. Political influence is not only exerted at the highest level of government, but also in the local arena, where early-retired veterans serve in elected, appointed, and volunteer positions.

Military and contractor personnel also serve in leading positions in nongovernmental organizations, a process encouraged by Department of Defense directives. For example, some years ago, Chris Hansen, former chief lobbyist for Boeing, became the top lobbyist for the American Association of Retired Persons; John H. Biggs was a director of Boeing while Chairman, President and CEO of TIAA-CREF, the college teachers' retirement fund; a NAACP leader in Syracuse, NY, Michele Malone, was also an executive at Lockheed. (The entanglements of the military and the nonprofit sector deserve a whole book, which I hope somebody else will write.)

Other claws into our minds are paid advertising and favorable media that impels public opinion to the virtues of militarism.

Yet another area of influence, for those not benefited or

convinced by these inducements, is philanthropy. We must note the direct “humanitarian” work of the military itself, which is a major provider of disaster relief in the U.S. and abroad. This type of aid offers access and sometimes strategic advantages; military charity also has included dental clinics in Africa and pet clinics in Central America.

“Certain schools and the following national organizations are eligible to receive donations of Department of Defense surplus property: American National Red Cross; Armed Services YMCA of the USA; Big Brothers/Big Sisters of America; Boys and Girls Clubs of America; Boy Scouts of America; Camp Fire, Inc.; Center for Excellence in Education; Girl Scouts of the USA; Little League Baseball, Inc.; Marine Cadets of America; National Association for Equal Opportunity in Higher Education; National Civilian Community Corps; National Ski Patrol System, Inc.; Naval Sea Cadet Corps; United Service Organizations, Inc.; U.S. Olympic Committee; Young Marines of the Marine Corps; and League/Marine Corps League.”

Military contractor philanthropy, which I examined in

cially that of youth and minorities, in tune with the values of militarism. The generosity includes not only donations, but partnerships, and these are extended to private organizations, such as Boy Scouts, Girl Scouts, American Association of University Women, private schools, colleges, and universities, as well as the public education system. Thus our generous federal taxes, which have reduced the capacity for local education taxation, are now returned from the super profits of the contractors, especially to schools in poor and minority districts. However, instead of democratically determined curricula, programs, and scholarships, they do it their way.

The examples mentioned here indicate the vast scope of contractor philanthropy; they are only a tiny fraction of the beneficiaries of military contractor foundations and “corporate responsibility.” Grants reach the United Way, health, public policy, Habitat for Humanity, minority, poverty, flood relief, children, seniors, disabled, education, ethnic, religious, the arts, and many other sorts of organizations. International philanthropy is also vast.

Almost anyone with any connections in the world, as well

The philanthropic programs inside the schools, public and private, deliver the message that making weapons, stockpiling them, building bases for them, and using them are noble endeavors, offering great challenges to hone human intelligence.

CounterPunch ten years ago, is still a potent force. Its effect is first of all, to further silence questioning of the “Christmas tree” military budget, and the activities it affords. When one’s child is aided by the generous donations of Boeing and Halliburton to the Juvenile Diabetes Foundation, it may chill desire to participate in anti-war protests. The beneficiaries of charities are often aware of where the donations are coming from. However, the officers of nonprofits and educational institutions, the very people otherwise most likely to be activists, are usually knowledgeable about their donors. Not only are they listed in the organizations’ annual reports, but they receive extensive publicity in awards and other ceremonies, and local and national press reports.

“2015 NAACP ACT-SO Awards Ceremony & Convention. ACT-SO is a yearlong enrichment program designed to recruit, stimulate, and encourage high academic and cultural achievement among African-American high school students. ACT-SO national winners receive financial awards from major corporations, college internships and apprenticeships. Sponsors include Lockheed Martin and Northrop Grumman.”

Philanthropy does not merely serve public relations; it enables corporations to shape the content of culture, espe-

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General Electric is by far the most generous military contractor philanthropist, and rated by the Foundation Center

as the 6th largest of any type of corporate foundation by total giving. Its contribution to the military spirit is probably muted as it also produces well known civilian items. GE philanthropy follows a common pattern: direct grants to organizations and educational institutions, partnerships with both, and matching contributions made by its thousands of employees. The latter reaches most of the universe of nongovernmental and educational entities throughout the country.

Among the GE partners is Assist International, “a humanitarian organization addressing the needs of the world’s most vulnerable people.” GE’s hundreds of grants (which may include partnerships also) go to an array of organizations, including the American Red Cross, the American Heart Association and other health entities; think tanks such as the Brookings Institution and the Center for Strategic and International Studies; the National Governors Association; minority organizations such as the Jackie Robinson Foundation, Society of Black Engineers, United Negro College Fund, Hispanic Scholarship Fund, Cherokee Health System; UNICEF; the public schools of Cincinnati, Milwaukee, and Stamford; and, to stave off their destitution, Harvard, Yale, Columbia, and Duke Universities.

Contractor philanthropy garners much publicity and frequent awards. Corporate Responsibility Magazine announced its 2016 “100 Best Corporate Citizens List.” Lockheed Martin was in the top ten, at number 8. Lockheed in most recent years has been the largest recipient of weapons contracts; from 2008–2016 about \$257 billion total. Points of Light list of the Civic 50 for 2014, the Most Community-Minded Companies in America, includes General Electric and Raytheon. In March 2016, Bechtel received the U.S. President’s Volunteer Services Bronze Award for contributing more than 5,000 volunteer hours in support of Junior Achievement programs.

A relatively new emphasis in the corporate responsibility department is an attestation to sustainability; some companies even have separate sustainability reports. They proudly describe their in-house efforts; thus Bechtel announces that it has designed landscaping surrounding the Lawrence Livermore Laboratory to be drought-tolerant and to use rainwater if necessary. “Boeing researchers are developing aircraft interior cabin sidewalls made with flax, which is treated with a harmless flame retardant, and a natural resin. When panels are replaced or retired, they can be disposed of without harming the environment.” Boeing also partners with TreePeople to encourage eco-friendly behavior to create a healthier and more sustainable Los Angeles. Its Green Teams lead local conservation efforts in the Puget Sound region.

Lockheed was a sponsor of the U.S. Chamber of Commerce Foundation Sustainability Forum in 2013. It also was one of three finalists for the CoC’s best Environmental Stewardship Program. Northrop Grumman supports Keep America Beautiful, National Public Lands Day, and has a partnership with Conservation International and the Arbor Day Foundation, supporting forest restoration.

United Technologies is the founding sponsor of U.S. Green Building Council Center for Green Schools, the only private sector sponsor of the Mayors’ Institute for City Design, and co-creator of the Sustainable Cities Design Academy. In 2015, for its efforts in response to climate change, it was awarded a position on the Climate A list of the CDP (Climate Disclosure Project). In 2014, Raytheon was “recognized by Newsweek as one of America’s greenest companies.”

Pratt and Whitney, a division of United Technologies, produces engines for the Air Force F-16, F-22 and F-35. In October 2015, its employees volunteered to clean up the Connecticut River. The river also hosts the Electric Boat (another name for a nuclear submarine) Company, a division of General Dynamics.

Minority organizations are especially well gifted by the military contractors. The NAACP has had a fruitful relationship with Lockheed, and the latest online report of the NAACP LDF (Legal Defense and Educational Fund) acknowledges donations from BAE Systems, General Dynamics, and General Electric. The Congressional Black Caucus Foundation, which is part charity and part lobbying aid, has Lockheed on its Corporate Advisory Council, and lists donors General Electric, Northrop Grumman, General Dynamics, and Lockheed. Native Americans, Chinese-Americans, Hispanics, and other ethnic groups also receive considerable attention.

The most extensive and influential aid is given to children, via their organizations and schools. Here there are many partnerships and programs, not merely cash.

“Mission: Readiness is the nonpartisan national security organization of over 600 retired admirals, generals, and other retired senior military leaders calling for smart investments in America’s children. It is a part of Council for a Strong America, the umbrella nonprofit for five membership organizations comprising the unique and powerful voices of retired military, business, law enforcement, faith and sports, working together to prepare young Americans for success.”

It is not surprising that the Boy Scouts are firmly involved with the military; they always were. Now the President of the Boy Scouts is Robert Gates, and the Honorary Vice President is Norman Augustine, a notable military lobbyist. Although this group has been a steady and favored grantee of arms producers, in 2013 Lockheed suspended its donations because of the organization’s anti-gay policy.

Girl Scouts are well endowed, and have benefitted from the boy scout trouble. Marsha Johnson Evans, the executive director from 1998 to 2002, was a retired rear admiral. The Girls Scouts of Southwest Texas CEO Angie Salinas was a major general in the United States Marine Corp. Girl Scouts has a partnership with Lockheed Martin, among others.

Girls, Inc. is heavily funded by Lockheed (\$500,000 in 2014) and Bechtel. Boys and Girls Clubs and Camp Fire are also generously treated by contractors. Tree Musketeers is a national youth environmental organization partnered by Northrop Grumman and Boeing. For the sake of any chil-

dren, even the unaffiliated, Raytheon has provided a simulator, Sum of All Thrills, to allow Walt Disney World visitors to design a virtual reality.

The American Association of University Women has a special program, the National Tech Savvy Program, to encourage girls to enter STEM (Science, Technology, Engineering and Math) careers. It is supported by large grants from Lockheed and BAE; Boeing has also been a sponsor.

Many programs are in place to support and influence children of contractors and those of military families. For example, the BAE Systems Initiative for Military Families aims at improving STEM education in high schools serving military families.

The philanthropic programs inside the schools, public and private, deliver the message that making weapons, stockpiling them, building bases for them, and using them are noble endeavors, offering great challenges to hone human intelligence.

These start early. Wolf Trap Foundation for the Performing Arts is partnered with Northrop Grumman for an “early childhood STEM ‘Learning through the Arts’ initiative for pre-K and kindergarten students. The program features multi-classroom instruction, professional development workshops for teachers, and family involvement workshops for parents and caregivers.”

FIRST is a major organization promoting STEM education with a close relationship to many military contractors. It operates mentor and coach based programs inside schools, with teams and competitions to engage children. In grades K-3 there is the FIRST® LEGO® League Jr., where children work with motorized LEGO® elements, guided by adult coaches. In the higher grades, children build robots, and at the high school level, teams compete with their robots, always guided by coaches and mentors, who are generally employees of military contractors. “Participants have access to tens of millions of dollars in college scholarships.”

Raytheon has a MathMovesU program in schools to guide students to STEM careers. Its mentoring includes transporting “students from under-served communities to Raytheon for on-site mentoring after school.” As with the AAUW program and other partnerships, participation may lead to scholarships, internships with the contractor, and full time careers in the industry. Northrop Grumman provides STEM camp scholarships for children who live in high-poverty districts. First Book is a nonprofit in a partnership with Lockheed to provide digital educational STEM resources to children in need, which will be used in the classroom and also in after school and community programs.

Junior Achievement is supported by Bechtel, United Technologies and many others. It strives to train children in market-based economics and entrepreneurship.

Teachers are provided with grants, classroom materials, workshops and summer camp hands-on learning experiences. Every type of higher educational institution, from the richest to the poorest, receives grants, scholarships, partnerships

and programs from contractors. Of course, a huge number of colleges and universities are DoD contractors themselves. One small but significant grantee (of General Electric) is the Institute of International Education. This is a gatekeeper for graduate student experts on international relations and foreign countries, who contribute to the scholarly corpus of (often biased) reports of the outside world.

Parents of poor and minority children are of course grateful for the resources provided to schools by contractors, just as those who send their children to the public school military academies in Chicago appreciate the flush budgets of those DoD aided schools compared to the locally financed public schools.

Does the sponsorship register with the students? Of course, those attaining scholarships and their friends know who the supporters are. Even at the third grade level, a reporter found a girl who questioned the gift of three free books to every student in K-5 grades (in a Burlington, VT school) from General Dynamics. The books were chosen by the school, but they came with a GD bookmark and label. The girl was forced to sit in the classroom alone while the others went to get the free books—one mustn’t question this gift horse. And very few do.

Philanthropy is to some extent responsible for the very small concern (even among leftist and progressive organizations and politicians) about the militarization of the world, its ongoing lethal activities, and its preparation for what might well be “the final conflict.” Yet unlike the sure-grip of its other tentacles, military philanthropy can be rejected by citizens who are officers or members of its beneficiaries. **CP**

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The Stigmatization of Black Youth Paint It Black

BY LAWRENCE WARE

My uncle blamed everything on the white man.

Global warming? It was the white man. Drugs destroying the community? Blame the white man. Football team lost? The white man was at fault.

Uncle John was the kind of ghetto philosopher you’d find dropping knowledge in the barbershop while waiting for a chair to open. He’d probably walked in without an appointment. People would listen half heartedly, passively allowing the words to wash over them. Intermittently the listener would mumble an obligatory “that’s deep,” meant to acknowledge the passing of time.

He would talk about the way the white man invented AIDS as a way to rid the country of homosexuals. He was convinced that the white man flooded the black community with drugs

to undermine the Black Panthers. He thought billiards was a game invented to teach 'red, black, and yellow' people to accept oppression. (The game ends when the WHITE ball knocks the BLACK ball off the GREEN table.) He was convinced he was right.

He wasn't wrong.

While my uncle was incorrect in his assessment that there was a singular white man behind all of these ills, he was right to think that there was something nefarious afoot. He was neither a trained philosopher nor an academic historian, but he had good intuition. He was unable to name it, but he was talking about white supremacy.

bell hooks prefers the term white supremacy over racism because:

"...racism in and of itself did not really allow for a discourse of colonization and decolonization, the recognition of the internalized racism within people of color and it was always in a sense keeping things at the level at which whiteness and white people remained at the center of the discussion....In my classroom I might say to students that you know that when we use the term white supremacy it doesn't just evoke white people, it evokes a political world that we can all frame ourselves in relationship to..."

When some individuals of European decent hear the term white supremacy, they get personally offended. They incorrectly assume that what is being discussed are all white people. While it is true that those who inhabit white bodies benefit from this power arrangement, white people are not the point of discussion here. As Carly Simon once said, "You're so vain; you probably think this song is about you." Well, white folks, sorry—it is not. Well, not exactly.

White supremacy is no indictment of any one person, but, rather, it is an indictment of a system that permeates all of life in the West. It is as ubiquitous and invisible as the air we breathe. We take to it like fish in water. In fact, so many are accustomed to it that they only notice it when it is threatened. That is part of the reason for the backlash against Affirmative Action and Barack Obama. These are instances of white supremacy, in the form of white privilege, being challenged and backlash being grounded in an existential anxiety about losing one's place of privilege. This is especially true in America.

In this country there was a relinquishing of white ethnic identity during the Civil War. Wealthy slave owners needed working class European-Americans to be united in their support of the Confederacy, so whiteness as a homogeneous, ontological racial identity was emphasized. It worked brilliantly. Even today this conceptual frame is so strong that many white working class Americans vote against their political and economic interests in an attempt to combat the encroachment of black and brown people upon what their white privilege tells them they deserve. It is this system of white supremacy and privilege that places black boys and girls

in political and cultural crosshairs. A black child is viewed through the lens of a white supremacist conceptual matrix. This happens because of a psychological phenomenon that happens to everyone that is reared in a white supremacist context.

In the past year, the killing of unarmed black men and women dominated the national news cycle. Since then, there have been riots, marches, die-ins, and all manner of civil unrest as the country comes to terms with this manifestation of racism in the digital era.

In the wake of these incidents of police brutality, there has been a great deal of soul searching among liberal academics as we try to make sense of what's happening in the streets below our ivory towers. The literature and discussion that dominates the cultural and academic conversation has centered on implicit racial bias. This bias is defined as

"...the attitudes or stereotypes that affect our understanding, actions, and decisions in an unconscious manner. These biases, which encompass both favorable and unfavorable assessments, are activated involuntarily and without an individual's awareness or intentional control. Residing deep in the subconscious, these biases are different from known biases that individuals may choose to conceal for the purposes of social and/or political correctness. Rather, implicit biases are not accessible through introspection."

For many, implicit bias explains why police officers would, in a fraction of a second, shoot an unarmed black man or woman. In such a high-pressure situation (what philosophers of mind and psychologists call being under a heavy cognitive load) and without sufficient time to engage in deep reflection, a person will operate according to their bias. The socialization a person receives in a white supremacist culture predisposes them to seeing a black or brown face as suspicious. Therefore, it makes sense that police officers would react violently when in this situations. Yet, I think the focus on implicit bias in many academic circles may miss the explicit bias that is also at work.

Many assume that people operate according to unconscious racism as opposed to covert, or even overt, racism. Covert racism is racial bias a person knows they hold, but are careful not to say in racially mixed company. Overt racism is racism that is, well, overt. It's calling dread wearing Richard Sherman a thug or an ape because he is passionate about winning an NFL playoff game while being interviewed by petite, blond Erin Andrews. It's calling Cam Newton unprofessional or too black because he dabs on the football field. That's overt racism—and many are perfectly comfortable expressing it.

The academic focus on implicit bias assumes that officers who kill black men and women (mostly black young men and women) are not aware of their racism, and when they are placed in a high-pressure situation, they operate according to something over which they have no control. It's a nice cop-out. It assumes that these police officers are not really

malevolent, they are, just like the unarmed black and brown people they kill, the victims of systemic white supremacy. This is possible—but I'm not willing to make that assumption about every officer or civilian; especially in light of the rise of Donald Trump.

Yet, implicit bias, like explicit bias, does exist. It is a real problem that needs study and discussion. It can be difficult to identify and even more difficult to root out because it takes more than self-reflection to keep one from operating according to it. Since implicit bias is happening in line with our unconscious, reflexive psychological system instead of the conscious, reflective system, we need to examine the messages in our culture about black boys and girls. And, if we are to be honest, the messages in our culture about black youth are far from positive.

Upon turning eighteen, some celebrate graduation from High School. It is seen as a right of passage into adulthood. For others, it is symbolic of the ability to join the military—a pathway into individuality and self-sufficiency. For me, I was

have to be killed by a police officer every week over a three-year period to match the number of black men killed during the same time frame. Let's call this what it is: cases of modern day lynching. Yet, many will say they should not have done anything to draw the attention of the police. If only they had obeyed the law, they would still be alive. The only problem is that driving, walking, or living while black means that you have a higher chance of being targeted by the police.

In October of 2015, *The New York Times* published a story that examined four years of traffic stops in Illinois, Connecticut, North Carolina, and Rhode Island. They discovered that black drivers are five times more likely to get searched during a routine traffic stop, but thirty percent less likely than white drivers to be in possession of illegal goods. This rate is significantly higher if the driver is a black male. How, then, do we explain this disparity? That's where implicit bias and white supremacy comes in.

We live in a culture that communicates hostile messages about young black men. They are often portrayed as

The same young black people who were chastised for being unlearned and politically apathetic are now being lectured to when they organize and try to persuade politicians who are supposed to represent their interests.

just happy to be alive. “You made it,” many informed me on August 19, 1999. I was a high school graduate, and I didn't have any children. I was enrolled at a community college; but, most importantly, I was alive. Many others, some of them my friends, were not. To survive the 90s as a black boy was viewed as no small thing. The odds were against me.

Boyz N The Hood, a movie directed by John Singleton, opens with a statistic that I have not been able to verify, but, nevertheless, rings true. It says, ‘One out of every 21 Black American males will be murdered in their lifetime. Most will die at the hands of another Black male.’ It was a statistic that I heard repeated many times. I've heard it from pulpits peopled by black preachers. I've heard it in conversations at barber-shops and beauty salons. DL Hughley went so far as to lobby the Environmental Protection Agency, with tongue placed firmly in cheek, to have African-American males declared an endangered species, citing the killing of black men by the police and the rates of murder in low-income neighborhoods populated by black people.

ProPublica recently published a report stating that black boys are 21 times more likely than their white counterparts to be killed by police officers. They crunched the numbers and came to a startling conclusion. 185 more white men would

dangerous thugs or athletic freaks of nature. The American Psychological Association's *Journal of Personality and Social Psychology* published an article that found that black boys are viewed as older and less innocent than their white counterparts. UCLA Psychologist Phillip Atilba Goff said, “We found evidence that overestimating age and culpability based on racial differences was linked to dehumanizing stereotypes, but future research should try to clarify the relationship between dehumanization and racial disparities in police use of force.” The stereotypes about young black men circulating in our culture are not harmless—they are deadly. The idea that young black men are always up to no good can have deadly consequences—just ask the parents of Jordan Davis or Trayvon Martin. Yet, young black men are not the only ones being stigmatized. Young black women are stereotyped as well.

On October of 2015, a student had a very bad day at school. A day so bad it captured the nation's attention and forced us to examine our current culture of education. At Spring Valley High School in Richland, South Carolina, video surfaced of a confrontation between a white male police officer and a black female student. The officer was called in to address the misbehavior of the student, and in the video, after he asks her to

comply with his demands to get up and leave the room, he grabs the student, flips her on her back, and drags her across the floor while shouting, “Hands behind your back—give me your hands.” The video does not give us any more context as to what preceded or came after the incident. However, of one thing I am fairly confident: this would not have happened if the student in the video looked like Taylor Swift.

Like black boys, black girls are the recipient of physical and psychological violence due to white supremacy and implicit bias. From the moment the first slaves were brought to shore in 1619 on a Dutch Man-of-War, black girls have been told they were intellectually and aesthetically inferior. They are told they have the wrong lips, hips, and skin pigmentation by a culture that places a premium on white norms of beauty. They are told that they are to be subservient to black men in Black Churches—religious institutions founded as a place to help liberate black people from the oppression forced upon them by slavery and white supremacy. They are targets of vicious sexual and physical violence at the hands of both black and white men, and they are forced to contend with the triple evils of racism, sexism, and classism. Black girls are culturally stigmatized as bitches (one needs only watch *Real Housewives of Atlanta* to see this embodied) and hoers (*Love and Hip Hop: Atlanta* offers a peak into this stereotype.) Black girls are even fed problematic messages from black men as evidenced by Dr. Dre on his 1992 album *The Chronic*: “Bitches aint shit but hoers and tricks.” The burden of being a black girl contending with institutionalized white supremacist forces becomes even more clear when we examine the disproportionate treatment black girls receive in educational institutions.

The African American Policy Forum Published a study that found that black girls face harsher school discipline than their white peers. Yet, there are few initiatives geared toward addressing their unique concerns while initiatives like President Obama’s *My Brother’s Keeper* addresses issues faced by young black boys.

Talking about the report, *Black Girls Matter: Pushed Out, Overpoliced and Underprotected*, lead author Kimberle Crenshaw said, “As public concern mounts for the needs of men and boys of color...we must challenge the assumption that the lives of girls and women—who are often left out of the national conversation—are not also at risk.”

The study found that “in New York the number of disciplinary cases involving black girls was more than 10 times more than those involving their white counterparts...in Boston, the number of disciplinary cases involving black girls was more than 11 times more than those involving their white counterparts, and rates of incarceration were strikingly disproportionate between black and white girls.” This means that not only are black girls culturally stigmatized, they are targeted in spaces where they should feel safe. Yet, there is hope. Black boys and girls are using tools made available to them by social media to combat the racism with which they contend.

After the death of Mike Brown in Ferguson, Missouri, the

hashtag #BlackLivesMatter began to be used by activists to bring attention to issues facing black folks in America. Many were critical of the specificity of the phrase, and pushed back with hashtags like #AllLivesmatter and #BlueLivesMatter. The intent of those who pushed back was to combat a perceived devaluation of lives that were not black; yet, these pushbacks miss the point. Activists who say ‘black lives matter’ do not say only black lives matter—merely that there is a need to acknowledge the social forces in America that place limits on what individuals who inhabit black bodies can be, do, and become.

The activists behind the Movement for Black Lives have done more to bring attention to areas of racial inequity than any other group of activists for the past ten years. Things like public education funding; housing segregation, environmental racism, and police brutality have become part of the national conversation partly because of the persistence shown by these activists to raise awareness of these issues.

During this election season, the Movement for Black Lives forced candidates to address their concerns with clarity and care. They went so far as to interrupt candidates like Bernie Sanders in Seattle and persuaded Hilary Clinton to meet with them privately. The fact that presidential candidates are forced to address overt and covert forms of racism speak to the impact this group is having upon the political landscape. Candidates are no longer taking black votes for granted. They now see that they must cater to black young people or be taken to task publically for their silence.

Inspired by these activists, public protests have begun to take place across the country. From the marches in Baltimore and Chicago to the near boycott of a football game by players at the University of Missouri, race has become a topic of conversation again. What is most encouraging is that those behind this movement are not seasoned warriors for social justice in their seventies, but, rather, millennials using the tools of their generation to change the world. The activists that created the hashtag #BlackLivesMatter are young queer black women. They are intentional about being intersectional, so they address not just one system of oppression, but all systems of oppression—what bell hooks calls ‘white supremacist capitalist patriarchy.’ Yet, I would add homophobia to the list of ills about which they are concerned. We are in the middle of a movement to address intersectional ills lead by black youth that for years have been criticized as being lazy. One would think everyone committed to bettering the lot of the oppressed would be encouraged by this development. Of course they are not.

Recently, the Movement for Black Lives was discussed while President Barack Obama spoke at a London town hall. He praised Black Lives Matter for its ability to highlight issues, but criticized what he felt were lackluster efforts to create solutions. He said that “they yell too much” and that “yelling is not what will get the job done.” Obama echoed many of the criticisms voiced by Sanders supporters when young black

activists with the Black Lives Matter movement interrupted him at NetRoots Nation and in Seattle. I find these criticisms ironic. The same young black people who were chastised for being unlearned and politically apathetic are then lectured to when they organize and try to persuade politicians that are supposed to represent their interests.

Black boys and girls continue to be stigmatized in this white supremacist nation; yet, I am encouraged by the impact black millennials are having on our contemporary political and cultural discourse. Black boys will continue to be viewed and treated as thugs and athletic freaks of nature. Assumptions about black girls as hoes and bitches will continue to be made. Yet, I am happy to see that many black youth are organizing to push back against characterizations and force those in power to address their concerns while fully validating their humanity.

Uncle John, like Malcolm X and Elijah Muhammed, was wrong about a singular white man intent on disenfranchising black people in America. It is not the 'white man' about which we should be concerned. White supremacy is the culprit. It is white supremacy that threatens the lives and possibilities of black boys and girls in America. We must dismantle any system that refuses to see black humanity, and this work is under way by the same young people this system tries to marginalize.

Isaiah 11:6 says that "a little child shall lead them" and to this I say 'amen.' CP

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A Dumpster Fire of a Bank HSBC and the Five Whistleblowers

BY PETER LEE

With the explosion in global finance over the last three decades, banks have become supranational. That hasn't been extremely popular with the governments that try to regulate them, in part because of the tax evasion opportunities that arose with the proliferation of venues and instruments, and also because global banks are markedly unenthusiastic in pursuing unprofitable U.S.-led multilateral financial policy objectives such as national and individual sanctions. As matters of revenue, policy, and pride, governments want to bring banks to heel.

Governments got their chance to strike back after the Great Financial Crisis of 2008–2009 revealed spectacular and dangerous shortcomings in bank governance—and gave governments a say in bank governance through bailouts.

On the macro-level, new capitalization requirements were introduced to strengthen bank balance sheets, so that banks would have adequate reserves to bail themselves out without locking up the financial system and forcing governments to step up and provide liquidity.

On the micro level, governments started a concerted campaign to end bank secrecy. The EU and UK, in particular, spun transparency as a vital issue for the stability of the global financial system, as part of an evolution toward universal regulation of financial institutions. That goal may be out of reach for the near future, but the drive for transparency did have the attraction of challenging bank secrecy, particularly in Switzerland, and yielding some nice revenue.

The Swiss were not interested in signing on to a transparency program that would allow for a) reliable identification of account holders and b) exchange of information about those account holders with the relevant tax jurisdictions.

Cracking the wall of secrecy required whistleblowers. And in 2008 Bradley Birkenfeld appeared. Actually, he appeared at the DOJ, the SEC, the IRS, the U.S. Senate and back to the DOJ again before his case was finally taken up.

Birkenfeld revealed the identities of US account holders at his old bank, UBS, previously the Union Bank of Switzerland. The U.S. announced a tax amnesty, the Overseas Voluntary Disclosure Program, many US account holders rushed to pay up, and the IRS has scored a nice payday of \$6.5 billion over the last six years.

The U.S. government also used the information they got from Birkenfeld to assess a \$780 million fine on UBS. The threat of more of the same treatment compelled the Swiss government to grudgingly phase out bank secrecy and share information with the IRS and other tax authorities.

In return for his services, Birkenfeld was rewarded to the tune of \$104 million by the US government. The punch line is that he could only collect it after 40 months in jail. The Department of Justice declared that Birkenfeld had not been sufficiently forthcoming about his activities on behalf of one client, requiring the jail term and an additional five years of probation.

An interesting paradox. Whistleblowing is essential to undermining bank secrecy, but whistleblowers either get ignored or trampled by the governments they are assisting, reducing the incentive to whistleblow. This paradox is on full display in the case of HSBC.

HSBC is one of the too big to fail banks. It's a global behemoth with \$2.4 trillion of assets under management. HSBC owes its stature to the dominant position in East Asia of its largest group member, Hong Kong and Shanghai Banking Corporation. Hong Kong and Shanghai Bank basically banked the British Empire and stayed on top in Asia even after the Empire left.

HSBC can also claim to lead the world in bank whistleblowing, having served as the nexus for five public whistleblowing exercises involving most of its major geographical

regions of operation.

HSBC's problems are the most pronounced, or perhaps simply the most extensively aired, in its U.S. affiliate. With all due respect to the thousands of fine people who work, and have worked there, HSB-U.S., as it is referred to, appears to be a dumpster fire of a bank.

In 2010, when Senator Carl Levin's Permanent Subcommittee on Investigations wanted to highlight deficiencies in bank compliance practices relating to money laundering by drug cartels and illicit transactions by sanctioned individuals and entities, it chose HSBC as its poster child, and published a damning 339-page report.

The IRS Criminal Investigation division and the Justice Department got in the act and hit HSBC with an attention-grabbing \$1.9 billion fine and a Deferred Prosecution Agreement or DPA that gave the Justice Department leeway initiate criminal proceedings against HSBC for the offenses covered by the DPA if, in the next five years, HSBC's com-

ing, the demand that every potential customer opening an account present him or herself with a valid ID linkable to the relevant tax authority database—by cloning the identity of bona fide customers to open other accounts.

In a court deposition, Cruz's lawyers stated:

Starting in January 2009, Cruz was assigned an account in the Northport branch, worth over \$850,000,000.00. Cruz tried to determine the identity of the corporations affiliated with the account and identify where money was being deposited from and withdrawn to, without success. He notified his supervisor that the account should be investigated and reported to the government, but no action was taken. Further examination of the social security number affiliated with the account linked it to 5,449 other accounts, some of which were clearly fraudulent. Cruz again reported his findings to his superiors and nothing was done.

Cruz claims that his reports to management were spiked, and he was told to stop making waves. Even more problemat-

HSBC is preserved and protected, not because it's a good bank but because it's a bad bank. It did bad things and knows who else did them.

pliance measures were deemed inadequate by an outside monitor.

What also grabbed people's attention was the fact that no criminal charges were filed against HSBC or against HSBC executives for what appeared to be blatant acts of commission, not just "lax controls", in abetting money laundering and sanctions evasion.

A close-up view of alleged HSBC U.S. illegality and dysfunction was provided by John Cruz, a whistleblower who had worked as a relationship manager for HSBC in the New York City area. The only journalist interested in reporting and investigating Cruz's allegations was Jerome Corsi of World Net Daily; WND owns this story and I am grateful to Jerome Corsi for introducing me to Cruz.

Cruz alleges that some HSBC managers defrauded the bank by setting up fake companies, writing loans to those companies, taking out the money, and then writing off the loans while manipulating the information system to eliminate government reporting of the bad debts.

He also alleges he saw HSBC managers tolerating suspicious movements of money—hundreds of millions of dollars, in one case—through accounts that seemed to be run out of virtually empty offices.

Cruz claims that HSBC managers were conniving at evasion of "Know Your Customer" or "KYC" requirements—the fundamental regulatory defense against money launder-

ing for Cruz, he was verbally instructed to make the computer entry that kept the accounts open, leaving him and not upper management on the hook if they were investigated.

Cruz's allegations about the dismal state of compliance at HSBC are supported by a report by Matt Taibbi in *Rolling Stone* about the charades conducted by the bank in dealing with its regulators. Taibbi interviewed yet another HSBC whistleblower—a former compliance officer named Everett Stern. Stern asserted that the so-called compliance officers knew nothing about money laundering, managers didn't want to hear about money laundering, and the prime directive was that each employee was tasked with "clearing" i.e. declaring closed and not reporting to the government 72 internal alerts (generated by various suspicion-worthy transactions) per week.

For his part, Cruz alleges that someone in HSBC Security told him that HSBC management's approach was "only 10% of what we find gets reported to the government" presumably that 90% of alerts would be squelched internally no matter what, and only 10% would not be cleared and sent on to the Office of the Controller of the Currency as Suspicious Activity Reports instead.

Cruz downloaded thousands of pages of HSBC documents involving apparently dodgy accounts. He also amassed hundreds of hours of audio tapes of his interactions concerning HSBC and has compiled some of the more interesting ones

on a CD—World Banking World Fraud Vol. 1—available on iTunes. In addition to conversations with HSBC people, the CD covers Cruz’s discussions with a multitude of government offices—Brooklyn District Attorney, Department of Homeland Security, FBI, Senator Grassley’s staff.

Nobody nibbled.

Neither Cruz nor Stern were interviewed by the Levin committee and, as far as prosecution for the criminal and fraudulent conduct they alleged, nothing ever happened.

It is unlikely that Cruz was the only HSBC staffer who worried about becoming a fall guy and amassed documentation for an insurance policy. And it is doubtful there was a shortage of vulnerable managers who could have been flipped to testify against their superiors in return for immunity in the time-honored DOJ way. John Cruz is still trying to get his story out, through his website, his tapes, and his books.

As for Everett Stern, here’s how Taibbi describes Stern’s reaction to the DOJ settlement.

A few days after Thanksgiving 2012, Stern heard that the Justice Department was about to announce a settlement. Since he’d left HSBC the year before, he’d had a rough time. Going public with his allegations had left him emotionally and financially devastated. He’d been unable to find a job, and at one point even applied for welfare. But now that the feds were finally about to drop the hammer on HSBC, he figured he’d have the satisfaction of knowing that his sacrifice had been worthwhile.

So he went to New York and sat in a hotel room, waiting for reporters to call for his comments. When he heard the news that the “punishment” Breuer had announced was a deferred prosecution agreement ... he was flabbergasted.

“I thought, ‘All that, for nothing?’” he says. “I couldn’t believe it.”

Cruz asserts that someone in HSBC told him in 2009 fines were just a cost of doing business and the bank kept \$2 billion in reserve for penalties, a number disturbingly close to the \$1.9 billion negotiated between the DOJ and HSBC in 2012.

Criminal prosecution is an uncertain art, and the DOJ’s success rate in convicting bank executives is pretty dismal (the one time it tried against a UBS executive, the jury acquitted in 90 minutes).

However, it does beggar belief that the U.S. government could not have done a regulatory number on HSBC’s US operations. The OCC could have withdrawn HSBC’s banking license and shut it down. Or the Department of the Treasury’s Office of Terrorist Financing and Intelligence could have warned HSBC that HB-US was headed for designation under Patriot Act 311 as “a bank of money laundering concern”—the kiss of death since all other banks are expected to cut ties with it—and HSBC would have had to liquidate its North American operations.

Worldwide, HSBC is a too big to fail bank, but its US operations are basically the old Marine Midland Bank plus some

acquisitions. Some big bank like Bank of America gobbling up HSBC US under the supervision of the Fed shouldn’t have caused to much indigestion.

But, obviously, that didn’t happen. One explanation offered is that David Cameron, Great Britain’s Prime Minister, flew to Washington to personally lobby President Obama not to withdraw HSBC’s banking license.

As a UK whistleblower, Nicholas Wilson, has revealed, the HSBC group, headquartered in London, is despite its sins indeed a cherished institution as far as the current UK government is concerned.

Nicholas Wilson was employed by a law firm that did collections on overdue consumer credit accounts. When HSBC bought its way into the consumer lending business by taking over the finance company that Wilson served, it notified its lawyers that they were to add a 16.4% fee onto past-due balances, and recover their costs from that penalty.

This is apparently illegal under British law, Wilson objected, and after considerable acrimony was released. Wilson—who now blogs under the name “Mr. Ethical” that had been mockingly bestowed on him by a co-worker—has been attempting to whistleblow since 2006 on this abuse which, by his calculation, amounts to overcharges of perhaps £1 billion. Wilson believes that HSBC not only instituted a policy that turned out to be fraudulent and attempted to evade regulatory and legal culpability; it is engaged in an ongoing coverup to minimize and mitigate its exposure.

Again, indications that not just errors of omission, acts of commission—potentially fraud that would possibly involve criminal prosecution of individuals and perhaps the bank itself—are involved.

Wilson has been frustrated in his efforts by institutional indifference—the British law enforcement and regulatory authorities appear manifestly disinterested in pursuing his allegations—and by the peculiar solicitude of elements of the British establishment for HSBC.

Wilson’s own story is invisible in British media, but British media kowtowing to HSBC is documented to an embarrassing degree.

British media deference to HSBC was confirmed by the resignation letter of Peter Osborne, the chief political commentator for the *Daily Telegraph*:

From the start of 2013 onwards stories critical of HSBC were discouraged. HSBC suspended its advertising with the Telegraph. Its account, I have been told by an extremely well informed insider, was extremely valuable. HSBC, as one former Telegraph executive told me, is “the advertiser you literally cannot afford to offend”..

Winning back the HSBC advertising account became an urgent priority. It was eventually restored after approximately 12 months. Executives say that Murdoch MacLennan was determined not to allow any criticism of the international bank. “He would express concern about

headlines even on minor stories,” says one former *Telegraph* journalist. “Anything that mentioned money-laundering was just banned, even though the bank was on a final warning from the U.S. authorities. This interference was happening on an industrial scale.

Again, give credit to an independent journalist, Nafeez Ahmed, for stepping up virtually unaided to delivery an investigatory report, “Death, drugs, and HSBC,” on HSBC, Wilson’s case, and the pushback he has received when the big outlets declined to cover the story.

For further context for the aggressive disinterest of the UK concerning the alleged fraud and coverup, Wilson chronicles instances of the apparent alliance between the current government and HSBC.

The ex-chairman of HSBC, Stephen Green, was nominated for a life peerage by David Cameron, entered the House of Lords, and became a Minister of State for Trade and Investment. Cameron subsequently engineered the appointment of an HSBC director, Rona Fairchild, to the post of Governor of the BBC under allegedly dodgy circumstances. According to Wilson, negative coverage of HSBC has virtually vanished from the BBC subsequent to her taking her post.

And by Wilson’s account, the Financial Conduct Authority has on multiple occasions sidestepped jurisdiction, disparaged, and slow-walked Wilson’s complaint, even as HSBC has optimistically reduced its set-aside for an expected settlement from \$1 billion to \$400 million. As HSBC does its tango with UK regulators, Wilson finds himself unheeded, unemployable and impoverished.

Further indications of the apparently protected character of HSBC in the UK comes from a fourth figure in the bulging album of HSBC whistleblowers: Herve Falciani, an IT specialist at HSBC Switzerland.

Falciani did Swiss Leaks, the leak of the client list of HSBC’s private banking operation in its Switzerland operation. For violation of bank secrecy laws, a Swiss court sentenced Falciani in absentia to five years’ imprisonment. However, authorities overseas, apparently grateful for the tax evasion leads they were able to derive from Falciani’s data—on 127,000 clients holding £78 billion in 300,000 accounts—have made it possible for him to shelter, first in Spain and then in France, where he reportedly lives under the watchful eye of 4 bodyguards.

Interestingly, in 2015 Falciani produced evidence that he had e-mailed Her Majesty’s Revenue and Customs in 2008—six years before he went public—about his desire to whistleblow. He also declared that he had sent identical offers to various government departments in the U.K., including the private office of then Foreign Secretary Ed Miliband.

Nothing happened; the HMRC declared it was unable to locate Falciani’s e-mail.

So, it seems the U.S. and U.K. go easy on HSBC, and are hard on whistleblowers. Why is that?

Perhaps because, in a world with weak transnational in-

stitutions, HSBC is a valuable force multiplier to the United States in its campaign to attack bank secrecy. HSBC is preserved and protected, not because it’s a good bank but because it’s a bad bank. It did the bad things, it knew who did them, they know how it’s done, and the US government wants it to share its secrets, not see it consumed in a firestorm of criminal litigation. Falciani claims his acquisition of the HSBC files was assisted by foreign security services.

Which brings us to the fifth whistleblower, the anonymous figure who delivered the “Panama Papers” to the International Consortium of Investigative Journalists or ICIJ in 2016.

The Panama Papers are a dump of the internal files of a law firm in Panama, Mossack Fonseca. Although much is made of the knavery of Mossack Fonseca, the true target of the leaks seems to be the banks that employed its services to hide identities of depositors behind shell companies after Swiss bank secrecy had been compromised.

And pride of place as the most promiscuous user of Mossack Fonseca services was none other than HSBC. Its bankers in Monaco, Switzerland, and other locales helped set up 2300 shells, about 15% of the total. It looks like the Mossack Fonseca dump bookends the Herve Falciani dump: Falciani revealed the names of the shell companies that owned 90% of the accounts at HSBC Switzerland; the MF files reveals the people behind the shell companies set up at HSBC’s behest.

It all ties together nicely as an incremental assault on bank secrecy. First get the accounts, then strip the shells that hold the accounts to reveal the real owners behind them. Amid the uproar concerning the Panama Papers, the Obama administration has announced its desire to set up a “national registry” of beneficial owners of shell companies in the United States, a dagger at the heart of the Delaware shell business that would have previously been considered inconceivable.

So, despite the assertions of the anonymous whistleblower, I wonder if the Mossack Fonseca hack and the Falciani hack might have been government-linked operations to crack bank secrecy...and put HSBC and the other banks on notice that active cooperation is the only option.

And with the “stick” of exposure and civil penalties, perhaps comes the “carrot” of de facto protection from individual whistleblowers and the criminal charges threatened by their first-hand experience of bank chicanery. Exploit the bank as an asset while controlling and protecting it, in other words.

Observers have noted the steady march of ex U.S. Treasury officials to positions of authority in the compliance operations of HSBC and other tainted banks.

Stuart Levey, the mastermind of the U.S. sanctions campaigns against North Korea and Iran as head of the Office of Terrorism and Financial Intelligence at Treasury under George W. Bush and Barack Obama, is Chief Counsel for HSBC Group.

On April 26, 2016, Reuters reported than Jennifer Shasky

Calvery, head of the entire Treasury FinCEN division (Financial Crimes Enforcement Network, the core Treasury anti-money-laundering institution and the parent organization for OTFI), was resigning her post to go to HSBC.

Probably the banks are genuinely trying to improve compliance; HSBC USA is, after all, operating under a deferred prosecution agreement. And having an ex-Treasury honcho or two on your side of the table presumably enhances credibility and *gemütlichkeit* and makes negotiations with the U.S. government less onerous and expensive.

Other moves indicate there is more to HSBC's interest in high government officials than compliance concerns. HSBC directors now include Jonathan Evans, the ex-head of MI5; and Laura Cha, previously the chairman of Hong Kong's Advisory Commission on Corruption.

I speculate that Levey, Shasky, Evans, and Cha are not examples of "regulatory capture" of various strategic governments by HSBC; these individuals are more along the lines of government embeds at HSBC, making sure that HSBC not only behaves itself, but serves as an effective and reliable instrument for pursuit of tax evaders, collection of financial intelligence, and execution of financial policy i.e. effective sanctions.

As to where this all ends, with Swiss bank secrecy in ruins and the Western shell company empires crumbling, I suggest it is instructive to "look East" to Asia, to the last great tax havens of Singapore...and Hong Kong, the true home of HSBC, where it bestrides the murky waters of Asian finance (and the external finance and trade of the People's Republic of China) like a colossus. **CP**

For readers interested in learning more, and in supporting whistleblowers, John Cruz's website is worldbankingworld-fraud.com. Nicholas Wilson blogs at nicholaswilson.com.

PETER LEE edits *China Matters*.

Welcome to the Jungle From El Salvador to Amazonia

BY GARRY LEECH

Two things occurred in the mid-1980s that began to influence my worldview: a growing desire to finally reflect on my El Salvador experience and my father suffering a serious heart attack. The relative security provided by my conventional life in the Midwest and the passage of time allowed me to finally begin reflecting on my Salvadoran nightmare. My reflections were triggered by a movie I watched titled *Salvador*, which was directed by Oliver Stone and starred

James Woods. Shortly afterwards, the movie *Romero* would also have a profound impact on me. That movie focused on the life of Archbishop Oscar Romero, who was assassinated in March 1980 by former Salvadoran soldiers trained by the US military. He was murdered because he had been using his pulpit to plead with Salvadoran soldiers to stop killing their brothers and sisters. Those two movies shed light on the brutality of the Salvadoran military and inspired me to begin reading articles and books about that country's civil war.

I began to learn about the gross violations of human rights perpetrated by the U.S.-backed Salvadoran military against both Salvadorans and foreigners. I learned how members of the Salvadoran military brutally raped and murdered four female missionaries from the United States in 1980. In December 1981, troops from the Salvadoran army's elite Atlacatl Battalion, which was created, funded, trained and armed by the United States, massacred more than nine hundred peasants in and around the village of El Mozote. Most of the victims were women and children. The army executed four foreign journalists the following year. The list of atrocities perpetrated by the U.S.-backed Salvadoran military was extensive and would continue to the end of the decade when U.S.-trained soldiers massacred six Jesuit priests, their housekeeper and her 16-year-old daughter.

I had personally witnessed a minuscule amount of that terror during my detention in El Salvador and was now beginning to understand the real plight faced by Carlos and my other cellmates. I also understood that there was a good chance none of them were still alive, and that realization left me feeling horribly guilty. I hadn't fully realized at the time of my release from prison just how lucky I was to have gotten out of there alive. I also hadn't realized during the years following my release that I was dealing with my survivor guilt by sub-consciously denying both the reality of what I had witnessed and the role played by my government. This disassociation had been made easier by my adherence to Ayn Rand's philosophy of individualism.

My privileged, apolitical, white, middle-class upbringing meant that I had been indoctrinated with the dominant ideological perspective of my culture, which posited that free-market capitalism, Western liberal democracy and the culture of individualism represented freedom, progress and a force for good in the world. In this context, my attraction to Ayn Rand made perfect sense, since it reinforced and validated the belief system and many of the values that I'd internalized. But cracks were now appearing in the structures of my belief system following my discovery that the US role in El Salvador was linked to gross violations of human rights in the name of defending democracy, freedom and capitalism. In other words, in the name of defending the values that I believed in.

My worldview was also shaken in 1987 when my father suffered a heart attack. He'd worked for the multinational

tractor manufacturer Massey Ferguson in England for seventeen years before being transferred to the United States. He worked for the company there for seven more years before being transferred again, this time to Canada. His heart attack, which almost killed him, occurred while he was living in Canada and his recovery kept him off work for several months. Shortly after returning to work he was laid off along with hundreds of others. At fifty-four years of age, and after more than twenty-eight years of dedicated and loyal service to Massey Ferguson, the company had fired him; not because he could no longer do his job, but to generate greater profits for its shareholders.

Massey Ferguson had obtained a \$200 million bailout from the Canadian government in the early 1980s in return for promising to maintain its head office and a specified number of employees in Canada. Several years later, Massey Ferguson changed the name of its Canadian subsidiary to Varsity, which in turn established a new firm named Massey Combines. My father woke up one morning to find that after twenty-eight years he no longer worked for Massey Ferguson; he was now employed by Massey Combines. Massey Combines then declared bankruptcy and all of its Canadian workers were laid off while Varsity fled Canada to operate its profitable Massey Ferguson division in the United States. The US-based Massey Ferguson then re-acquired all of the assets of the bankrupt Massey Combines.

Varsity only had to pay a \$25 million penalty for breaking the company's agreement with the Canadian government and another \$27 million in severance pay and medical benefits to its former Canadian employees. The company only made the latter payment after spending three years fighting a class action suit brought against it by the fired workers. At the end of the day, Varsity got to keep \$143 million of the taxpayer-funded bailout after declaring its Canadian division bankrupt and then abandoning Canada.

Not only did my father suddenly find himself unemployed, but he also only received 50 percent of his pension. It turned out that he wasn't fully vested because he was still one-and-a-half years short of completing thirty years on the job. To add insult to injury, Varsity cut off all medical benefits to its Canadian workers when Massey Combines declared bankruptcy, thereby leaving my father to cover \$300 a month in drug prescription bills for his heart condition out of his own pocket. It wasn't until after the class action suit was settled three years later that he regained a portion of his medical coverage.

My father believed, as did many of his generation, that if you exhibited loyalty and dedication to your employer, which he did both at work and by relocating his family to two foreign countries when requested, that it would be reciprocated with job security and a respectable pension upon retirement. The principal exception to this rule throughout much of the 20th century was when a company went bankrupt

because it was losing money. But Massey Ferguson wasn't losing money, it cynically shut down its struggling Canadian operations at a time when the company's overall global operations were profitable. Even more troubling was Massey Ferguson's total lack of compassion and sense of fairness toward its workers. Witnessing my father's experience with Massey Ferguson would ultimately have a profound impact upon the way I viewed corporate capitalism.

Following my divorce in the fall of 1989 I flew from Detroit to Costa Rica and then travelled to Ecuador. My ultimate objective was to visit the Amazon Rainforest, a part of Latin America I'd been longing to experience for years. But to get to Ecuador from Costa Rica, I had to pass through Panama and Colombia.

The situation was tense when I arrived in Panama City because the game of political one-upmanship between the U.S. government and Panamanian leader Manuel Noriega was reaching its zenith. For much of the 1980s Noriega had been a CIA asset who was involved in cocaine trafficking, something that the Reagan administration had been willing to overlook while it needed the Panamanian strongman to support the U.S.-backed Contras in their attempt to overthrow Nicaragua's Sandinista government. But by the end of the decade, Noriega was exhibiting signs of independence and the winding down of the Contra War had made him dispensable.

I never imagined when I left Panama that less than a month later the Bush administration would invade the country, overthrow Noriega and ship him to Florida to face drug trafficking charges. The human cost of catching a single drug trafficker was immense, with as many as four thousand Panamanians killed during the bombing and invasion. The Panama invasion marked the first time that the war on drugs was used to justify direct U.S. military intervention in a Latin American nation. The threat of communism had collapsed along with the Berlin Wall, but Washington now had a new post-Cold War justification for militarily intervening in its "own backyard."

I left Panama and spent five days travelling through Colombia before crossing the border into Ecuador. My first few days in Ecuador were spent in the capital Quito where I explored the different possibilities for traveling to the Amazon region, which Ecuadorians call "El Oriente." I decided on the Napo River due to its accessibility and affordability. I flew in a rickety, old World War Two-era DC-3 from Quito, which sits over nine thousand feet up in the Andes, down to a small town on the Napo River officially called Francisco de Orellano but known locally as Coca. It was from this spot that the town's namesake, a Spanish conquistador, had set off to become the first European to cross the continent from the Andes Mountains to the Atlantic Ocean on the Amazon River. And while the Spanish conquistadors might be long gone, I would soon learn that a new conquest

had recently occurred in that part of the Amazon. This time, instead of Spaniards wielding swords and cannons, the conquistadors were North American corporations that had come armed with oil drilling equipment.

For the most part, Coca was hot, humid, dusty and bustling with the energy of a frontier town. It wasn't a particularly pleasant place, and I wanted to escape down the Napo River as soon as possible. After futilely waiting three days for a supply boat that the dockworkers had told me daily would leave "mañana," I decided to find an alternative mode of transportation. I met an indigenous family that was willing to sell me a dugout canoe and paddle for the equivalent of fifteen dollars. I loaded my backpack into my new canoe and set off down the Napo. While the size of the Napo pales in comparison to the Amazon River, which it runs into several hundred miles downstream, it was still an impressive waterway.

The most prominent indigenous groups in the Napo region were the Huaorani, Cofán, Secoya and Quichua, all of whom had succeeded in remaining mostly isolated from the outside world until the middle of the 20th century. By the time I visited the region in 1989, many of those indigenous families living along the banks of the Napo had become accustomed to outsiders, although most outsiders were Latinos not gringos. Meanwhile, many clans still lived relatively isolated deeper in the rainforest.

I had no experience handling a canoe, which might lead many to think that paddling through the Amazon jungle under such circumstances would constitute a ludicrous, or even stupid, undertaking. And you know what? They'd be right. I paid the price for being a novice within hours of starting out on my journey. I was being carried along by a current that was particularly fast on one bend in the river. There was a large tree trunk protruding through the surface of the water and the current was rapidly carrying me directly towards it. I paddled frantically in an effort to avoid the tree, but only succeeded in turning my canoe sideways. I broadsided the tree and my canoe immediately capsized. I instinctively grabbed my backpack with one hand and the tree with the other and hung on for dear life. My canoe was nowhere to be seen, nor was there any sign of human habitation. I was all alone and surrounded by fast-flowing water and jungle. My backpack quickly became waterlogged and grew very heavy. The Napo River was a dark, muddy brown color that made it impossible to see even one inch below the surface. As I hung on to that tree trunk I found myself anticipating a creature taking a bite out of my legs beneath the surface of that murky water. The thought of piranha, electric eels, anacondas and crocodiles encircling me was nerve-wracking.

I hung on to the tree trunk for a while hoping that a passing boat would see me, but there was no sign of human life anywhere. I finally decided to try and swim across the current to the shore, which lay about sixty feet away. But as soon as I released the tree trunk I realized the futility of that

idea. I made it about five feet towards the shore before the current had carried me fifty feet further downstream and directly towards a large expanse of branches and logs floating on the water's surface. The realization that the force of the current might drag me below the surface and under the floating lumber filled me momentarily with terror. Stubbornly holding onto to my backpack with one hand, for God knows what reason, I used my other hand to grasp at branches. The first few broke or slipped out of my hand, but I eventually gained a hold. I dragged myself up onto a partly submerged log and, half-in and half-out the water, succeeded in pulling myself through the floating lumber to the shore. I heaved myself and my backpack out of the river and breathed a heavy sigh of relief.

Since I hadn't seen any dwellings for a while prior to capsizing, I decided to walk along the riverbank in the direction I'd been travelling. After about thirty minutes I stumbled upon a humble wooden hut on stilts. It was the home of an indigenous family and, after recovering from their initial surprise at finding a soaking wet gringo standing at their door, they invited me to sit down and listened to my story. The father then dispatched his two sons, aged eleven and eight, to recover my canoe.

I stayed with that family for three days, during which the two sons provided me with some much-needed canoe handling lessons. The boys also informed me that there had been little chance of me being attacked while in the river because most creatures preferred slow-moving water. They also told me that I should have continued paddling straight ahead when I saw the submerged tree and the canoe would have simply glanced off it. It was all very humbling. When it came time to leave and continue my journey down the Napo, the family loaded up my canoe with a sack of fresh papaya. I'm sure I left them scratching their heads and wondering how on earth the "white man" had managed to conquer so much of the world.

I spent almost two weeks on the Napo River. There were a few small villages and the occasional isolated single-family dwelling situated along the river, but I was mostly surrounded by uninhabited rainforest. I had never felt so beyond the laws of human society as when I was paddling through the Amazon in my dugout canoe. I felt entirely at the mercy of nature. I mused that living in harmony with nature seemed to be the only way a human being could survive there. Never before had I felt so insignificant.

One evening, I was sitting alone on the riverbank listening to the sounds of the rainforest and staring up at the stars, which were absolutely dazzling because I was so close to the equator and there were no electric lights for miles around. It was one of the most beautiful moments of solitude I had ever experienced. At the same time, I wanted nothing more than to have someone special there to share that moment with me. It made me realize that we humans, at our core, are social beings.

The indigenous people living along the Napo had retained much of their traditional way of life, but one of the three families that I stayed with was markedly different than the others. That particular family consisted of a father and daughter who had a melancholy and defeated air about them that were truly disturbing. They were the second stop on my river journey and I arrived at their village on the fifth day after my departure from Coca.

It was late afternoon when I stepped out of my canoe and tied it to a tree. I clambered up the riverbank with my backpack slung over my right shoulder and walked through an eerily deserted village. After a few minutes I came across a small girl sitting in the dirt in front of a wooden house on stilts. She was five-years-old with long black hair and was dressed in a yellow and white striped shirt and white shorts. She looked up at me and proudly displayed a small green parrot held captive in her hands. Momentarily, the father appeared in the doorway of the house. I introduced myself and inquired if there was somewhere I could spend the night and if I could purchase some food. He told me his name was Julio and then said, "You're welcome to sleep in the house next door. It's empty, but has a hammock."

There were fifteen or so abandoned houses along the riverbank and, apparently, another dozen houses situated beyond a grassy recreation area. According to Julio, most of those houses were also abandoned and only a handful of residents remained. Julio invited me back to his dwelling for something to eat. To my surprise he asked if I would like a Coca-Cola to drink with my meal of fish, rice and beans. His daughter Liliana ran over to a hut beside the house and when she opened the door I saw that it was stocked from floor to ceiling with crates of Coca-Cola. Naturally curious, I asked Julio how that virtually abandoned village in the middle of the Amazon Rainforest had come to be so fully-stocked with bottles of Coca-Cola.

"For fifteen years the oil company was here," Julio began. "They came and promised us jobs that would provide us a better life. And so we abandoned our traditional lifestyle of hunting, fishing and gathering forest crops. They said that we no longer needed to do those things because the company would provide us with all the food we needed in return for our labor. They made us believe that it would always be that way."

"What happened?" I inquired.

"The oil ran out and the company left a little more than a year ago," he answered, a touch of bitterness creeping into his voice.

"And what happened to all the villagers?"

"They also left. They went looking for work elsewhere. Some are in Coca, some in Lago Agrio, and some in Quito," he explained. "It was difficult to return to our old way of life because the animals were gone and the oil had polluted the forest and the streams. Also, many of the younger ones

had no interest in learning the old ways after experiencing the things that the company had provided like alcohol, Coca-Cola, canned food, electricity and many other things that we had never seen before. My wife was one of those who left. She went to Quito because she didn't like it here anymore."

I sat there stunned. While I had anticipated learning many fascinating things during my trip to the Amazon, I'd never imagined witnessing such devastation as had been wrought upon that indigenous village.

"So all this Coca-Cola is left from when the company was here?" I asked.

"Yes," he replied. "My job was to run the store that sold Coca-Cola and other things that the company brought in on its boats. Now all I have left is the Coca-Cola."

When I awoke the next morning I decided to explore the village. I wandered across the recreation field and past the abandoned buildings that lined one side of it. At the other end of the field was another collection of dwellings similar to those on the riverbank. All but two of the houses were empty. Three indigenous men and two women were the sole remaining residents in that section of the village. It was about nine o'clock in the morning when I came across the three men, all of whom appeared to be in their fifties, sitting in front of one of the houses. They greeted me and invited me to join them for a drink. I sat with them but declined the drink they offered, which was some form of moonshine. I quickly realized that they'd either been drinking all night or had started very early that morning, since their words were slurred and they were unsteady on their feet. The women, meanwhile, appeared to be busying themselves with chores inside the house.

The conversation began pleasantly enough as we discussed my journey down the river, but then things began to turn ugly. The drunkest of the three men stood up, grabbed his machete and launched into a rant against U.S. oil companies.

"Those sons of bitches have ruined us. They came here and ruined our land, our water and our community. If there were an American here right now, I'd cut his head off," he raged, while swirling his machete around recklessly.

Luckily, I'd told them that I was British and hadn't informed them that I lived in the United States. While the other two men tried to calm down the inebriated machete wielder, I began to excuse myself. But the angry drunk would have none of it. He had a new target upon which to vent his anger and resentment, and he was not about to let me slip away. Grabbing the front of my shirt and waving the machete a little too close to my head for comfort, my embittered host continued with his anti-American rant. I again tried to take my leave before he decided that a British head would suffice in the absence of an American one.

Finally, his friends got him back into his chair and I quickly bid them farewell and made my escape. Not wanting to appear panicked, I walked as fast as I could without break-

ing into a run. As I made my way towards the recreation field I repeatedly glanced over my shoulder to ensure that I was not being followed. I spent the rest of the day on the riverbank hoping that the three drunken men would not decide to venture over to that side of the village—and they didn't.

The next morning I said goodbye to Julio and Liliana and resumed my journey down the Napo River. Alone in my canoe, I struggled to come to terms with the devastation visited on that small indigenous community; first by the arrival of the oil company, and then by its departure. I was also struck by the similarities between the way that corporate capitalism had impacted the lives of those indigenous people and my father.

By the time I left the Amazon and returned to the United States I felt an intimate bond with Latin America and its people. The introspection that I was engaged in during that period allowed me to recognize that some of the most significant and transformative experiences in my life had occurred in Latin America. As a result, what began as a curiosity about the region following my discharge from the Marines had evolved into a passion. I realized that Latin America would continue to play an important role in my life. Although in what way, I didn't yet know. **CP**

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Reconstructing the Middle East How Might It Be Done?

BY PATRICK LAWRENCE

There is an odd precision attaching to certain key events in the Middle East. Jimmy Carter's third and final State of the Union address on January 23, 1980, was his "doctrine" speech and set in motion what Andrew Bacevich considers one long, unitary conflict that extends from Afghanistan through the Maghreb and lately into West Africa. This war is now in its 37th year and Bacevich, among many others, predicts no end to it as far out front as his eye can see. "We're stuck," he writes in the last pages of his new book, *America's War for the Greater Middle East: A Military History*. Captives of "a deeply pernicious naïveté," we have not won the war but cannot get out.

There are other such dates in the recent past: George W. Bush's invasion of Iraq on March 20, 2003, for instance, from which date Iraq was doomed to descend into anarchy and violence that has not yet ended. Or December 18, 2014, when the last convoy of American troops departed Iraq, leaving

behind a shredded society faced with the question whether an invented nation had any future as one.

Let us go further back, however, in search of dates in the past that are useful to our understanding. Two stand out above most others. The first is July 1, 1798, when Napoleon reached Egypt to conquer it in the name of French trade, rivalry with Britain, and modernization and westernization (thenceforth considered the same thing). The second is January 16, 1979, when the shah of Iran's many-sided adversaries forced him into exile and the Iranian revolution decisively changed the nation's course. I choose these dates advisedly. Chas Freeman, an American diplomat of long experience, astutely casts them as the fence posts defining an epoch.

Napoleon's year in Egypt and Palestine set off a two-century-long Western rampage through the Middle East," Freeman remarked in a lecture last autumn, "that subjugated its peoples and systematically subverted their traditional values, imposed invented states and borders on them, developed and extracted enormous profit from their energy resources, deposed and appointed their governments, sold avalanches of military hardware to their armed forces, and killed and displaced millions of their people.

Of the latter date Freeman asserted:

The Islamic revolution of 1979 and the Arab uprisings of 2011 mark the end of this epoch of passivity and victimization on the part of the core nations of the Muslim umma [people sharing a common culture]. The Dar al-Islam's [the Islamic homeland's] humiliated people are now retaking control of their destiny. They are doing so amidst a widespread view that incumbent regimes are unjust, lack legitimacy, and remain in power only because they enjoy the protection of foreign, mainly Western—that is, American—patrons.

If we accept Freeman's chronological frame, we must conclude we live amid profound transformations. This requires us to pose certain questions. If an epoch has ended and another begins, what is to be its character? Who is to give it shape, and by what principles? In ordinary language, is there a solution to the Middle East crisis and whose task is it to determine and develop it?

In his thoughtful and thought-inducing book, Bacevich offers another, grimmer way to view our moment: "That the ongoing enterprise may someday end—that U.S. troops may finally depart—appears so unlikely as to make the prospect unworthy of discussion," he writes.

Freeman asserted a similar view in another of his lectures last year: "Judging by the plague of incompetent campaign gerbils and carpetbaggers we appointed to Iraq and Afghanistan after we occupied them," he said:

Our government lacks the diplomatic professionalism, expertise, and skills as well as the politico-military backing

and resources needed to craft or sustain peace. We have no war-termination strategies and no one who would know how to implement them if we did, so America's wars never end.

On this point it is vital to take issue with these two thinkers and former practitioners (a soldier and a diplomat respectively). If it appears unlikely America will cease its adventures in the Middle East, so opening the way to peace and sturdy political, social, and economic structures, this is precisely what makes discussion of these things not merely "worthy" but mandatory. To stay within the frame of the apparently possible at any given moment is to cancel all ethical, principled thought and aspiration.

One begins with an idea of the necessary as against the possible, to put the point another way. New thinking is by definition unfamiliar and its intent must appear "impossible" if it is authentically new. But this term reflects merely our perceptions and political will and has nothing to do with what is in fact achievable. Human agency brought the Middle East to the tragedies it now suffers, and it is human agency alone that holds all remedies.

This reality is far harder to face than any conclusion that all is as it will be and nothing can be done. But it is our responsibility to face it.

As Chas Freeman suggests, there is no escaping the West's very considerable culpability in the monumental emergency the Middle East has become. Bacevich counts in decades, Freeman in centuries, but it comes to the same thing. Does it follow that the West's obligation now is to repair all it has broken? This is its task?

Only if the arsonist is called upon to put out the fire. Only if you are into white-man's-burden thinking. Only if self-determination is other than the sine qua non in the efficacy of all political, social, and economic institutions. Only if Napoleon was right to turn mosques into French cafes for the good of Cairenes and Alexandrians. Only if you fail to recognize that parity between West and non-West is the essence of the 21st century project.

Reparation is another word and another matter. It implies a role and a responsibility, but not a determinant role and no responsibility in matters of what we can call design. The West's primary place in a Middle East reconstruction project is partly a question of material reparation but also an act of subtraction. In a word, its first task is to desist. To this point I will return.

The inference should be clear. A new design for the Middle East is for Middle Easterners to imagine and create. As is now becoming clear to more or us, this requires reckoning with another fateful date in history. On May 16, 1916—at this writing a century ago to the day—Mark Sykes and François-Georges Picot signed a secret accord dividing what are now Syria, Iraq, Jordan, and Lebanon into late-colonial spheres of influence. British and French diplomats respectively, they

drew lines on maps—the straight, severe lines familiar to us now, set down with little reference, if any, to those who were to live on either side of them.

The Sykes–Picot Agreement, as even *The New York Times* acknowledged on its centenary, stands as “a low point in colonial efforts to manipulate the region to fit the interests of outsiders.” This notwithstanding, maintaining the Sykes–Picot frontiers remains a given in all efforts to negotiate solutions to the Middle East's crises, notably now in Syria. But numerous parties to the Sykes–Picot question now argue that it is time to dispense with the old borders. The Islamic State has from its inception asserted the erasure of the line dividing Syria and Iraq as a core objective: This is inscribed in its very name. At the other end of the spectrum are the Kurds favoring an autonomous region. “At the 100th anniversary of the Sykes–Picot Agreement, borders/sovereignty have become meaningless,” Masoud Barzani, president of the Kurdish Autonomous Region, wrote in a May 16 Twitter note. “Sykes–Picot is dead.”

It may be, and the logic is plain enough. But in the cause of a reinvented Middle East, it is not so easy a call. To explain the implied hesitation, I will exit the region to Indonesia in the years after the Suharto dictatorship fell. There are useful parallels.

The question of unity within inherited borders has been a conundrum since Sukarno signed Indonesia's declaration of independence in 1945. In a nation of 17,500 islands and more than 300 ethnic groups speaking as many languages, this was inevitable. It is a long, complex story, but the solution that finally emerged in the first post-Suharto years—he fell in 1998—was a decentralization policy under which autonomous regions could be negotiated. These cover all manner of political, administrative, budgetary, and other such functions.

Aceh, the province at the northwestern tip of Sumatra, is the best-known example of the policy in action. After many years of armed rebellion during the Suharto years, it achieved status as a daerah istimewa, a special territory as against a province, in 2002. Aceh's resistance movement, it is worth noting, was Islamic. It achieved autonomy in the world's largest Muslim nation, which is also among the most secularized of Muslim-majority nations.

In 1999 I covered Indonesia's first post-Suharto elections—its first free elections since 1955. The principle then emergent seemed to me in some way defining of an essential 21st century task: To stay together we must come apart. A decade and a half later, Iraq and Syria confirm this thought, at least for me: They present variations of the same paradox.

In this line of thinking, national borders as now constituted do not—or do not necessarily—need to be discarded. I find numerous advantages in this proposition—again, one I first recognized in Java, Bali, Sumatra and other Indonesian islands while watching an historic election at the turn of our century. What we are talking about is one form or another of

federalism. In my view it applies not only in the Middle East but also in Ukraine, another nation now in crisis. In all cases, the strategy answers the same questions.

The first of these concerns history. Attempts to erase it are typically rooted in resentment and rarely reason. They are fated without exception to failure, as anyone who has tried it—a common error—can tell you. History is to be accommodated or—better word, maybe—reconciled with the present. We bear all of our past with us, as Sartre wrote in *War Diaries*, as that which we are no longer. The thought applies to nations and societies as well as people. The colonial period was many things, most of them awful, but it was never going to be a disappearing act.

Apart from avoiding an unwinnable war with history, federalist frames accommodate differences among peoples—historical, cultural, linguistic, religious—without allowing these to define nationality or citizenship, which is another common mistake. (See Israel.) In his famous 1882 lecture at the Sorbonne, “Qu’est-ce qu’une nation?” (“What Is a Nation?”), Ernest Renan argued enduringly for national belonging as “a daily plebiscite”—a quintessentially secular notion whereby one affirms one’s citizenship simply by living and acting within the polity. In my view, Renan’s thought would be especially relevant in a Middle East of federalized nations in that it replies to the single most interesting question the region now faces: How do we achieve democratic forms in a culture that draws no clear line between religious practice and political life?

What would this look like in practice? In the Syrian case, there is discussion now as to whether the nation is destined to consist of regions designated as Kurdish, Shiite, Shi’a, and Christian, each with one or another degree of autonomy. One might dwell in any of these and still be Syrian. One might, indeed, be Kurdish in a Shi’a region, a Christian in a Sunni region, and so on should one so choose. One shares “Syrianness,” and one shares also the understandings that lend it a meaning it does not now have. Damascus, a secular city, would remain one’s shared capital.

All manner of political and administrative institutions are preserved in this fashion. These are of practical and functional value as a matter of sheer scale and the efficient use of resources. Do those Kurds desiring full independence intend to open 100-odd embassies, for instance, and erect and staff multiple ministries and civil-service bureaucracies? This matter of scale also has a political dimension. The status of the nation-state is plainly uncertain in our time, even in the West, where it was invented (and then made a global export). It remains useful, nonetheless, as a vessel for political expression. This deserves very considerable thought. Federalism, in this context, is a reaffirmation of internationalism in the better sense of this term.

Identity is a complex question in the 21st century, to note the obvious. The argument here is to address the complex-

ties by embracing them as against artificial simplifications of them. In the national structure I consider worthy of consideration, the poles of unity and individuality, the “modern” and “pre-modern” in peaceful coexistence, stand to lend a durable balance to national structures as these might be reinvented in a post-Sykes-Picot era. What Syria has been since two European diplomats invented it with pencils cannot be taken as a measure of what Syria will be, or at least could be.

The wealth of Middle Eastern nations is well known. So are the deprivations suffered by most of their populations. And so, hence, is the familiar thought that to possess large reserves of oil is almost certain to prove a curse upon a people. The only argument against correcting this, it logically follows, rests on the magnitude of the task: It is too big to contemplate. And this is not a serious argument.

There is little point in thinking about a political transformation in the Middle East without also taking up these nations’ misshapen economic structures. Most of the region—Iran an obvious exception—retains the imprint of the classic colonial model: Engagement was for extraction, not local development. So the label on the Middle East’s 21st century project must be “political economy.”

In lectures and sometimes in columns, I have numerous times advanced the thought of a Marshall Plan for the Middle East. It is a mistake that never fails to cause me trouble, but the reasons for this are instructive.

No need for extraneous detail. The European Recovery Program was a four-year plan the Truman administration launched in April 1948. The date suggests a lot of what we need to know: Truman had effectively declared the Cold War the previous year, and the E.R.P. was intended to accomplish far more than material reconstruction. The objectives were to blunt the appeal of the European Communist parties, notably in France and Italy, while planting essential elements of what we now call the neoliberal economic order. The U.S. spent roughly \$125 billion on the E.R.P., adjusted for inflation, from 1948 to 1952.

There was no aspect of disinterest in the Marshall Plan, in sum. It was not an act of generosity, as customarily described. This was the Cold War’s West European front. The plan was conceived as strategic, enlisted in the service of America’s geopolitical ambitions—which had greatly enlarged after the 1945 surrenders.

None of this is what I intend to invoke in referencing the E.R.P. These things are useful to note as a list of precisely what I do not mean. When you strip out the elements just described, indeed, next to nothing remains.

Only this: The Marshall Plan had magnitude. It reflected large thinking of a kind we have not known in decades. It was not holistic, as we would say now, but it was far more encompassing than the one-dimensionally militarized policies that are all Washington can come up with today. It is this magnitude, this scale of thinking—an entire region, nearly

20 nations in need of reconstruction—that is my point of reference.

This falls into the “impossible” category in the Middle East context, of course. Our paradox consists in this: Until the global community comes around to such thinking, there truly is as little prospect of a solution to the Middle East’s crises as the pessimists tell us. Once again, the impossible turns out to be the necessary, too.

There is no point rehearsing a full-dress not-Marshall Plan for the Middle East: I could not, even if there were space in CounterPunch’s pages. But a few essential elements of such a project can be usefully noted.

First, any such undertaking must by definition be designed and directed by leadership in the Middle East. Which lead-

A third point follows from the second. The wastage of human resources and intelligent minds in the Middle East is not quite as tragic as its consequences, but it is nearly so. Economists, educationists, urban planners, architects, industrial designers, social psychologists, technologists—the kind of people needed to contribute to these reconstruction efforts gives another very long list. To some extent one cannot quantify, this is surely a question of redirecting the efforts and energies of those now at work in political and economic environments erected to serve other, undesirable purposes.

The next point also flows from the previous. It is an unquestioned assumption in Western culture and in all those wherein Western influence is prevalent that technology is deployed primarily in the service of markets and profits.



Bombed Orphans School, Gaza. Photo: ISM.

ership is another, obviously political question. The point here—also political—is to assert self-determination as a non-negotiable principle. Political power as it is now constituted in nearly all of the region is plainly not structured and distributed to advance this principle. This imposing reality does not, of course, invalidate the principle.

Second, strategies need to be large—holistic in the best sense of this term. Schools, roads, bridges and ports, industrial sectors, water and sewage systems, civil services, public goods and public spaces—the list of spheres in need of address is long. This could be no other way, given how long social and economic development has been neglected across nearly the entire region.

This relationship needs to be broken. It is a 21st century task everywhere, it seems to me, that technology—always a mere means—be applied to far more enlightened ends: It needs to serve social, cultural and philosophical thought as well as economic thought. It must answer to society before markets. Consider the Middle East in this connection: It is a textbook case.

Finally, there is always the question of capital when the topic of rebuilding the Middle East arises. Who is going to pay for it? Who can afford it? People stumble on this point routinely. It is another “impossible.”

One part of this answer seems obvious. Were the region’s oil revenues to be properly redirected—or directed properly

for the first time, we ought to say—it is more or less inconceivable that there would be any shortage of funds. As a subset of this point, consider the vast sums national governments now spend on the “avalanche of military hardware” Chas Freeman noted. In this connection, it is interesting to note Saudi Arabia’s just-announced plans to restructure its economy and diversify away from oil. Hardly could the Saudi royal family be an effective agent for the kind reconstruction here considered. But “Saudi Vision 2030,” the plan of Mohammed bin Salman, the deputy crown prince, is at least evidence that new thinking is already taking root in the region.

It is *prima facie* obvious that the West has a very great deal to contribute to a multi-dimensional reconstruction project in the Middle East. That it has a moral obligation in this regard is also clear: It is a question of “historical justice,” as the novelist Peter Dimock puts it in another context. But the West’s—and especially Washington’s—incapacities are just as plain as these other truths.

Again and again what we find as the new century proceeds is that the U.S. is not up to meeting the era’s challenges. Our political culture is one of small minds. The magnitude of thinking that got done in the 1940s—again, setting aside intentions—is beyond our leadership. Vision is flawed by ideology and a preoccupation with global hegemony—origins of that pernicious naïveté Andrew Bacevich writes about. We are fighting a new Cold War with a nation that no longer exists. Orientalist thinking reasserts itself with a vengeance. And there is no apparent ability to understand, never mind master, the principle of disinterested action.

There is one truth above all others that gets entirely lost in all this: A region reordered such that its political economy serves its people for the first time in modern history is vastly, unambiguously in the West’s interest above all other outcomes.

These weaknesses leave America badly equipped to make the contributions it could. Reparation, as earlier suggested, would therefore define the limit of the American role, at least for the time being. Non-Western nations, notably China, seem better placed. In the past few months, indeed, the Chinese have pointedly emphasized the Middle East’s place in their project to connect the East Asian mainland to the Mediterranean. Maybe Beijing’s “New Silk Road” theme will prove merely grandiose, as critics say, and of self-interest there is no doubt. But China has no tradition of intervention and exploitation on the Western model, and it is “appropriate technology,” we might say: It has solutions to the problems of underdevelopment simply because it has suffered it. This is something to watch.

There is another thing to watch that few of us have to date. It concerns the capacity of Western nations to renovate their foreign policies and the ways they execute them. I conclude with this because it is worth considering in its own right and

because thoughts on durable solutions in the Middle East can easily come over as otherworldly—a case of what the French call *angélisme*. I reject the charge, of course.

Within weeks of his appointment as Chancellor Merkel’s foreign minister in late-2013, Frank-Walter Steinmeier (a Social Democrat in Berlin’s weird coalition government) authorized a review of German foreign policy with a view to renovating it. “The world has changed, and the Federal Foreign Office must change with it,” Steinmeier declared when he introduced his ministry’s report in the Bundestag a little more than a year later. “I believe that foreign policy is about more than just two extremes: either just talking or shooting, either futile diplomacy or Bundeswehr deployments abroad.”

Steinmeier named his report *Crisis—Rules—Europe*, and it is easily available online. The elements to note here are several.

One, the foreign policy process is to be subject to the democratic process via a variety of mechanisms, ranging from town-hall meetings to consultations with designated constituencies such as labor and civil society groups. The intent here is transparency, the shining of light on the traditional policy cliques, to develop 21st century policies that reflect the aspirations of the citizenry. Ask yourself: What would America be doing in the Middle East if policy were to be openly debated and reflected our shared conclusions?

Two, having identified crisis as “the norm in the next 10 to 15 years,” Steinmeier created an independent department in the ministry to anticipate them, address them when they erupt, and help advance beyond them afterward. The key intent here is to rethink available resources and gather them in one room. The department is thus to be staffed by people I have already listed in another context: Economists, educationists, urban planners, architects, industrial designers, and social psychologists are to form foreign policy along with the wonks and the military people.

Three, political solutions are to be paramount, military action strictly defined as a last resort. The mechanism applied here is that strange, forgotten creature called international law: Observing it just as it is, Steinmeier argued, will be revolutionary enough. Imagine what would be going on the Middle East were this to be the case.

No, one hears no such talk as this emanating from Washington. And no, one cannot say how far Steinmeier’s program will take German policy. But neither can one argue that new thinking is simply beyond us—that the magnitude of the tasks facing the Middle East and the roles the rest of us should play makes talk of new, large thinking somewhat fantastic. Fantastic it is to flinch from it, in my view. **CP**

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CULTURE & REVIEWS

Jacques Rivette: Pulling Back the Curtain

BY EDWARD LEER

In Clair Denis' insightful documentary *Jacques Rivette: The Night Watchman* (1990), the late filmmaker compares his process to that of an archeologist, not creating a piece of art, but rather unearthing it, careful not to damage or have it collapse in on itself. This seems an apt description considering Rivette's routine rejection of the auteur theory propagated by his fellow *Cahier du Cinema* critics, in favor of a more collaborative, yet personal style. Having passed away earlier this year, Rivette left behind a body of work that was often labeled difficult and oblique. But to watch his films is to watch the archeologist at work, attempting to bring forth something buried and obscured into the light of day for all to see, if not necessarily comprehend.

Rivette's first film, *Paris Belongs To Us* (1961) follows Anne, a student in Paris who gets involved in both a small theatre troupe and a larger, perhaps global, conspiracy. One of the first of the French New Wave films shot, although not released until after the international success of *Breathless* and *The 400 Blows*, the film is surprisingly sprawling in terms of characters and shooting locations throughout the city. The influence of Fritz Lang, one of Rivette's biggest cinematic icons, casts a long shadow over the film with postwar Paris recalling Lang's prewar *Berlin of M* and *Doctor Mabuse*. The buildings loom large and crooked above the low-angle camera. Every character holds a secret but none have a clear idea of the big picture. Rivette's next film, *The Nun* (1966), an adaptation of Denis Biderot's

novel, concerns a young woman, played by Anna Karina, forced to take religious vows by her parents. Both films deal with a woman grappling with larger, uncontrollable forces. They would also prove to be Rivette's most controlled and traditional films in terms of script, performance and style.

Lamour fou (1969) feels like the work of a filmmaker reborn, still preoccupied with the same themes but with a new voice, more daring and confident than before. The film centers around rehearsals for a production of Racine's *Andromaque*, and the deteriorating marriage of the director, Sebastien (Jean-Pierre Kalfon) to his lead actress Claire (Bulle Ogier). Rivette staged the actual rehearsals, filming them with a 16mm film crew, who are also incorporated into the story. For the scenes between Claire and Sebastien, Rivette had Kalfon and Ogier create their own characters and marital backstory, improvising scenes of domestic decline which he filmed on 35mm. Intertwining the different formatted segments, Rivette weaves a fascinating 4-hour pastiche wherein theatre and real-life bleed into one another.

What was it that pushed Rivette to alter his filmmaking technique in such a radical way? The answer lies in the interim between *The Nun* and *Lamour*. While his fellow critics, Godard, Truffaut and Charbrol had all left criticism for full-time filmmaking; Rivette remained at *Cahier*, taking on editorial duties. Not only did he take the magazine in a more political direction, he also became deeply involved in the Paris protests of 1968.

Having proven this new approach with *Lamour*, Rivette undertook his most ambitious project yet, the 13 hour serial *Out 1* (1971). Originally made for French television but never aired, the film follows a large, overlapping cast

of characters, including two theatre troupes, each putting on a different Aeschylus play (*Seven Against Thebes* and *Prometheus Bound*), a mute con artist, Colin (Jean-Pierre Léaud) a blackmailer, Frédérique (Juliet Berto), and a secret society known as The Thirteen, who may or may not be planning a political revolution. Rivette worked with over 30 actors, all of whom crafted their own characters, improvising their scenes from a loose outline by Rivette and Suzanne Schiffman.

While Rivette is still working within the paranoid thriller genre of Lang and Hitchcock, the wide-open nature each performance subverts the antiquated notion of some secret kabal pulling all the strings from behind the curtain. The same theme is addressed in Rivette's first film *Paris*, but the film is too controlled and mapped out to convey the point. As the members of the Thirteen are revealed throughout the episodes, we see them as less ominous and more mundanely human, often neurotic, pretenious and quite petty in their extended scenes of bickering and over-intellectualizing.

Rivette mines this disconnect between paranoid fantasy and reality for all the rye humor he can. Frédérique tries to blackmail members of the Thirteen with what appear to be incriminating letters, only to be met with indifference by all parties involved. Colin's own search into the group turns him into a superstitious obsessive, reading meaning in the most arbitrary of signs like a madman. But this isn't to say the film is lighthearted by any stretch. Rivette reserves the most ominous moments for the more illusive mysteries, such as the locked room in the Thirteen's seaside retreat and most of all Pierre, the unseen Thirteen member who sets much of this plot in motion. No matter how much one uncovers of

a mystery, there will always be unseen gaps and unknown motives.

Following the un-release of *Out 1*'s cinematic rubics cube, Rivette made *Celine and Julie Go Boating* (1974), a work created through its own internal logic of play and fun. It begins when Julie (Dominique Labourier), a librarian reading a book on magic, notices Celine (Juliet Berto), a burlesque magician, dropping her sunglasses as she makes a maddash through the park. Julie pursues and the game gets afoot. Both parties are aware of what's happening, a cat and mouse game with Celine quickening her pace and Julie doubling her efforts to catch her. Then, the game changes, evolving into something else. A seduction without the sex. A seduction of Julie down the rabbit hole. A seduction of the spectator to play along, knowing full well of the game. Eventually Rivette wants in on the fun, introducing a haunted house plot wherein ghosts replay the same stuffy old chamber drama of two women (Bulle Ogier and Marie-France Pisier) in love with a widower (Barbet Schroeder, the film's producer) and the attempt to murder his daughter Madlyn. When either Celine or Julie enter the house they get enveloped, taking on the role of Madlyn's nanny before the house spits them out, not a memory to show for it. The only way the two women can recall what happened is by sucking on a memory-inducing candy. The scenes of Celine and Julie taking the candy to experience the story invites a comparison between the experience of a mind-altering drug and that of losing yourself in cinema.

Celine and Julie, moreso than any other of Rivette's output is a desimation of borders and barriers, between cinema and the audience, between reality and fantasy. At two separate points Celine and Julie both immitate each other, sabotaging their friend's life, obliding one another's career and romantic relationship, two central things we use to define ourselves. The film revels in this freedom of identity,

this interchangeability of roles, yet is careful to remind us that while you can change the story, the story can also change you.

Never one to fall into old habits, Rivette's next undertook an ambitious four film series, each a different genre and all approaching performance in a radically new way, wherein the emphasis lies primarily on the physical. Unfortunately, Rivette suffered a nervous breakdown at the beginning of the third installment, a love story starring Albert Finney, and scrapped the remainder of the project. From this aborted endeavor, Rivette released *Noroi*, a pirate adventure based on *The Revenger's Tragedy* and *Duelle*, a supernatural noir, both in 1976. Not just remnants from a larger vision, both films are fascinating progressions of Rivette's style and the greatest departures from anything else in his career.

Noroi concerns Morag (Geraldine Chapman) as she exacts revenge on the female band of pirates who killed her brother, lead by the androgynous and motherly Giulia (Bernadette Lafont). *Duelle* deals with a young woman, Lucie (Hermine Karagheuz) who gets caught up between two opposing goddesses, Sun (Bulle Ogier) and Night (Juliet Berto) as they search for a magical stone that would allow them to be human.

Since his rebirth as a filmmaker, Rivette set the editing room as the barrier; the place where the actors free expression would be whittled down and shaped. Now Rivette put in place a new limitation with both films' dialogue being completely scripted without the actors giving any input, as was done in previous works. Rivette described his intention:

The ambition of these films is to discover a new approach to acting in the cinema, where speech, reduced to essential phrases, to precise formulas, would play a role of "poetic" punctuation. Not a return to silent cinema, neither pantomime nor choreography: something else, where the move-

ment of bodies, their counterpoint, their inscription within the screen space, would be the basis of the *mise en scene*...

Without the concern of dialogue and traditional scene interplay, both films revel in what can be shown merely through action. Elements of modern dance, theatre, and both experimental and Golden Age cinema collide into something that is at times uncertain, but never uninteresting. We see Rivette delve into darker, more oblique themes with this new approach. The juxtaposition of the lively body movements with rote line readings creates the eerie feeling of a spirit trapped inside the body, kicking and screaming to get out. In all of his previous films, theatre and performance represent a freedom and escape from oppressive reality. Here, we are shown the inverse. The goddesses in *Duelle* both want to escape their roles in favor of mortality. The sole theatre performance in *Noroi* features Morag recreating one of her murders. As Giulia says after waking from a nightmare, "I find arenas horrible." Rivette closes out his most fruitful and exhilarating creative period, with the Hegelian notion that even which was once beautiful and good can quickly turn sour, an appropriate statement for the malaise-filled culture of the 1970s.

The making of a film is a conspiratorial act. Cast and crew all joined in a pact, unknown to the outside world, heading towards one central end. Each member has their secret. The cinematographer knows the image. The actors know what they'll do in the given moment. But the director holds the ultimate secret of what the final vision will be, colluding with the editor to bring it to life. The end goal is to pull one over on the audience, to make them believe the illusion. Rivette's interest is revealing this conspiracy. The things traditionally hidden behind the camera, acting exercises, music, even story mechanics come front and center. He was a filmmaker who knew how to reveal the tricks but keep the magic. **CP**

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