

THE DEWEESE REPORT

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The Real Roots of Poverty

By Tom DeWeese

There are many efforts underway to focus attention on world poverty. In a world of growing wealth, the statistics on global poverty are staggering.

According to the United Nation's Millennium Project, there are currently 1.2 billion people living in poverty. 50,000 deaths per day occur worldwide as a result of poverty. Every year more than 10 million children die of hunger and preventable diseases. More than half of the world's population lives on less than \$2 per day and 800 million people go to bed hungry every night.

To combat the situation, there are massive efforts underway, from churches, to charitable organizations, to local, state, federal and international government programs designed to eradicate poverty. Billions of dollars in foreign aid have been distributed to countries around the world to help

feed the poor. Poverty reduction targets have been set. International goals have been announced. Deadlines have been determined. Agreement has been reached by every national leader that poverty must be eradicated.

There are faith-based programs designed to feed the children; education programs designed to create awareness of poverty and starvation; corporate programs designed to enhance global development, helping to create business or to bring existing corporations into nations to provide jobs; and government programs designed to build hospitals, schools and businesses to create jobs and improve healthcare and education. Charitable contributions and government money, either from the local level or through foreign aid are the main source of funds for the efforts.

Yet little progress is being achieved as, in fact, the problem continues to escalate. There is an ever-growing disparity between rich and poor. Why?

To date, nearly every effort to eradicate poverty has focused on temporary relief of the suffering rather than getting to the root of the poverty and creating real solutions to actually eradicate poverty permanently. The result of such efforts, while well intended, and perhaps necessary in the short run, to assure the poor are at least kept alive, will not solve the problem

of poverty. In fact, such programs may actually make the situation worse.

Frankly there is not much new in this type of activity. For more than fifty years governments and charities have been focused on rushing aid to the poor and starving. Yet none of these efforts address the basic reason poverty exists in the first place. The solutions which call for more and more aid simply respond to the visual effects of poverty such as starvation, ignorance and poor health. None truly address the cause. As a result, rather than easing the situation, the number of poor continue to grow.

Most of the current anti-poverty efforts focus on redistributing funds from wealthier nations to poorer ones, either through mandatory taxation or charitable donations. This system ignores the fact that tomorrow the poor need to be fed again. Taxpayers or the voluntary donor must dig into his own funds yet again to help. The process is repeated daily, each time the poor recipient is only temporarily helped, as the taxpayer or the donor become poorer themselves. Meanwhile, as massive funds are moved in and out of governments, bureaucracies are institutionalized to run the system. More and more money goes to feed the machinery of poverty than gets into the hands of the intended poor. Such a system sustains poverty rather than eradicates it.

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Meanwhile, some corrupt and totalitarian governments also learn how to divert funds into their own coffers, again, depriving the poor of their daily bread. A system of bribes and local corruption often exist making it nearly impossible for average citizens to receive government services. Such a system forces many of the poor to live outside of society in a virtual underground economy. This actually serves to sustain poverty against the efforts of those trying to eradicate it.

In addition, some international policies actually institutionalize poverty. Policies which prevent or severely restrict development and energy use result in the violation of the most basic human rights, denying economic opportunities and the chance for better lives, the right to rid their countries of diseases that were vanquished long ago in Europe and the United States.

For example, lack of electricity means no water purification or sewage treatment, no power for offices or hospitals, and no stoves to replace pollution-belching, lung-disease-causing open fires. There is also mounting pressure by outside organizations against the use of agricultural biotechnology. That means farmers cannot use insect and disease-resistant crops that would reduce the need for pesticides, not can they increase yields and profits. Again, the system sustains poverty rather than eradicates it.

It is becoming increasingly clear that poverty will never be eradicated unless those working on the problem will allow themselves to look for a drastically new way to attack it. Simply put, rather than constantly applying band-aids to the effects of poverty, they must look for the cause and fix it.

One must first look at the world and see where wealth is created and why it is so. The greatest example of wealth creation is obviously the United States. It is the beacon of wealth and freedom for the entire world. Most in the world envy the US's wealth and seek ways to share it, yet very few look at how the nation got there or care to try to copy its system for success.

Why is the United States so wealthy? Is it the possession of vast natural resources?

Africa has more. Is it the existence of greater industry? Japan has more. Is it the existence of a superior education system? The US now ranks below the top ten nations in education.

The reason the United States continues to lead the world in wealth, standard of living and abundance is that the average resident of the United States has the ability and the opportunity to invest and produce capital.

Why can ordinary citizens of the United States produce their own capital to create personal wealth, and yet most of the rest of the world fails at such an attempt? The answer is actually very simple. The United States has created a very easy, immediate, complete system for recording and securing ownership of private property.

Peruvian economist Hernando de Soto explains the root of American wealth in his book, *The Mystery of Capital*. In his book de Soto asks, "Why does Capitalism thrive only in the West, as if enclosed in a bell jar?"

Capital, he argues, "is the force that raises the productivity of labor and creates the wealth of nations, It is the lifeblood of the capitalist system, the foundation of progress, and the one thing that the poor countries of the world cannot seem to produce for themselves."

Why not in other countries? Because the laws and practices of most countries in the world make it nearly impossible for average citizens to own property or to prove ownership of property. There are vast obstacles to gaining legal ownership. For example, in Mexico it takes twenty years before a piece of property can be recorded. In Peru it took de Soto's team of experts 289 days to legally register a new business, even after paying over \$1,200 in registration fees. In the Philippines a prospective property owner would first have to organize an association with his neighbors in order to qualify for a state housing finance program. The entire process could take 168 steps, involving 53 public and private agencies and taking 13 - 25 years. And so it goes in country after country.

The impact of a fee of \$1,200 in a poor nation is enough to forever discourage even the attempt to register property. Such an amount, in many (Cont'd on Page 3)

THE DEWEESE REPORT

Vol. 13, No. 8 August 2007

Published by
American Policy Center

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ISSN 1086-7937
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Newsletter of the
American Policy Center

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POVERTY... (*Cont'd from Page 2*) developing countries may equal an entire year's income. It is important to note the impact free markets and private property have on the income of a nation's citizens. The per capita income for Americans is \$41,400 per year. For Europeans, where more government control is exercised, the per capita income is \$27,400. In the former Communist nations of Eastern Europe it is now \$3,295. Yet, just a few years ago it was \$2,047. As more freedom and greater ability to own property grows, so does the per capita income.

If ownership of property cannot be properly recorded and able to be traced directly to the owner, then it cannot create equity and cannot be used as collateral for credit. It is not of value to the owner, only an expense. This situation has created, in deSoto's estimate, over \$9.3 trillion in "dead property." That is property that cannot be used by anyone to create equity and therefore wealth.

Where it is common practice in the United States to buy property, hold it for a few years and sell it at a substantial profit or move up to a better home, thereby creating individual wealth, such a system is basically unheard of in most nations of the world. If one doesn't have or can't prove title, then no bank will make loans on the property. In nations where property cannot be easily and legally registered, the only recourse is to go to friends and relatives, get a smaller loan (thereby reducing ones ability to build a company) and still never have title to the business or the business property financed that way. Though people may live on and pay for property for years, it is hidden in an underground economy not beneficial to the individual or the national economy because ownership cannot be shown.

"In the West, by contrast," de Soto argues, "every parcel of land, every building, every piece of equipment, or store of inventory is represented in a property document that is the visible sign of a vast hidden (*Cont'd on Page 7*)



RESISTANCE TO REASON

REVEALING FACTS OF THOSE WHO HAVE DECLARED WAR ON LOGIC

WHO SPEAKS FOR YOU?

The great debate over freedom vs. the collective has been raging for centuries. The issues include private property ownership vs. state control; A democracy vs. the Republic (some say it's the same - is it?); The Founding Fathers vs. "modern" ideas. Which speak for your point of view?

DEMOCRACY VS. A REPUBLIC

1. Democracy: A government of the masses. Authority derived through mass meeting or any other form of direct expression. Results in mobocracy. Attitude toward property is communistic... negating property rights. Attitudes towards law is that is that the will of the majority shall regulate, whether it is based upon deliberation or governed by passion, prejudice, and impulse, without restraint or regard to consequences. Result is demagogism, license, agitation, and discontent. Chaos. *U.S Army Training Manual No. 2000-25*
2. Democracy is three wolves and a sheep voting on what to have for lunch. *Unknown*
3. No man's life, liberty or property are safe while the congress is in session. *Mark Twain*
4. I think we have more machinery of government than is necessary, too many parasites living on the labor of others. *Thomas Jefferson*

PRIVATE PROPERTY

1. The moment the idea is admitted into society that property is not as sacred as the law of God; and there is not a force of law and public justice to protect it, anarchy and tyranny commence. *John Adams*
2. Life, liberty, and property do not exist because men have made laws. On the contrary, it was the fact that life, liberty and property existed beforehand that caused men to make laws in the first place. *Frederic Bastiat*

COMMUNISM

1. Communism is a society without money, without state, without property and without social classes. People come together to carry out a project or to respond to some need of the human community but without the possibility of their collective activity taking the form of an enterprise that involves wages and the exchange of its products. The circulation of goods is not accomplished by means of exchange: quite the contrary, the by-word for this (communist) society is "from each according to their abilities, to each according to their needs."
2. It is preoccupation with possessions, more than anything else, that prevents us from living freely and nobly. *Bertrand Russell*
3. Many of you are well enough off...that tax cuts may have helped you. We're saying that for America to get back on track, we're probably going to cut that short and not give it to you. We're going to take things away from you on behalf of the common good." *Sen. Hillary Rodham Clinton*

ENVIRONMENTALISM

1. We reject the idea of private property. *Peter Berle, National Audubon Society*
2. Isn't the only hope for the planet that the industrialized civilizations collapse? Isn't it our responsibility to bring that about? *Maurice Strong, head of the 1992 UN Earth Summit*
3. Free Enterprise really means rich people get richer. They have the freedom to exploit and psychologically rape their fellow human beings in the process...Capitalism is destroying the earth. *Helen Caldicott of the Union of Concerned Scientists*



ABSOLUTES.....!

HEADS UP! We've Won Some Victories!

By Tom DeWeese

So many in the freedom movement are quick to accept the idea that we cannot win against the forces of tyranny. They are dragging their chins on the ground and sit in despair. Darned if I understand why.

2007 and the Democrat-controlled Congress has been one of the greatest tests for the ideas of limited government and preserving the Republic. Forgive me for sounding like Pollyanna, but so far, we are winning. Frankly, this Congress has failed to pass a single significant piece of legislation to hurt us. Of course that can change quickly, but we can face that when it comes. For now, stop fretting and look at the bright side.

First, the defeat of the Senate Immigration bill is without question, the greatest victory for the Republic in at least a decade. While many have lamented that the American people are asleep, paying no attention to issues of the day, the fact is a full 80% of the American people opposed the guest worker scheme and saw it was truly amnesty for illegals. They saw the threat and said so.

The Senate and the White House, not used to an enflamed electorate, continually tried their usual flimflam tactics of ignoring the will of the people. Not this time. Americans hated this bill and said so. The Senate got more phone calls and more letters than on any issue in recent memory. The Senate switchboard was shut down. And it DID NOT PASS.

Of course they will try again. Who said Freedom is easy to preserve.

The North American Union. We're told this is a done deal. Can't stop it. Wanna bet? Even with virtually no national media to expose it, the word is spreading like wildfire. As a result, currently 18 state legislatures have now passed, or are working to pass, resolutions against the idea of a North American Union.

The Teamsters Union has filed suit to stop the Bush Administration's plan to allow Mexican trucks to cross our

borders and haul good throughout the nation. The suit is shining a very bright spotlight on the scheme and could well sidetrack the program.

Keep in mind; all of the Americans who stood up to oppose the immigration bill are potential allies in the fight against the North American Union. It's the same issue in different wrapping.

In Texas, just a year ago, state legislators basically denied there even was a Trans Texas Corridor. Just a highway improvement program, they said. Yet, just one year later, in landslide margins, the Texas Legislature voted overwhelmingly to put a moratorium on the project so more discussion could take place. That was a major victory.

True, many of the legislators lost their nerve at the last minute and put in amendments to basically cut the teeth out of the bill. But first we must remember that the vote in itself was an amazing victory to expose the corridor. There can be no denial that the vote was to stop the TCC. The people of Texas said no to that Corridor. Now they must continue the fight by exposing those legislators who betrayed them. The momentum of the first vote much be used to continue the fight until we win

the final victory to stop the TCC - just like we did in the immigration battle.

In 2005, Freedom's warriors were convinced the battle to stop the National ID was over after Congress passed the Real ID Act. Yet, there are now 12 states refusing to go along with implementing it. There is legislation in Congress to repeal it outright. Americans are learning it is not a tool to fight terrorism or illegal immigration, but a plan to impose a big brother style tyranny on us all. We're stopping it.

A couple of years ago, Congress passed a horrible bill which literally robbed our First Amendment right of free speech. The McCain-Feingold bill severely restricted the ability to even name elected representatives in campaign ads. It then was impossible to run effective campaigns against incumbents, giving them a free election ride. Last month the



...THESE THINGS REALLY ARE HAPPENING!

Supreme Court ruled that it was against the First Amendment to ban businesses and unions to fund advocacy campaigns in the closing months of an election. It was a huge victory for the right of free speech and the Republic.

Word has now come down from Congressional Democrats that they will not renew Fast Track authority for the president. Of course it's a political ploy against Bush, but the fact is, Fast Track is the one issue that actually gives the President the power to negotiate policy like NAFTA, GATT and the Security and Prosperity Partnership (SPP), to implement the North American Union. It is a victory for our side to take that authority away for him, no matter the reason.

Worried about the invasion of Chinese goods now flooding the American market place? The problem may take care of itself soon. The month of June has seen a huge backlash against Chinese goods - more powerful than any boycott could ever produce. And they are doing it to themselves. Chemicals in killer dog food have been traced back to China. The FDA has just moved to block the sale of Chinese fish because of still more chemicals. Defective

Chinese tires have been discovered. All of these things will only serve to prove to the American people that Chinese goods are inferior and undesirable. Americans may yet learn that China is a brutal communist regime that has no concern for the quality of its products. It cares only for the power of the money it makes off of them. It proves that the free market can be trusted and those who think they can manipulate it will eventually be exposed.

There are lots of good things happening in the name of freedom around the world. There are efforts to create private property as a means to eradicate poverty. There are efforts to bring back DDT to eradicate malaria. Of course there are bad things going on. Of course the forces of tyranny continue to build to enforce their will.

The good news is every victory they score creates new victims. Every new victim finds their way to the camp of Freedoms Heroes and our forces swell. And that can ultimately lead to freedom - if we will just get our heads out of the sand and appreciate a victory when we win one.



New Wave of UNESCO World Heritage Sites Proposed International “Recognition” for 36 U.S. Sites Threatens Private Property Rights

The National Park Service has announced that 36 sites in the United States have been proposed for recognition as UNESCO World Heritage Sites, adding to the 20 sites already designated in this country. World Heritage Sites have proven to be a threat to private property as they are used by the radical environmental movement as an excuse to block productive land use. The Interior Secretary will select the final sites to be submitted to UNESCO by February, 2008. Now is the time to send a message to him that you oppose any new World Heritage Sites in the US. *Source: Carol Lagrasse, Property Rights Foundation of America, www.prfamerica.org*

Alabama - *Dexter Avenue King Memorial Church*
 Alabama - *Civil Rights Churches of Birmingham*
 Alabama - *Moundville Site*
 American Samoa - *Fagatele Bay National Marine Sanctuary*
 Arizona - *Petrified Forest National Park*
 Arizona, California, Illinois, New York, Oklahoma,
 Pennsylvania, & Wisconsin - *Frank Lloyd Wright Buildings*
 California - *Gamble House*
 Colorado - *Chimney Rock Archeological Area*
 Georgia - *Central of Georgia Railroad, Savannah Shops &
 Terminal Facility*
 Georgia - *Historic Center of Savannah*
 Georgia - *Okefenokee Swamp National Wildlife Refuge*
 Hawaii - *Papahānaumokuākea National Monument*
 Indiana - *Historic New Harmony*
 Louisiana - *Poverty Point State Historic Site*
 Maine, New Hampshire, New York, & Kentucky - *Shaker
 Villages of the United States*
 Massachusetts - *Stellwagen Bank National Marine Sanctuary*
 Michigan - *Cranbrook Educational Community*
 Minnesota - *Pipestone National Monument*

Missouri & Illinois - *French Creole Properties of the Mid-
 Mississippi Valley*
 New Mexico - *Blackwater Draw Locality No. 1*
 New Mexico - *White Sands National Monument*
 New York - *Olana (home of Frederic Church)*
 Ohio - *Dayton Aviation Sites*
 Ohio - *John Rankin House & John Parker House,
 Underground Railroad sites*
 Ohio - *Ohio Hopewell Ceremonial Earthworks*
 Ohio - *Serpent Mound and Sunwatch Site*
 Oregon - *Columbia River Highway*
 Pennsylvania - *Eastern State Penitentiary*
 Pennsylvania - *Meadowcroft Rock Shelter*
 Pennsylvania - *Historic Moravian Bethlehem*
 Rhode Island - *Gilded Age Newport*
 Rhode Island - *Colonial Newport*
 Texas - *Old Spanish Missions of San Antonio*
 Virginia - *Mount Vernon*
 Virginia - *Virginia State Capitol*
 Virginia - *Thomas Jefferson's Poplar Forest*



INSIDER'S REPORT

Action Alert: Keep Telling the House Committee on Agriculture to Take Mandatory Animal ID Out of the Farm Bill!!

The House Committee on Agriculture has delayed consideration of the Farm Bill yet again, until July 17-19. So if you haven't called them yet, you still have time! And if you have called, feel free to call again!!

Chairman Peterson has released a new Chairman's Mark for Full Committee Consideration. The section linking NAIS to COOL has been re-numbered as Section 11101. Like the previous Section 121, Section 11101 would allow the USDA to use a mandatory animal identification system in order to implement Country of Origin Labeling (COOL). This would open the door for the USDA to link the National Animal ID System (NAIS) to COOL, forcing small farms out of business and harming our local food supply.

First, contact Chairman Collin Peterson:
Phone: 202-225-2171, Fax: 202-225-8510
Email: agriculture@mail.house.gov

Second, contact any member of the House Agriculture Committee who comes from your state.

Third, contact Senator Harkin and any member of the Senate Agriculture Committee who comes from your state. The Senate Committee will be starting work on the Farm Bill at the end of July, and this may be our best hope for getting NAIS taken back out of the Farm Bill.

Last, contact your own Representative and Senator. Ask your Congressman and Senators to speak with the Chairs of the Committee, and any members of the Committee from your state, on your behalf.

MESSAGE: Please strip Section 11101 from the Farm Bill. The law barring the USDA from using mandatory animal identification to implement COOL should not be changed, and NAIS should not be put into the Farm Bill.

HOUSE COMMITTEE ON AGRICULTURE

Chair: Collin Peterson (MN)

Ranking Minority Member: Bob Goodlatte (VA)

Find all members at <http://agriculture.house.gov/>

SENATE COMMITTEE ON AGRICULTURE

Chair: Tom Harkin (IA)

Ranking Minority Member: Saxby Chambliss (GA)

Find all members at <http://agriculture.senate.gov/>

TALKING POINTS TO STOP NAIS

- * Please strip Section 121 from the draft Farm Bill. The law barring the USDA from using mandatory animal identification to implement COOL should not be changed, and NAIS should not be added to the Farm Bill.
- * Country of Origin Labeling can and should be implemented without mandatory animal identification
- * Requiring all imported livestock to be identified with a country of origin marking is enough to implement COOL
- * Requiring U.S. cattle producers to individually identify all domestic cattle to prove their eligibility for a USA label is not necessary for COOL.
- * Using mandatory animal identification to implement COOL would impose heavy burdens on American farmers and ranchers, in both time and money. NAIS will drive independent ranches and farms in America out of business.
- * The purpose of COOL is to provide information so that consumers can choose whether to buy domestic or foreign products and, as a hoped-for result, providing American farmers and ranchers with economic rewards for raising food in this country.
- * Mandatory animal identification would harm American farmers and ranchers, contrary to the goal of COOL.
- * The right to know where our food comes from will be an empty right if it is purchased at the price of a mandatory animal identification system, such as the National Animal Identification System (NAIS). If mandatory animal ID is implemented, consumers would be fooled into believing that they were supporting American farmers and ranchers through the "Made in the USA" label. Yet more and more of the food labeled that way would be raised by international corporations that are willing and able to comply with NAIS.



POVERTY... (*Cont'd from Page 3*)

process that connects all these assets to the rest of the economy.” 70% of all small businesses in the United States are started by equity loans on personal homes. Small, independently owned businesses employ the majority of people in the U.S.

This then is the hidden secret of why the West is so wealthy and the rest of the world is mired in poverty.

There are many corporations and private and government programs that are working to establish industry and create jobs in poor nations. Certainly having a job is necessary to living a better existence. Such jobs, while certainly a step up from daily aid, are not the complete answer. Simply working a job and paying for ones daily needs does not build wealth and it does little to help make citizens independent to fulfill their dreams. Yet, “providing jobs” has become the most advocated method of eradicating poverty.

During the great depression of the

1930s when many were out of work and flat broke, they were, of course, grateful for the assistance of private charities and government agencies. Such relief efforts helped them feed their families and provide the bare essentials of life. But they weren't happy. They weren't satisfied. Instead they had a drive to stand on their own - to make their own way - to live independently. In the United States most finally did break free of the assistance and created an independent life. As a result, the U.S. economy soared, new industries rose and a vibrant economic engine grew out of the ashes of the Depression. For most Americans the drive to own their own private property was the goal to be achieved. The process became known simply as the American Dream.

Today's poor in undeveloped nations certainly want the same opportunities to advance. Yet many now live in societies that are in some ways 3,000 years behind the modern world. Because of its system of private property ownership, the West has created a world of advanced technology,

health and leisure where life expectancy is increased each decade. In the West, people truly can pursue a life of happiness.

Yet, in most of the world where poverty continues to increase, life is one of hopeless drudgery, where the constant drive for survival leaves little or no time for dreams or personal happiness or achievement. The West pours money into a broken system that simply does not address the problem. As we rush to provide each day's aid, few charities or government programs seem to take the time to understand that hope and dreams aren't constant breadlines. Daily aid doesn't allow the poor the opportunity to live their lives on their own terms.

Eradication of poverty in the world won't come from endless aid designed for mere existence, nor will it come from simply providing jobs. The answer to poverty in the world will come only from providing the tools needed to create new, independent wealth. That tool is private property ownership. 

PPP'S... (*Cont'd from Page 8*)

Press reported July 15, 2006, “On a single day in June (2006) an Australian-Spanish partnership paid \$3.6 billion to lease the Indiana Toll Road. An Australian company bought a 99 year lease on Virginia's Pocahontas Parkway, and Texas officials decided to let a Spanish-American partnership build and run a toll road from Austin to Seguin for 50 years.”

In fact, that Spanish-American partnership in Texas is a company called Cintra and its lease with the Texas Department of Transportation to build and run the Trans Texas Corridor contains a “no-compete” clause which prohibits anyone, including the Texas government from building new highways or expanding exiting ones which might run in competition with the TCC. That is not free enterprise.

With inside information from its PPP, Kansas City Southern Railroad (KCSR) has been able to grow overnight from a two bit belt around Kansas City to controlling a 2,600-mile artery from Lazaro Cardenas to Kansas City, straight up the Trans Texas Corridor. KCSR has obtained the exclusive rail rights up the corridor. It is now a government-sanctioned monopoly. That is not free enterprise.

At an April, 2007 meeting in Calgary, Canada, as part of the Security and Prosperity Partnership, government officials, business leaders and academics met to discuss redistributing Canada's water to Mexico and the U.S. Southwest. Canada has

water, lots of it, and the public/private partnerships of the SPP are swarming on it like locusts as they seek to drain it out of Canada's rivers and lakes and ship it to potential profit centers in the south. The Trans Texas Corridor will provide water pipelines for the shipping and PPPs will buy up the rights and dispose of the water as they see fit. Canadians are suddenly feeling the raw power of the lethal combination of government and private industry as they dictate policy. The people of Canada now understand that they will have little say in the matter.

PPPs are one of the reasons many people find they can no longer fight city hall. The private companies gain the power of government to do as they please – and the governments earn the independence of the companies no longer needing to answer to voters. It's the perfect partnership. Such a process allows the private companies to be little more than government-sanctioned monopolies, answerable to no one. Their power is awesome and near absolute. Some call such policy corporatism. Another term would be corporate fascism.

What public/private partnerships are not, however, is capitalism or free enterprise, though it may have some of the trappings of such. The marketplace is still there. Its laws have not been repealed. But ultimately, corporatism does not trust the marketplace to do what the elites want. Thus the alignment of corporations and government is done at the expense of ordinary people - the exact opposite of free markets controlled by consumers. 

SPOTLIGHT ON TYRANNY

Public/Private Partnerships: Government-Sanctioned Monopolies

By Tom DeWeese

During the first years of the Clinton Administration in the early 1990s, there was much fanfare about a new policy to “reinvent government.” It was sold as a way to make government more efficient and less costly. It would, said its proponents, “bring business technologies to public service.”

Pro-business, anti-big government conservatives were intrigued. The backbone of the plan was a call for “public/private partnerships” (PPPs). That sounded like their kind of program. Government, they said, would finally tap the tremendous power of the entrepreneurial process and the force of the free market into making government more effective and efficient. It sounded so revolutionary and so American.

Today that “reinvention” has evolved into the policy known as Sustainable Development and much of it has been embraced by the “free-trade” movement which advocates open borders, free trade zones and one-size fits all regulations and currencies and the use of public/private partnerships. Many of the biggest proponents of the policy are conservative and libertarian think tanks.

The North American Free Trade Agreement (NAFTA) was the first of the “free trade” policies to use the concept of public/private partnerships as a major tool to drive policy. The program was sold simply as a means to expand markets for American industry and agriculture beyond U.S. borders into Canada and Mexico, thereby offering American business and workers “better jobs, better wages and more exports.” However, NAFTA has brought about much more than unencumbered trade. It is creating great change in the economic order of the nation.

NAFTA comes with its own tribunal overseers; its own courts; and its own set of rules -- all of which can, in fact, override laws passed by local, state and federal government. Such a policy is not “free trade,” rather it is a new government structure – reinvented, indeed. Here is how Henry Kissinger described NAFTA in July, 1993: “It will represent the most creative step toward a new world order taken by any group of countries since the end of the Cold War, and the first step toward an even larger vision of a free-trade zone for the entire Western Hemisphere. [NAFTA] is not a conventional trade agreement, but the architecture of a new international system.”

NAFTA, under close examination seems to be little more than a redistribution of the wealth scheme. Profiting from it are a few selected corporations which get wealthy in their elite partnerships with government while American jobs, industry and wealth get redistributed to third world nations. Since 1994, under NAFTA, the U.S. trade deficit has soared and now approaches \$1 trillion per year. The U.S. has lost some 1.5 million jobs and real wages in the U.S. have fallen significantly.

However, the concept continues to be highly touted by “free traders” as a success. Thirteen years after its inception there are now more calls for similar programs to cover South America, Central America, Africa and Asia. The Security and Prosperity Partnership (SPP) is designed to further enhance and strengthen the NAFTA concept over North America.

It is little understood by the general public how public/private partnerships can be used, not as a way to diminish the size of government, but in fact, to increase its power. These bonds between government and private international corporations are a double - edged sword. They come armed with government’s power to tax, enforce policy or enforce eminent domain. At the same time, the private corporations use their wealth and extensive advertising budgets to entrench the policy into our national conscience.

PPPs can be used by international corporations to get a leg up on their competition by entering into contracts with government to obtain favors such as tax breaks and store locations not available to their competition, thereby creating an elite class of connected businesses.

A private developer which has entered into a PPP with local government, for example, can now obtain the power of eminent domain to build on land not open to its competitors. The government gains the higher taxes created by the new development. The only ones to lose are the property owners. Using PPPs, power companies can obtain rights of way over private land. Private companies can obtain control of the nation’s highway system or local community water supplies.

Of course, it’s not just American companies entering into PPPs with governments. Foreign companies are being met with open arms by local, state and federal officials who see a way to use private corporations to fund projects. As the Associated

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