

BLOG | *Posted 08/12/2006 @ 3:00pm*

Fear and Smear

William Greider

An evil symbiosis does exist between Muslim terrorists and American politicians, but it is not the one Republicans describe. The jihadists need George W. Bush to sustain their cause. His bloody crusade in the Middle East bolsters their accusation that America is out to destroy Islam. The president has unwittingly made himself the lead recruiter of willing young martyrs.

More to the point, it is equally true that Bush desperately needs the terrorists. They are his last frail hope for political survival. They divert public attention, at least momentarily, from his disastrous war in Iraq and his shameful abuses of the Constitution. The "news" of terror--whether real or fantasized--reduces American politics to its most primitive impulses, the realm of fear-and-smear where George Bush is at his best.

So, once again in the run-up to a national election, we are visited with alarming news. A monstrous plot, red alert, high drama playing on all channels and extreme measures taken to tighten security.

The White House men wear grave faces, but they cannot hide their delight. It's another chance for Bush to protect us from those aliens with funny names, another opportunity to accuse Democrats of aiding and abetting the enemy.

This has worked twice before. It could work again this fall unless gullible Americans snap

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out of it. Wake up, folks, and recognize how stupid and wimpish you look. I wrote the following two years ago during a similar episode of red alerts: "Bush's 'war on terrorism' is a political slogan--not a coherent strategy for national defense--and it succeeds brilliantly only as politics. For everything else, it is quite illogical."

Where is the famous American skepticism? The loose-jointed ability to laugh at ourselves in anxious moments? Can't people see the campy joke in this docudrama called "Terror in the Sky"? The joke is on them. I have a suspicion that a lot of Americans actually enjoy the occasional fright since they know the alarm bell does actually not toll for them. It's a good, scary movie, but it's a slapstick war.

The other day at the airport in Burlington, Vermont, security guards confiscated liquid containers from two adolescent sisters returning home from vacation. The substance was labeled "Pure Maple Syrup." I am reminded of the Amish pretzel factory that was put on Pennsylvania's list of targets. Mothers with babes in arms are now told they must take a swiq of their baby formula before they can board the plane. I already feel safer.

The latest plot uncovered by British authorities may be real. Or maybe not. We do not yet know enough to be certain. The early reporting does not reassure or settle anything (though the Brits do sound more convincing than former Attorney General John Ashcroft, who gave "terror alerts" such a bad reputation). Tony Blair is no more trustworthy on these matters than Bush and Cheney. British investigators are as anxious as their American counterparts to prove their vigilance (and support their leaders). The close collaboration with Pakistani authorities doesn't exactly add credibility.

One question to ask is: Why now? The police have had a "mole" inside this operation since late 2005, but have yet to explain why they felt the need to swoop down and arrest alleged plotters at this moment (two days after the Connecticut primary produced a triumph for anti-war politics).

The early claim that a massive takedown of a dozen airliners was set for August 16 is "rubbish," according to London authorities. So who decided this case was ripe for its public rollout? Blair consulted Cheney: What did they decide? American economist Jamie Galbraith was on a ten-hour flight from Manchester, England, to Boston on the day the

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story broke, and has wittily reflected on other weak points in the official story line.

The point is, Americans are not entirely defenseless pawns. They can keep their wits and reserve judgment. They can voice loudly the skepticism that Bush and company have earned by politicizing of the so-called "war" from the very start. Leading Democrats are toughening up. Senate Minority Leader Harry Reid uses plain English to explain what the Republicans up to--using genuine concerns of national security "as a political wedge issue. It is disgusting, but not surprising."

Instead of cowering in silence, the opposition party should start explaining this sick joke. Political confusion starts with the ill-conceived definition of a "war" that's best fought by police work, not heavy brigades on a battlefield. Forget the hype, call for common sense and stout hearts.

All we know, for sure, is that Bush and his handlers are not going to back off the fear-and-smear strategy until it loses an election for them. Maybe this will be the year.

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BLOG | *Posted 08/04/2006 @ 4:45pm*

Three Cheers for Harry

William Greider

The familiar hallmark of Republican politics is what I call "roll-call slander." The party of Jesse Helms and Newt Gingrich, Lee Atwater and Karl Rove, pioneered the use of ridiculous legislative roll calls to put incumbent Democrats on the spot--recorded votes that can be used against them in the next election. The purpose is not to enact legislation but to generate demagogic fodder for Republican challengers.

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Did you know your senator voted in favor of burning the American flag? Well, he did. Here is the Senate roll-call to prove it. Elect me and I promise to stand by our flag.

Sometimes, this works or makes Dems scurry for cover. More often, it simply revs up the GOP troops, like waving a piece of bloody meat before a pack of hungry dogs. The

technique turns representative democracy into a cheap cartoon.

This week in the Senate, the Republican strategists reached a new nadir of cynicism with their proposal to raise the minimum wage for the working poor in the same bill that slashes the estate tax for billionaires.

How cute is that? Republicans loathe the minimum wage, of course, but they figured this could sucker a handful of wobbly Democrats into going along with them on gutting the estate tax. Or else face the wrath of their constituents. The GOP tricksters failed by four votes.

I say, hurrah for Harry Reid, the Senate Democratic leader. Democrats hung together and blocked this ugly maneuver—a rare moment of solidarity when some of them were seriously tempted to defect. Republicans might try again in the fall, but they are running out of gimmicks.

The GOP is fearful this fall's elections will seriously weaken its House and Senate majorities, so this might be their last chance to crumple the estate tax. The party has collected hundreds of millions in contributions from the small number of very, very rich families obsessed with repeal. A handful of Dems wanted to vote for them too. They will probably be targeted in the fall campaign but with this twist: Did you know your senator voted against poor people?

The cloakroom politics surrounding this issue was intense, but minority leader Reid was the stand-up guy. We don't know what he said privately. Presumably, nobody's arm was broken. But Harry Reid kept the wannabe stray cats in line. How refreshing. A party leader who stands and fights, who warns wayward colleagues they better not sell out.

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BLOG | *Posted 07/26/2006 @ 1:05pm*

Whither the WTO

William Greider

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The announcement from Geneva that the "Doha Round" negotiations for another global trade agreement is in "collapse" lacked high drama since impending failure was already clear to all but the most fervent cheerleaders for the World Trade Organization. Five years of sloganeering and media pep talks and clever maneuvering failed to persuade developing nations or even inspire much enthusiasm in advanced economies. This is very good news for peoples of the world, though you won't see the story played that way in the American press.

In round-about fashion, the WTO's failure represents belated vindication for the blue-green movement that arose in Seattle six years ago and the Global Social Forum launched later from Porto Alegre, Brazil. These bottom-up political mobilizations offered an alternative vision for globalization – not dominated by the desires and dictates of multinational corporations but by ideas of popular sovereignty and common human aspirations that are shared by people in vastly different trading nations. That promising movement was eclipsed by the drama of 9/11 and war in Iraq, but it was never really sidetracked. Many individual countries have already revolted against the "Washington Consensus" and even establishment experts are beginning to acknowledge its failures. Defeat for them in Geneva is an important marker of progress for those who can imagine a different world.

That assembly includes especially the poorer nations of the world, struggling to find their way in a complex game of economic diplomacy usually controlled by the corporate big boys. This time, the impoverished countries stood their ground. They did not take the bait and swallow the empty promises, though they were coaxed and bullied by the major industrial players, led by the US. That reflects both their courage and growing maturity.

The essential deal offered the poor was, if they would accept the expanded domination of the WTO and its multinational sponsors, the rich nations would slash their lush subsidies for global agribusiness, leaving more market space for agricultural producers in developing nations. Many gullible editorial writers bought the logic, but not the poorer nations themselves. To believe that promise, you had to believe George W. Bush was going to sell out Texas cotton and Florida sugar and Midwestern grain or that Paris intended to

dump the prosperous farmers of Normandy.

The larger meaning of the Doha collapse is the growing rejection of the WTO itself as a trustworthy governing institution for the global system. It was created ten years ago and it's been down hill ever since, both for rich and poor nations. The activists of Global Trade Watch, arm in arm with other groups around the world, make this case persuasively in a new briefing paper. The demise of Doha, they argue, should restart the worldwide debate on new and more fundamental terms – more promising for people and less deferential to global capital.

"Instead of pinning blame on specific countries, the focus of energy should be on how the world's governments can develop a multilateral trade system that preserves the benefits of trade growth and development, while pruning away the many anti-democratic constraints on domestic policy making in the existing WTO rules," Global Trade Watch explains. "Much of the backlash against corporate globalization implemented by the WTO is aimed at the damage caused by the comprehensive one-size-fits-all, non-trade rules comprising the majority of the WTO text."

In blunt summary, the new approach means the following: Scale back the powers of the WTO so that human rights, environmental, labor and other public-interest standards can be adopted "as a floor of conduct for corporations seeking the benefits of global trade rules." In other words, bring other international organizations into the process, with power to enforce standards on everything from toxics to food security to worker rights.

The system, meanwhile, must loosen its grip on individual nations and governments so they can develop their own domestic priorities on non-trade issues. "Countries must be free to prioritize other values and goals above what are sometimes countervailing demands of multinational corporations," the briefing paper asserts.

This is an immense challenge and obviously difficult for brain-dead politicians to grasp and embrace. But it's also an exciting and promising new opening. Imagine that the collapse of the old order has occurred, though not yet acknowledged by its sponsors.

"Another world is possible," as the activists like to say, and it has just become a bit more possible.

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BLOG | *Posted 07/10/2006 @ 1:30pm*

Mexico's Electoral Cliffhanger

William Greider

The fate of Mexico is undetermined at this hour, but this much we know: Don't take at face value what you read in the leading American newspapers about Mexico's cliffhanger election outcome. Their candidate is the candidate of multinational business--Felipe

Calderón--who supposedly won the presidential election by 240,000 votes out of 41 million. Keep in mind that nearly 65 percent of Mexican voters essentially voted against Calderón and his pro-globalization, pro-NAFTA agenda by voting for someone else.

The leading opponent--Andrés Manuel López Obrador--came in second and charges he was robbed. The most influential papers in America--the *New York Times*, the *Washington Post* and the *Wall Street Journal*--have already warned that López Obrador is a dangerous character. They depict a "firebrand" and "messianic" leader of the unwashed poor, a potentially violent "populist" who might destabilize the country. There is a long tradition in these newspapers of warning American readers about the rise of non-establishment politicians in Mexico and Latin America. The CIA has devoted enormous energy over the years to preventing such a calamity for US interests (oil, banking, minerals--you name it.)

So keep an open mind about whether López Obrador's charges of election fraud are substantive or, as the media suggest, farfetched. In recent decades, Mexico's ruling class has been notorious, even violent, about fixing elections. The presidency was effectively stolen from a left-wing challenger back in 1988 to install Carlos Salinas de Gortari, much admired by Wall Street as a "modern reformer." He embraced NAFTA and US finances but was discredited and deeply corrupt. (He had to flee the country afterward but was taken in by his American friends, including the *Wall Street Journal*, which put him on the Dow Jones board.)

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On occasion, a promising politician's candidacy has even been cut short by murder. There were two in the run-up to the 1994 election: Luis Donaldo Colosio and Jose Francisco Ruiz Massieu.

What's most disgusting in the current coverage is the similarity to an American election scam. Newsies are pounding home the same message for López Obrador that they used to bully Al Gore back in 2000: Don't be a sore loser. Fold your tent and accept defeat, for the sake of stability, for the good health of democracy. Remember Florida? If the votes had been fairly, thoroughly recounted there in 2000, Gore would be the "next President."

In Mexico, López Obrador asks for a full recount of the national vote--a reasonable demand, given what's already known--but this is dismissed as irrational, even unpatriotic. So far he is standing his ground, but we can expect the respectable pressures to intensify against him. Establishment influentials from the North will warn that Mexico's future prosperity could be damaged if US investors "lose confidence." The specter of small-d democratic protest will be described as an impediment to Calderón's governing the entire country. Indeed, it might be.

I am not anticipating a López Obrador triumph, but surely he is right to demand a full accounting of the real results. In any event, the Mexican people have turned a big corner in their long struggle to achieve a genuine voice in a self-governing democracy. This election, even if the common people fall short of full justice, represents a significant advance. (If only the American people could discover the same spirit of insurgency.)

If Americans were not kept in ignorance by their own leaders and media, they might recognize their self-interest is directly involved. They would understand why, instead of fearing the popular aspirations of ordinary Mexicans, ordinary Americans should be standing with them.

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BLOG | *Posted 06/23/2006 @ 6:35pm*

Dirty Money

William Greider

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The *New York Times* devoted a lot of ink to the Bush Administration's practice of secretly rummaging through international banking transactions in pursuit of terrorists. But, frankly, I had a hard time grasping the scandal.

After all, the Treasury announced it was going to do something like this after 9/11 -- a legitimate, legal method of discovering the networks financing terrorist cells.

So I called an old friend and source for elucidation. Jack Blum is a legendary investigator and lawyer in Washington, who for decades has tenaciously uncovered the global flows of dirty money. Jack confirmed my hunch. He was outraged, but not by the *Times* revelations.

The scandal here is not government over-reach, he tells me. The scandal is the pitiful reluctance of this administration (and others before it) to get serious about the problem.

Bankers, Blum explained, "have fended off every conceivable rule that would really be effective. Why are we pandering to them if we say we are in such a desperate situation?"

The political influence of bankers tops all other sectors, I learned as a young reporter. Regardless of party or ideology, politicians seek their friendship. So the United States has created a truly bizarre banking code that legalizes--and keeps secret--vast flows of ill-gotten gains. For what purpose? Terrorist financing, yes, but that business is dwarfed by the drug trade profits, insider looting of corporations, offshore tax evasion, securities fraud, plain-vanilla fraud and other uses.

The American dollar is *lingua fria* for illegal commerce and Congress protects the sanctity of its privacy, even allows it the criminal proceeds to flow freely through government-chartered and regulated financial institutions. This shady business is not an inconsequential profit center for banks (a bit like pornography for Microsoft).

The monitoring system described by the *Times* seems unexceptional to Blum. Indeed, his complaint is that it's so narrowly focused that it mostly harvests empty information.

"Meanwhile, the biggest purveyor of terrorist money, as everyone knows, are accounts in Saudi Arabia," Blum observes. "Nobody will deal with it because the Saudis own half of America." An exaggeration, but you get his point.

Blum knows the offshore outposts where US corporations and wealthy Americans dodge taxes or US regulatory laws. Congress could shut them tomorrow if it chose. Instead, it keeps elaborating new loopholes that enable the invention of exotic new tax shelters for tainted fortunes. The latest to flourish, he says, are shell corporations-- freely chartered by states.

"The GAO says this device is being used for money laundering by everyone else in the world," Blum says. "Congress ought to start there." He is not holding his breath.

My point is, individual privacy deserves vigorous defense against the government. But who is the victim when the government itself shields the criminals and their bankerly accomplices from exposure?.

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BLOG | *Posted 06/02/2006 @ 12:48am*

Senator Sellout

William Greider

If left-liberal bloggers have any influence on the Democratic party, they should use their muscle right now to block a grotesque sellout-- handing Republicans an odious victory on the inheritance tax.

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Giving the GOP its way would hand a fabulous reward to the country's wealthiest families but, worse than that, create a \$1 trillion hole in future federal revenue. If this happens, forget about universal health care or other major social reforms and public investment that Democrats are promising to pursue.

Yet leading the rush to appeasement is Senator Max Baucus of Montana, the ranking Democrat on the Senate Finance Committee and the party's number-one Quisling. Baucus tips over easily to outrageous deals with Republican tax-cutters. Back in 2001, he sold out

on Bush's reactionary tax reduction package. Now he is working to organize a rump group of Democratic senators for "compromise" on the estate tax. That is, give the Republican sponsors most of what they seek and, in the process, cripple possibilities for the future.

Democrats do not need do anything about the estate tax at this point since the Bush version expires automatically in 2011. Let the next president decide what to recommend. For now, Dems merely need to hold the 40 votes to sustain a filibuster. The caucus overwhelmingly supports that position. The problem is the handful of potential deserters.

The first chore for activists is to bang on Baucus--quickly and mercilessly--because a Senate vote is expected next week. More to the point, grassroots Democrats need to bang on the handful of wobbly Democratic senators disposed to go along with Senator Sellout or flirting with the idea. These include the two Nelsons (Bill of Florida, Ben of Nebraska), Salazar of Colorado, Lincoln and Pryor of Arkansas and--most shocking--Washington's two usually progressive senators, Cantwell and Murray. Their state includes a bunch of techie billionaires and the family-owned *Seattle Times* that hammers them on the supposed injustice of the estate tax. They need to know a price will be paid for defection.

The second great task for grassroots Dems is to confront the party leaders on their own cowardly acquiescence. Why do they allow this one disloyal rogue to undercut the party's position and yet escape any punitive consequences? If Democrats should win back Senate control this year, Baucus will become Finance Committee Chairman again--free do more outrageous tax favors for his wealthy pals.

The Democratic caucus and minority leader Harry Reid ought to inform Baucus--right now--that, if he proceeds with this sellout, he can forget about ever being chairman again. The legislative fight may sound like inside baseball and it is, but this is a central test of character for the party. If incumbent Democrats are unwilling to upset their "club" by punishing this wayward jerk on such a decisive matter, then maybe the "club" deserves to retain its minority status.

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BLOG | *Posted 05/25/2006 @ 3:57pm*

Rise and Fall of the Enron Boys

William Greider

Normally, I am a "bleeding heart" when it comes to long prison terms, but an appropriate sentence for the Enron boys might be six trillion years. Kenneth Lay with his million-dollar smile and Jeffrey Skilling with the cold, confident eyes of a viper made their company into the symbol and showpiece for a glorious era. It was the hyper-modern and market-efficient "new economy," in which the concept of wealth falling out of the sky became briefly hip and widely believed in respectable circles.

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Enron led the way. Lay and Skilling showed us how it's done. And when Enron fell, the great national delusion turned to catastrophe. Unwitting investors lost \$6 trillion overall. Millions of innocent bystanders lost much more in terms of their lives. So let Skilling and Lay now serve as symbol for the shame of modern American capitalism. Let these guys do the time for all those others, the corporate titans and financial con men, who got away.

Justice sometimes proceeds in strange ways. I am opposed to public hangings and other forms of scapegoating, but perhaps this time we need a spectacular ritual sacrifice to amplify the point made by that swift, sure conviction in Texas. These men in the good suits are criminals--*criminals!*--who must be made to set an example for all ambitious people who toil in business and finance.

These two thugs looted pension funds and destroyed the personal savings of families. They stole money from the rest of us, not to mention from government and other non-glamorous business enterprises. They rigged energy markets to drive up prices and bilk defenseless consumers (an old-fashioned swindle borrowed from nineteenth-century robber barons and newly decriminalized by deregulation). They swallowed viable, productive companies and wrecked them, especially wrecking the livelihoods of their employees. And, worst of all, they were best pals with politicians and political leaders as well as the most prestigious names in banking and finance--connections the Mafia would die for!

Sorry, am I shouting? My exuberance over this verdict is a mixture of joyous fulfillment

and lingering doubts about the impact. Since the meltdown of the stock market in 2001 and the avalanche of scandalous revelations that followed from hundreds of corporations, I have thought the political system and the financial system and even the public at large did not sufficiently get the message. The pervasive rot in American capitalism is much deeper than acknowledged. The various forms of fraud by which millions of people are separated from their money continue in practice, often blessed by law itself.

Still flourishing, likewise, are the leading Wall Street firms--Citigroup, Merrill Lynch, JPMorgan Chase, to name a few--that showed Lay and Skilling how to do the fancy financial footwork, converting "debt" into "revenue," so that stock analysts could tout Enron's rising "profit". This was fraud too, but nobody from the banks went to prison (they paid millions, even billions, for no-guilt settlements with government and injured investors). Message to America: Don't rob the Seven Eleven with a six-gun. Rob the general public with pen and computer.

Congress, meanwhile, claimed to "toughen" financial laws, but they did not get reform halfway done. Now the Chamber of Commerce and other front groups are back in Washington insisting that the rather mild reform measures be scrapped too. They may very well succeed, if the public is not aroused. The media can take care of that. They will be describing this verdict as "an end of the era."

Wrong again. The era of corporate corruption, financial swindling and blue-sky illusions is not over. The players are merely paused, waiting for the marks to re-enter the casino. Perhaps Kenny Boy's conviction will remind people that the game is still fixed and those guys in good suits are the dealers.

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BLOG | *Posted 03/22/2006 @ 2:49pm*

No Light in the Tunnel

William Greider

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Hope and fear are always the polar forces at work in American politics and this Texas-macho President has brilliantly orchestrated the nation's fear of terrorism into a winning position. Support him, he will protect us, take the fight to the treacherous enemies and crush them.

He has reminded us relentlessly of what we most fear. For many, it felt reassuring to hear his resolve. But the brave-cowboy act is over. He failed himself yesterday in the White House press room.

George W. Bush called the press conference to sell hope--give people a reason to keep on believing--but trampled his own objective. Instead, he deepened the public's fear--not of Muslim terrorists--but of his own leadership at war. Does this guy know what he's doing? He got us into this mess; does he know how to get us out?

A fatal admission was revealed when Bush was asked whether he could envision a day when US troops were out of Iraq. The President shrugged, as though the question does not apply to him. "That'll be decided," Bush said, "by future presidents and future governments of Iraq." When I heard this, I thought, that's going to be tomorrow's headline. Sure enough, it was in the *Washington Times*, a conservative newspaper that always rallies to Bush's side. "Bush commits until 2009," the banner headline declared.

That remark shuts down hope and kicks it out the door. Want to bring the troops home? For the next three years, forget it. Bush's comment, it is true, was more ambiguous than the headline. But it's too late for White House amplifications. The headline is the shorthand that will linger in public consciousness, repeated endlessly in the political chatter.

Does this guy have a clue? His tone of casual dismissal sends a chill down the spine. His press conference blunder will stalk George Bush until he either makes a big change in policy or personnel or actually gets us out of Iraq. He can't just smirk and walk off the stage.

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