

IV / The Illusion of Happiness

“And that,” put in the Director sententiously, “that is the secret of happiness and virtue—liking what you’ve got to do. All conditioning aims at that: making people like their unescapable social destiny.”

—ALDOUS HUXLEY

“Feeling blue? Doctors now say you can lie yourself into happiness. By creating self-deceptions, no matter how negative [your problem], it can be turned into a positive and you’ll have greater [happiness].”

—RADIO ADVERTISEMENT

DAVID COOPERRIDER, a professor from Case Western Reserve University, is a plump, balding man in a shapeless black suit and checkered tie. He stands in the center of the stage in the high-ceilinged lecture hall of Claremont Graduate University before some six hundred people. The spotlight illuminates his head.

“What would it mean to create an entire change theory around strengths?” he asks. Such a theory, he asserts, exists. It is called “Transformational Positivity.” And to understand it, people need to shift their thinking, much like Einstein, whom he quotes as saying, “No problem can be solved from the same level of consciousness that created it. We must learn to see the world anew.”

Positive thinking, which is delivered to the culture in a variety of forms, has its academic equivalent in positive psychology. Cooperrider touts what he calls Transformational Positivity. Transformational Positivity, he says, is the future of organizational change. Optimism can and must become a permanent state of mind. He has designed a corporate workshop that promises to bring about this change. It is called "Appreciative Inquiry." Appreciative Inquiry, he assures the audience, will spread happiness around the world.

Appreciative Inquiry promises to transform organizations into "Positive Institutions." "It's almost like fusion energy," Cooperrider explains. "Fusion is where two positive atoms come together, and there is an incredible energy that is released." His clients include the U.S. Navy, Wal-Mart, Hewlett-Packard, United Way, Boeing, the American Red Cross, the Carter Center, and the United Nations.³ Celebrities such as Goldie Hawn also promote positive psychology, designing workshops and curriculums for children and corporate workers. And Appreciative Inquiry, which is supposed to make workers into a happy, harmonious whole, is advertised as a way to increase profits.

Cooperrider, excited and at times sputtering, stands before a PowerPoint demonstration. He slips into obscure and often incomprehensible jargon: "Positive Institutions are organizations, including groups, families, and communities, designed and managed for the *elevation* and the engagement of signature strengths, the connected and combined *magnification* of strengths, and ultimately, the coherent cross-level *refraction* of our highest human strengths outward into society and our world" [emphases are Cooperrider's]. He compares Appreciative Inquiry to a solar concentrator.

Happiness, Cooperrider explains, is achieved through "a progressive concentration and release of positivity—a 'conrescence' or growing together—whereby persons are 'enlarged,' and organizational or mutual strengths, resources, and positive-potentials are connected and magnified, where both (person and organization) become agents of the greater good beyond them.

"In other words," he continues, "institutions can be a vehicle for bringing more courage into the world, for amplifying love in the world, for amplifying temperance and justice, and so on."

He ends by saying that this generation—presumably his—is the most privileged generation in human history. It is a generation that will channel positive emotions through corporations and spread them throughout the culture. The moral and ethical issues of corporatism, from the toxic assets they may have amassed, to predatory lending, to legislation they may author to destroy regulation and oversight, even to the actual products they may produce, from weapons systems to crushing credit-card debt, appear to be irrelevant. There presumably could have been a “positive” Dutch East Indies Company just as there can be a “positive” Halliburton, J. P. Morgan Chase, Xe (formerly Blackwater), or Raytheon.

Corporate harmony means all quotas can be met. All things are possible. Profits can always increase. All we need is the right attitude. The highest form of personal happiness comes, people like Cooper-rider insist, when the corporation thrives. Corporate retreats are built around this idea of merging the self with the corporate collective. They often have the feel, as this conference does, of a religious revival. They are designed to whip up emotions. In their inspirational talks, sports stars, retired military commanders, billionaires, and self-help specialists such as Tony Robbins or Cooperrider claim that the impossible is possible. By thinking about things, by visualizing them, by wanting them, we can make them happen. It is a trick worthy of the con artist “Professor” Harold Hill in *The Music Man* who insists he can teach children to play instruments by getting them to think about the melody.

The purpose and goals of the corporation are never questioned. To question them, to engage in criticism of the goals of the collective, is to be obstructive and negative. The corporations are the powers that determine identity. The corporations tell us who we are and what we can become. And the corporations offer the only route to personal fulfillment and salvation. If we are not happy there is something wrong with *us*. Debate and criticism, especially about the goals and structure of the corporation, are condemned as negative and “counterproductive.”

Positive psychology is to the corporate state what eugenics was to the Nazis. Positive psychology—at least, as applied so broadly and unquestioningly to corporate relations—is a quack science. It throws a smokescreen over corporate domination, abuse, and greed. Those who

preach it serve the corporate leviathan. They are awash in corporate grants. They are invited to corporate retreats to assure corporate employees that they can find happiness by sublimating their selves into corporate culture. They hold academic conferences. They publish a *Journal of Happiness Studies* and a *World Database of Happiness*. And the movement has sought and found academic legitimacy. There are more than a hundred courses on positive psychology available on college campuses. The University of Pennsylvania offers a Masters of Applied Positive Psychology established under the leadership of Martin Seligman, author of *Authentic Happiness: Using the New Positive Psychology to Realize Your Potential for Lasting Fulfillment* and a former president of the American Psychological Association. The School of Behavioral and Organizational Sciences at Claremont Graduate University offers Ph.D. and M.A. concentrations on what it calls "the Science of Positive Psychology." Degree programs are also available at the University of East London, the University of Milan, and the National Autonomous University of Mexico in Mexico City.

Dr. Tal D. Ben-Shahar, who wrote *Happier: Learn the Secrets to Daily Joy and Lasting Fulfillment*, taught hugely popular courses at Harvard University on "Positive Psychology" and "The Psychology of Leadership." He called himself, when he taught at Harvard, the "Harvard Happiness Professor."

"There is mounting evidence in the psychological literature showing that focusing on cultivating strengths, optimism, gratitude, and a positive perspective can lead to growth during difficult times," Ben-Shahar has stated.

Positive Psychology has its own therapy techniques to achieve happiness. It instructs patients to write a letter of gratitude to someone who had been kind to them. Patients are instructed to pen "You at your best" essays in which they are asked "to write about a time when they were at their best and then to reflect on personal strengths displayed in the story." They are instructed to "review the story once every day for a week and to reflect on the strengths they had identified." And the professionals argue that their research shows that many of their patients have "lastingly increased happiness and decreased depressive symptoms."

Ben-Shahar pumps out the catchy slogans and clichés that color all cheap self-improvement schemes. "Learn to fail or fail to learn," he says,

and “not ‘It happened for the best,’ but ‘How can I make the best of what happened?’”

He argues that if a traumatic episode can result in post-traumatic stress disorder, it may be possible to create the opposite phenomenon with a single glorious, ecstatic experience. This could, he says, dramatically change a person’s life for the better.

Those who fail to exhibit positive attitudes, no matter the external reality, are in some ways ill. Their attitudes, like those of recalcitrant Chinese during the Cultural Revolution, need correction. Once we adopt a positive mind, positive things will always happen. This belief, like all the other illusions peddled in the culture, encourages people to flee from reality when reality is frightening or depressing. These academic specialists in “happiness” have formulated the “Law of Attraction.” It argues that we attract the good things in life, whether it is money, relationships, or employment, when we focus on what we desire. The gimmick of visualizing what we want and believing we can achieve it is no different from praying to a god or Jesus who we are told wants to make us wealthy and successful. For those who run into the hard walls of reality, the ideology has the pernicious effect of forcing the victim to blame him or herself for his or her pain or suffering. Abused and battered wives or children, the unemployed, the depressed, the mentally ill, the illiterate, the lonely, those grieving for lost loved ones, those crushed by poverty, the terminally ill, those fighting with addictions, those suffering from trauma, those trapped in menial and poorly paid jobs, those facing foreclosure or bankruptcy because they cannot pay their medical bills, need only overcome their negativity. “I think positive emotions are available to everybody,” says Barbara Frederickson, the Kenan Distinguished Professor of Psychology at the University of North Carolina at Chapel Hill and director of that university’s Positive Emotions and Psychophysiology Lab, in the May 2009 issue of *The Sun*. She also speaks at the Claremont conference. “There’s been research done with people in slums across the globe and with prostitutes, looking at their well-being and satisfaction with life. The data suggest that positive emotions have less to do with material resources than we might think; it’s really about your attitude and approach to your circumstances.” This flight into self-delusion is no more helpful in solving real problems than alchemy. But it is very

effective in keeping people from questioning the structures around them that are responsible for their misery. Positive Psychology gives an academic patina to fantasy.

The conference is filled with people in business attire. At the break, many stand in clusters, holding a coffee in one hand and a pastry in the other.

The university is quiet for a Saturday afternoon. The weather outside is overcast and cold. The browning lawns of Claremont's Pomona College, dotted with palm trees and oaks, reflect the harshness of the statewide drought. There is a half-moon wall visible from the conference center. "CLOSE THE SCHOOL OF THE AMERICAS" is written in large red letters on the wall. "Dan Eats Chicken Skin" and "Dog Boner To The Rescue!" read other graffiti. "SUCK IT, LIFE" is spray-painted in black. Sections of the wall resemble works by Picasso or Diego Rivera. The largest message is "Vote Obama '08." The university buildings, with imitation adobe walls and red clay tile roofs, cluster around the college's clock tower. The campus has the appearance of a California Spanish mission.

In the auditorium, the round face of Martin Seligman appears in a video on a twenty-foot screen. His gaze is serious. Behind him are disordered bookshelves.

"Welcome to this auspicious occasion," he says to the attentive, mostly white crowd. A young woman, a student of psychology at California State University at Long Beach, scribbles notes. She underlines *auspicious occasion*.

Seligman speaks of four endeavors for the movement.

"The first endeavor I call 'positive physical health,'" Seligman says. "If you think about positive psychology as having argued that positive mental health is something over and above the absence of mental illness. That is," he clarifies, hammering his desk with every "presence," "the *presence* of positive emotion, the *presence* of flow, the *presence* of engagement, the *presence* of meaning, the *presence* of positive relationships." Seligman pauses. "Can the same thing be said for physical health?" He believes researchers will find a correlation between these positive mental states and the "real" body.⁴

Seligman announces that twenty \$200,000 grants—a dream sum for any researcher—will be given out for "groundbreaking research" in

the burgeoning field of positive neuroscience. The goal is to locate where positive emotions originate in the brain.

“Education usually consists of taking young people and teaching them workplace skills. . . . But there is an epidemic of depression,” he says sadly. His optimistic tone returns: “Would it be possible to have positive education? . . . That is, without sacrificing any of the usual skills such as discipline, reading, literacy, numeracy. . . . Can we build engagement, meaning, positive emotion, good relations in schools?”

Seligman announces that schools in the United States, such as the Knowledge Is Power Program (KIPP) schools in Riverside, California, as well as schools in the United Kingdom and in Australia, are putting his theory into practice. The Geelong Grammar School in Australia is implementing a positive psychology curriculum. Hundreds of teachers there are being taught, in missionary fashion, to “spread the notion of positive education.”

In *Authentic Happiness*, written in 2002, Seligman argues that authentic happiness can be conditioned and thus taught.

A similar-sounding life of “enjoyment,” “engagement,” and “affiliation” is the engineered temperament of the pliant characters in Aldous Huxley’s *Brave New World*. There, the protagonist, Bernard Marx, turns in frustration to his girlfriend Lenina:

“Don’t you wish you were free, Lenina?”

“I don’t know what you mean. I am free. Free to have the most wonderful time. Everybody’s happy nowadays.”

He laughed, “Yes, ‘Everybody’s happy nowadays.’ We have been giving the children that at five. But wouldn’t you like to be free to be happy in some other way, Lenina? In your own way, for example; not in everybody else’s way.”

“I don’t know what you mean,” she repeated.⁵

“A typical day is full of anxiety and boredom,” writes Mihály Csikszentmihályi, who is “the brains behind positive psychology,” according to Seligman. He credits Csikszentmihályi with adding the concept of “flow” to the movement’s ideas.⁶ “Flow experiences provide the flashes of intense living against this dull background.” “Flow” is described by Csikszentmihályi as a state of “being completely involved in an activity

for its own sake. The ego falls away. Time flies. Every action, movement, and thought follows naturally from the previous one, like playing jazz. Your whole being is involved, and you're using your skills to the utmost."⁷ With enough adjustment, he implies, we could all be making beautiful jazz of our lives.

"People who learn to control inner experience will be able to determine the quality of their lives, which is as close as any of us can come to being happy," Csíkszentmihályi writes in *Flow: The Psychology of Optimal Experience* (1990). "There are two main strategies we can adopt to improve the quality of life," he continues. "The first is to try making external conditions match our goals. The second is to change how we experience external conditions to make them fit our goals better. . . . We cannot deny the facts of nature, but we should certainly try to improve on them."

Csíkszentmihályi specializes in "optimizing" human experience. The optimal organization man is fitter, happier, more productive, and less expensive. The optimal worker complains less. He or she obeys more. The optimal worker costs the employer less in health-care expenditures.

Csíkszentmihályi developed the idea of "psychological capital," or what he terms "paratelic." When Ed Diener, a professor of psychology at the University of Illinois, measured the world according to Csíkszentmihályi's paratelic factors, he discovered something so "shocking," he says, it must be true. These paratelic factors—"I can count on others," "I feel autonomous," "I learned something new today," and "I did what I do best"—are, more than money, corruption, starvation, or abuse, "the best predictors of the positive emotions of nations."

Diener believes he can measure happiness. He conducted a study that found a correlation between the incomes of undergraduates nineteen years after graduation with their level of cheerfulness.⁸ His research also showed that happy people have higher supervisor ratings, higher organizational citizenship, and higher incomes.

The movement embraces self-delusion as psychologically and socially beneficial. It also makes handsome profits peddling it. Seligman, Diener, Shelley Taylor, and a slew of positive psychologists write popular books for, essentially, those who can afford the ther-

apy. It is a trade. Dacher Keltner, a positive psychologist at Berkeley, hosts for-pay motivational workshops that cost \$139 for standard registration. Csíkszentmihályi participates in the Annual Positive Psychology Forum, which in 2009 was in Sedona, Arizona, supposedly one of the energy hot spots of the world, for a registration fee of \$716.74 per person.

“The effective individual in the face of threat seems to be one who permits the development of illusions, nurtures those illusions, and is ultimately restored by those illusions,” writes Taylor, a psychologist at the University of California at Los Angeles.⁹ In 1991 Taylor published a book titled *Positive Illusions: Creative Self-Deception and the Healthy Mind*, in which she argued that “positive illusions” protect mental and physical health.”¹⁰

Taylor’s article “Illusion and Well-Being” is a commonly cited resource in positive psychology. She insists that positive illusions have a measurable affect on survival rates among patients with cancer, HIV, and cardiovascular disease or surgery.

Positive illusions, described as “pervasive, enduring, and systematic,” come, Taylor writes, in three types: (1) unrealistically positive views of the self; (2) exaggerated perceptions of personal control; and (3) unrealistic optimism. All of these illusions can, managed the right way, supposedly improve our lives. Illusions are good for people, she says, and therefore, by extension, unadorned reality is negative.

But while Taylor sees positive illusions as tools to ward off dysfunction, stress, and bad health, not everyone agrees. Philosopher David Jopling calls such illusions “life-lies.” He argues that so-called positive illusions may work for a while but collapse when reality becomes too harsh and intrudes on the dream world.

“The deeper and more pervasive an individual’s positive illusions,” writes Jopling, “the greater their effect of diminishing his range of awareness of himself, other people, and the situation confronting him.” Jopling argues that self-deception strategies are reality filters that organize what people understand into self-relevant and self-serving packages. “With the diminishing of the range of awareness comes a corresponding diminishing of the range of responsiveness and openness” to what is real. One’s ability to interact intelligently with all of the world’s real consequences diminishes.

Jopling warns of grave moral consequences for a delusional society. "This means that the range of social, emotional, and personal relations that connect us to others, to the social world, and to our own humanity, are progressively weakened as self-deceptive strategies become progressively entrenched in behavior and thought."¹¹

Psychology has a long history of lending its services to the military and government as well as propaganda industries such as advertising, public relations, and human management. The National Institute of Mental Health, from which many positive psychologists have generous grants, though a public institution, has numerous government, military, and commercial relationships.¹²

Keltner is the author of *Born to be Good: The Science of the Meaningful Life*. He is also executive editor of *The Greater Good*, a magazine, and director of The Greater Good Science Center on the Berkeley campus. He teaches a course on happiness at the university and hosts motivational workshops on "building compassion, creating well-being." He has had his ears rubbed by the Dalai Lama.¹³

Keltner sits in his office in Berkeley's Tolman Hall. Students wait in the hallway for an appointment. He is dressed in shorts, a polo shirt, and sweatshirt with Berkeley's blue background with gold stripes.

When asked whether positive psychology could be used for mass coercion, Keltner replies: "As scientists our task is to describe human nature as well as we can. So the motivations of positive psychology are well founded. There are branches of our nervous system that we study in our lab that are really mysteries scientifically. The vagus nerve, oxytocin, parts of the brain that are involved in compassion. That's our first task, and that's the scientific motivation of positive psychology. And then cultures and societies and communities take science and push it in a lot of different directions. [Charles] Darwin had a theory about human nature that was very sanguine. He said we are a sympathetic species, we take care of others, we are inherently cooperative, and then [Herbert] Spencer, and social Darwinists, and libertarians pushed it in all sorts of directions, in the service of their versions of public policies. . . . So you always have to separate science from practice. And you can't critique the science based on the practices that follow. Nazism was an application of a lot of scientific ideas that have nothing to do with the science."

The theme of the most recent issue of *The Greater Good* is “The Psychology of Power.” It exposes in scenario after scenario the true purpose of positive psychology—how to manipulate people to do what you want.

The magazine has an article called “Peaceful Parenting,” in which two practitioners explain “how to turn parent-child conflict into cooperation.” The article begins: “It’s nine o’clock on a school night and twelve-year-old Jessie is absorbed in his favorite video game—until his mother comes into his bedroom and announces it’s bedtime.”

“I don’t want to go to bed!” says Jessie.

“But it’s already past your bedtime,” says Mom, “and you know you have to get your rest.”

“But I’m not tired!”

“Well, you will be in the morning if you don’t go to sleep soon.”

“Shut up!” Jessie yells. “Anyway, you can’t make me go to sleep.”

“Sound familiar?” the article asks. “It does to us. . . . The conversation might go on in this way until Mom, exhausted and angry, shouts something like ‘I quit! Suit yourself!’”

What parents need to do, says the article, is shift from “using power *over* kids to using power *with* them.”

“Peaceful parenting” should go like this:

“You’re having a lot of fun playing now, huh?” asks Mom.

“Yeah,” says Jessie. “And I’m not even tired.”

“So you just want to keep playing until you’re tired?”

“Yeah.”

“It must be frustrating to be asked to stop doing something that’s so much fun when you don’t feel tired.”

“I don’t have time for what I want to do. I just have to come home and do homework.”

“Hmm. It sounds like this time between homework and bedtime is really important to you, and you wish it were longer?”

“Yeah, Mom, I do.”

“Thanks for helping me understand that. You know, I’d like you to have as much time as you want for the things that interest you. At the same time, I’ve also noticed that when you stay up after nine on school nights, you’re tired the next morning. Do you hear what my concern is?”

“Yeah, you want me to get a good night’s sleep.”

“Yes, thanks for hearing that.”

“I just need five more minutes to finish this game. Okay?”

“Okay. I’ll get out your pajamas.”¹⁴

The pages of *The Greater Good* are awash in such insincere and coercive techniques. The goal, replicated in the corporate workshops where managers are taught how to speak to employees, is not to communicate but to control.

Richard S. Lazarus, who was a professor of psychology at Berkeley, was disturbed by “the vagueness, the religious tone, and the arrogance with which [the claims of positive psychology] are made.”¹⁵ He saw positive psychology as “populist and intellectually much too easy rather than a set of thoughtful ideas or principles to be respected.” “In my opinion, [positive psychologists] are promoting a kind of religion,” wrote Lazarus, “a vision from on high, which is falsely clothed in a claim to science that never materializes.”

Barbara Frederickson, from the University of North Carolina at Chapel Hill, shows the crowd in the Claremont auditorium a cartoon diagram of a sailboat. She says she has found an exact, “totally scientific,” optimal “positivity” ratio for positive to negative emotions: 3 to 1. The keel of the sailboat, she says, represents the “necessary negative emotions” that are heavy and burdensome and “keep the boat on course and manageable,” while the sail, “having ample and sufficient positivity, is what really allows us to take off. What matters most, I have found, is the ratio of your heartfelt positivity relative to your heart-wrenching negativity,” said Frederickson.

“Why do we need positive emotions to really take off?” she asks. “Because positivity opens us.” On the screen overhead, the image of a blue flower appears. “Now imagine you are this flower, and your petals are drawn tightly around your face. If you could see out at all, it’s just a little speck,” she says mournfully. “You can’t appreciate much of what goes on around you. . . . But once you feel the warmth of the sun, things begin to change, your leaves begin to soften, your petals loosen and begin to stretch outward, exposing your face”—Frederickson splays her hands open around her face like petals—“and removing your delicate blinders, you *see* more and more, and your world quite literally *expands*.”

“Now some flowers bloom just once. But others, like these day lilies,” she says, pointing to the slides of the blue and now red flowers,

“they close up every evening and they bloom again when they see the sun. . . . Our minds are like these day lilies. Yet their openness honors momentary shifts in our positivity.” Frederickson pauses. “Positivity is to our minds what the sunlight is to day lilies.”

Christopher Peterson and Nansook Park claim to have found the statistically most important “character strengths” in every society around the world. Peterson and Park stand on opposite sides of the stage. The large screen between them shows a bar graph titled “Adult Character Strengths.”

“We have our adult questionnaire online,” says Peterson. “I think to date it’s been completed by about 1.3 million people. Pretty soon it will be the whole world! But about 100,000 people into this, we simply calculated the more common versus less common character strengths, and we have arranged them here.”

Peterson gestures at the graph.

“What’s interesting is that on the left side are certain strengths that are more common, like kindness, fairness, honesty, gratitude. And, we wonder, and other people have said this, if these might not be the sorts of strengths that are necessary for a viable society? It’s kind of hard to imagine a viable society in which these things are not present.

“Now what I left out is, ‘Who do these data refer to?’ Well, this particular graph is 50,000 Americans. But we subdivided it into all fifty states, and you get the same distribution across the fifty states.”

Peterson chuckles.

“Oh yeah, we also looked at fifty-four other nations, and you get the same distribution across the nations . . . I remember we sent it to a journal,” Peterson says confidently, “and the first journal editor rejected it, and he said, ‘You didn’t find anything different, any differences.’”

Peterson comically slaps himself on the head, mugging in mock disbelief.

“I said, ‘*We found human nature!*’” Peterson throws his arms out. “Isn’t that good enough!?”

Peterson goes on to talk about the less important indicators. “Oh, look what’s on the bottom: Self-regulation—that’s like staying on a diet. That’s why I am hiding behind the podium!” The crowd chuckles.

“Modesty,” he says. “Like, ‘God, we are good researchers!’” The crowd laughs louder. “You get the idea!”

Kim Cameron is dressed in a black suit with a red tie. He is Professor of Management and Organizations at the University of Michigan, where he is co-founder of the Center for Positive Organizational Culture. Cameron has come to talk about how corporations can use positive or “virtuous” practices to improve profits.

“All organizations exist to eliminate deviance,” says Cameron. “The reason we organize is to minimize unexpected, chaotic, unpredictable behavior. Right? Organization exists to eliminate negative deviance. The problem is, it also eliminates positive deviance. We organize, and thereby, by definition, we eliminate positively deviant or extraordinary or spectacular or virtuous behavior.”

Cameron says he shows business executives how happiness, compassion, and goodness can increase profits. Cameron’s clients include *Fortune* 100 companies, but also small organizations, nonprofits, and county governments. Clients range from the YMCA to the trucking industry. Cameron reminds the audience he is not in it for the money, but for the fulfillment he gets from his work. What matters is *feeling* good. He sells harmony ideology to corporations.

Most positive psychologists belong to the 148,000-member American Psychological Association (APA), which has lent its services for decades to the military and intelligence communities to research and perfect techniques for interrogation and control. Psychologists working for government agencies in the 1950s and ’60s conducted human experiments and discovered that psychological torture, including sensory and sleep deprivation, was far more disorientating and destructive to the human psyche than crude beatings and physical abuse. They refined psychological techniques to ensure complete emotional breakdowns. Psychologists are the only group of major health-care providers who openly participate in interrogations at military and CIA facilities. The American Psychiatric Association and the American Medical Association have forbidden members to participate in military interrogations. But the APA, despite complaints and resignations by a few of its members, has refused to ban its psychologists from interrogations, including at notorious torture sites such as Guantánamo Bay.

A May 2007 Pentagon report by the inspector general’s office acknowledged that psychologists oversaw the adaptation of the mili-

tary's Survive, Evade, Resist, and Escape (SERE) program for use against prisoners. SERE was first designed to replicate torture techniques and help U.S. troops resist Chinese and Soviets interrogators. But, in the hands of army and intelligence psychologists, SERE has been reverse-engineered to break prisoners held in American interrogation centers. The sleep deprivation, lengthy stress positions, complete sensory deprivation, isolation, sexual humiliation, and forced nudity are systematically employed to reduce prisoners to a state of utter helplessness. Many become catatonic. The psychologists monitor the steady deterioration of the prisoner and advise interrogators how to employ techniques to complete the psychological disintegration.

Psychologists, in and out of the government, have learned how to manipulate social behavior. The promotion of collective harmony, under the guise of achieving happiness, is simply another carefully designed mechanism for conformity. Positive psychology is about banishing criticism and molding a group into a weak and malleable unit that will take orders. Personal values, those nurtured by an independent conscience, are gently condemned as antagonistic to harmony and happiness. Those who refuse under group pressure to become harmonious are deemed a drag on the corporate body and, if they cannot be reformed, expunged. Those who are willing to surrender their individuality are granted small rewards doled out by the corporate structure. They can feel, at least until they lose their jobs, that they belong to an important and powerful collective. They can adopt a corporate identity. They feel protected. The greatest fear becomes the fear of disrupting the system, of becoming an impediment to the harmony of the corporate collective. The quest for harmony, which these psychologists understand, lures people into a state of psychological somnambulism.

Berkeley anthropologist Laura Nader argues that most oppressive systems of power, including classical Western colonialism and proponents of globalization, all use the idea of social harmony as a control mechanism. There is a vast difference, Nader points out, between social harmony and harmony ideology, between positivity and being genuinely positive. Nader sees harmony ideology as a concerted assault on democracy. The drive for harmony, Nader argues, always lends itself to covert censorship and self-censorship. The tyranny of harmony, when

pushed to the extreme, leads to a life of fantasy that shuts out reality. Nader sees the ideology of harmony as one that has slowly dominated and corrupted the wider culture.

Positive psychology is only the latest incarnation of this assault on community and individualism. A related ideology was lauded by *Business Week* in the early 1980s as the "New Industrial Relations."¹⁶ It was touted as a new form of human management. It was also said to be "nicer" than the earlier "scientific management" and social engineering innovations of Henry Ford or Frederick Taylor.¹⁷

Roberto González, an anthropologist at San Jose State University, spent nine months in 1989 and 1990 as a student engineer at General Motors. He later wrote "Brave New Workplace: Cooperation, Control, and the New Industrial Relations," a study on corporate work teams and "quality circles." The goal of such programs, González found, "was to end the adversarial relationship between management and labor through 'self-managed' work teams, and in so doing improve the efficiency and psychological 'health' of those involved." He notes that these workplace reform programs have gone by several names, including "the team approach," "employee participation," "workplace democracy," "human capitalism," and "quality of work life" programs.¹⁸

During the 1980s American automobile corporations used this tactic of labor-management cooperation to compete with what was seen as the Japanese economic juggernaut. ". . . [T]his can be seen, for example," González recounts, "in the charts at the Chevrolet Gear and Axle plant in Detroit, which lists the sales figures of various American and Japanese cars. Next to these lists is a sign that reads, 'You are entering the war zone, Quality and productivity are our weapons.'"¹⁹

Workers at GM were arranged into "self-managed" "quality circles," or teams of workers who form an identity. These teams competed with other teams to increase their productivity. "We and they" mentality is reduced and collapses into a collective "we." Quality circles at GM gave themselves names such as "Joe's Trouble Shooters," "Positive Approach," and "Loose Wires and Stripped Nuts."²⁰

"Any status symbol that ferments class consciousness is removed from the workplace," noted Robert Ozaki in his book *Human Capitalism* in an observation of a GM-Toyota plant in California. "There are no parking spaces or toilets reserved for executives. Managers and

workers dine in the common cafeteria. . . . Production workers are called ‘associates’ or ‘technicians’ rather than ‘workers’ or employees.”²¹

Prestige systems, like those in the military, were employed at the Toyota plant at which Satoshi Kamata worked in the 1970s. He recalled how hats of different colors and stripes were used to distinguish rank: “. . . two green stripes stand for Seasonal Worker; one green stripe, Probationer; one white stripe, Trainee; one red stripe, Minor; a cap without any stripe, Regular Worker; two yellow stripes, Team Chief. . . .”²²

“At the same assembly plant,” González continued, citing Kamata’s book *Japan in the Passing Lane: An Insider’s Account of Life in a Japanese Auto Factory*, “Good idea suggestions” were elicited from workers, and the number submitted by each worker was posted in the locker room.²³ Similarly, one of Kamata’s closest friends boasted about the number of pieces he could produce in a work day. Production became a source of identity and prestige.²⁴ Any incident or act that disrupted production was condemned. When a worker in Kamata’s quality circle was injured on the job, all members were forced to wear a “Safety First arm band.” This saw them stigmatized by others in the plant.²⁵ Low prestige was attached to the arm band. Peer pressure—from a worker’s own team—formed a strong disincentive for anyone to report a job-related injury to avoid having to wear the arm band.

González in *Brave New Workplace* described a long and double-edged history of attempts to reconcile workers’ interests with those of corporations. It dated back to the “scientific management” methods of Frederick Taylor, who, in the name of efficiency, “‘streamlined’ assembly plants by conducting time-motion studies of each worker, breaking down each movement into a number of discrete steps, and then reorganizing them in a more efficient sequence by eliminating all unnecessary movements.”²⁶ This dehumanization led Taylor’s disciples to take another approach. While some conservative followers focused solely on “productivity and efficiency,” liberal “business leaders, bankers, politicians, trade-union leaders, and academic social scientists” during the 1920s “tried to forge a viable corporate order.”²⁷ They sought to establish a stable corporate state by implementing worker “uplift” programs, such as collective bargaining, profit-sharing, company magazines, insurance, pension plans, safety reform, workmen’s compensation, restricted work hours and the “living wage.” The idea that “better living

and working conditions would render him [the worker] more cooperative, loyal, content, and, thus, more efficient and 'level-headed' . . . also carried over into such aspects of the industrial-betterment movement as gardens, restaurants, clubs, recreational facilities, bands, and medical departments."²⁸

"Since at least a century ago, a number of engineers, businessmen, and scientists realized that technology was no longer the limiting factor of production; now, it was man that could be engineered, and made still more efficient, given the right motivation," González wrote, quoting from historian David Noble's book *America by Design*.²⁹ "However there are two aspects of today's industrial relations that are genuinely new: first, the specific psychological techniques used to motivate workers; and, second, the increased number of companies willing to experiment with these techniques."³⁰

Toyota pioneered the new approach. "Toyota City" was built by the corporation to completely encapsulate and control the lives of its employees. "Total control over the social environment is an important component of thought reform programs," González wrote.³¹ "At Toyota City, thousands of young men were housed in military-style dormitories, surrounded by a fence and a guardhouse." He also describes how, "during the time Kamata wrote his account, visitors—including family members—were not allowed to enter the dorms to visit temporary workers. Roommate assignments often grouped men from the same town together," because, "according to Kamata, 'it helps them adjust to the new environment and stay put during the employment period.'"³²

These techniques were adopted by "U.S. bureaucracies and corporations, such as supermarkets, schools, banks, and government offices, including the Pentagon."³³ During the 1990s, American and Japanese automakers began pursuing what they called the Southern Strategy. They set up factories modeled on Toyota City in Tennessee, Ohio, Kentucky, and Indiana, where, they believed, a lack of unions and rural insularity made for a fertile environment.³⁴

González quotes Kamata's personal account of Toyota City in the 1970s as an example of how emotional stress and sheer fatigue can create bewildering confusion and despair reminiscent of the experiences of those who are inducted into a cult. "When I come back from work,"

Kamata recounts, "I do nothing but sleep. I try not to think about the job; even the thought of it is enough to make me feel sick. Mostly, I feel too tired to think about anything." Several weeks later, Kamata slips into trancelike states on the assembly line:

[S]ometimes I think of something totally illogical: landscapes with towns I once visited suddenly appear one by one. It's impossible to concentrate on any one scene. . . . I'm not myself while I'm on the line. . . . It often surprises me to look up and suddenly find some strange scene in front of my eyes. In that split second I always wonder where I am. Merely seeing the light come in through a door on the opposite side of the building can bowl me over. . . . Again, for a few seconds, I'm totally disoriented.³⁵

This peer group approach replicates the techniques used in coercive influence and control programs in Communist China, the Soviet Union, and North Korea. In these programs, the target subject "would become emotionally attached to the peer group members, who 'came to know the target's personality and history exceedingly well.'"³⁶

" . . . [A] prisoner in Communist China would develop a circle of friends among his jailers," explains González, "who could reward or sanction him according to whether or not his behavior fit their standards. Eventually, his behavior could be conditioned through peer pressure."³⁷

Similar processes occur in the cooperative work groups. Kamata explains: "If Fukuyama, the worker on my right, falls behind, he'll pull me behind, since I barely keep up with the work myself. Even if Fukuyama finishes his job in time, should I take longer on my job, then the next worker, Takeda, will be pulled out of his position. It takes enormous energy to catch up with the line, and if things go wrong, the line stops."³⁸

Anthropologist Alejandro Lugo, who worked at a *maquiladora* plant in Ciudad Juárez, Mexico, describes a similar experience. He dropped behind many times in his first few days of work, and writes that "the pressure would be almost unbearable" as members of his work group would shout at him for not keeping up.³⁹

When a temporary worker at Toyota City was injured and forced to quit, he told Kamata: "I'd have quit a long time ago. But I came here with Miura, so I can't let him down."⁴⁰ Reflecting on these statements, Kamata argues that the "work here is so difficult that people try to support and encourage one another, especially the ones who come here together. We feel it's not fair to drop out and go home alone."

"Circle leaders often learn a great deal about team members' personalities and histories, sometimes for the purpose of manipulation," González writes.

For example, at an assembly plant jointly owned by General Motors and Toyota in Fremont, California, a management handout, entitled "Facts a Group Leader Must Know," implored team leaders to learn the birthday, marital status, anniversary, number of children, and hobbies of each circle member. Furthermore, "team members are encouraged to help each other deal with personal problems." At a Toyota plant in Japan, team chiefs even used team members' birthdays to calculate biorhythm charts, so that an individual's "bad days" could be anticipated by the quality circle.

At a General Motors plant, 22,000 employees partook in weeklong "family awareness training" aimed at "establishing a family atmosphere within the division," where managers and workers did interpersonal activities.⁴¹ "One of the exercises worked at developing trust," González summarized:

Employees were paired up and then one of them was blindfolded and guided by the other. In another exercise, "Johari Window," the object was to reveal as much about one's "joys, fears, and needs" as possible—and in so doing, open the "window." Another exercise, "Hot Seat," took place on the last day of the training session: "One by one each person sits on the 'hot seat' and listens to group members say positive things about him or her. It is hard to say which is the more moving experience—sitting on the 'hot seat' or seeing those in the seat moved to tears."⁴²

"A recent scandal in the federal government illustrates the dangers posed by coercion masked as harmony," González concludes.

In May 1995, a Congressional subcommittee was stunned by the bizarre testimony of many witnesses who told of being “psychologically abused” and subjected to sessions resembling “cult programming” during management and diversity training sessions sponsored by the Federal Aviation Administration. According to witnesses, men were fondling women, blacks and whites were urged to exchange epithets, and co-workers were tied together or disrobed for hours at a time during the weeklong training courses, which the FAA subcontracted to various management consultants. One consultant, Gregory May, received \$1.67 million in government contracts. According to some witnesses, May is influenced by a West Coast “guru” who occasionally contacts a 35,000-year-old spirit named Ramtha.⁴³

In Britain, coercive persuasion techniques were among the blunt instruments used to undermine the strong shop-stewards organizations in well-organized plants such as Unilever and at Rover in Cowley (in the greater Oxford area), with the promise of “jobs for life.” Many trade union officials were initially seduced by this illusion of corporate and worker harmony. General Motors’ Saturn car was built in plants that adopted the Japanese industrial relations model. This experiment, which soon became very unpopular with workers, lasted until 2004, when the union at the Spring Hill plant in Tennessee challenged the GM management and voted to restore the traditional United Auto Workers’ contract.

Corporatism, aided by positive psychology, relies on several effective coercive persuasion techniques, similar to those often employed by cults, to meld workers into a “happy” collective. It sanctions interpersonal and psychological attacks and lavish praise to destabilize an individual’s sense of self and promote compliance. It uses the coercive pressure of organized peer groups. It applies interpersonal pressure, including attacks on individuality and criticism as a form of negativity, to ensure conformity. It manipulates and controls the totality of the person’s social environment to stabilize modified behavior.

Anthony Vasquez is a student at Berkeley. Sitting on the steps of Berkeley’s Kroeber Hall on a sunny evening, he describes his experience with positive psychology at FedEx Kinko’s, a photocopy and printing store. He has hazel eyes and messy black hair, and he is wearing

corduroys and a brown mountaineer jacket. He worked at FedEx Kinko's for about two years and was "always called negative, a complainer, and not a team player."

Vasquez recalls that his store's slogan was "Yes We Can." "It meant that if a customer asked us to do a job for them, no matter what it was, we were to say, 'Yes We Can!'" Posters of the slogan were posted near telephones and around the back room. Corporate auditors would phone the store to make sure employees said, "Yes we can!" to every request. Employees would be punished as a group for failures, and individuals could be fired. Other slogans included, "Winning by engaging the hearts and minds of every team member" and "I promise to make every FedEx experience outstanding."

Vasquez tells about the scandal that ensued when his trainee, Sam, was fired. The store managers did not announce the dismissal but kept Sam on the schedule to make it appear that Sam was skipping work. The managers then used this as grounds for Sam's removal. After two weeks and several conversations with Sam, Vasquez wrote "Fired" in pencil under Sam's name on the schedule. The store managers were outraged. They called Vasquez into the office and reprimanded him with a "Positive Discipline Documentation Form." He was charged with defacing company property and slandering Sam.

"The document explained how I had made 'false or malicious statements' against Sam," says Vasquez. "I told [the managers] they were being duplicitous and that nothing I wrote had been false or malicious. I told them that if they wanted to make 'our organization a success,' they could start by paying me a fair wage. I went on and on until they both threw their hands in the air and told me to stop being difficult. I told them that I wasn't the one being difficult. They stared hard at me and said reluctantly, 'We know.'" Vasquez signed the document and left the office.

"It must have been in 2006, the company was holding another mandatory meeting for 'team members,' which is what they call us," he says. "I went with a couple of co-workers to Fresno, where we met a lot of other employees from various stores in northern California. . . . [T]he meeting took place in this rented room, and the woman from corporate had all these toys, markers, and candy in the middle of each

table. The first thing she had us do was organize ourselves according to duration of employment at the company. While in this line, we had to introduce ourselves and say how long we had been working. The girl on the far end had been hired two months prior; the man on the other had been with the company for almost twenty years.”

Some of his co-workers didn't like having to reveal that they had spent a lifetime working at FedEx Kinko's. But the corporate manager tried to muster up corporate pride. “She spun it so hard I felt dizzy,” says Vasquez. “Isn't this wonderful?! We have such a wide range of great team members. This really shows what a great place this is to work, and how you can make a career here!’ she said.”

One man stared at the floor in anger and embarrassment. “[I]f he had said anything, she would have e-mailed his center manager and he would have been written up and probably denied a raise. By the way, raises are twenty-five cents a year.

“The purpose of the meeting was, her euphemisms aside, to push merchandise and services onto customers that they didn't want. I believe it's called up-selling. She wanted us to talk about our positive customer service experiences. Most of us struggled with this, as nearly all of our experiences with customers and the company had been extremely negative and stressful. But she was all smiles, no matter what we said, and I noticed she was able to make almost everyone there smile and laugh and have a good time. She used the toys, the candy, the markers, and activities like skits and competitions to get people active and involved with each other. She used the happiness and was able to switch its source from human interaction to the company. You aren't happy because you are being social, you are happy because you work for the company.

“From my two years at the company, ‘positive psychology’ is a euphemism for ‘spin,’” he adds. “They try to spin their employees so much they can't tell right from left, and in the process they forget they do the work of three people, have no health insurance, and three-quarters of their paycheck goes to rent.”

Positive psychology, like celebrity culture, the relentless drive to consume, and the diversionary appeals of mass entertainment, feeds off the unhappiness that comes from isolation and the loss of

community. The corporate teaching that we can find happiness through conformity to corporate culture is a cruel trick, for it is corporate culture that stokes and feeds the great malaise and disconnect of the culture of illusion.

In *The Loss of Happiness in Market Democracies*, political scientist Robert Lane writes:

Amidst the satisfaction people feel with their material progress, there is a spirit of unhappiness and depression haunting advanced market democracies throughout the world, a spirit that mocks the idea that markets maximize well-being and the eighteenth-century promise of a right to the pursuit of happiness under benign governments of people's own choosing. The haunting spirit is manifold: a postwar decline in the United States in people who report themselves as happy, a rising tide in all advanced societies of clinical depression and dysphoria (especially among the young), increasing distrust of each other and of political and other institutions, declining belief that the lot of the average man is getting better . . . a tragic erosion of family solidarity and community integration together with an apparent decline in warm, intimate relations among friends.⁴⁴

There is a dark, insidious quality to the ideology promoted by the positive psychologists. They condemn all social critics and iconoclasts, the dissidents and individualists, for failing to surrender and seek fulfillment in the collective lowing of the corporate herd. They strangle creativity and moral autonomy. They seek to mold and shape individual human beings into a compliant collective. The primary teaching of this movement, which reflects the ideology of the corporate state, is that fulfillment is to be found in complete and total social conformity, a conformity that all totalitarian and authoritarian structures seek to impose on those they dominate. Its false promise of harmony and happiness only increases internal anxiety and feelings of inadequacy. The nagging undercurrents of alienation and the constant pressure to exhibit a false enthusiasm and buoyancy destroy real relationships. The loneliness of a work life where self-presentation is valued over authenticity and one must always be upbeat and positive, no matter what

one's actual mood or situation, is disorienting and stressful. The awful feeling that being positive may not, in fact, work if one is laid off or becomes sick must be buried and suppressed. Here, in the land of happy thoughts, there are no gross injustices, no abuses of authority, no economic and political systems to challenge, and no reason to complain. Here, we are all happy.

V / The Illusion of America

*We would rather be ruined than changed;
We would rather die in our dread
Than climb the cross of the moment
And let our illusions die.*

—W. H. AUDEN, *The Age of Anxiety*

Where there is no vision, the people perish.

—PROVERBS 29

I USED TO LIVE in a country called America. It was not a perfect country, especially if you were African American or Native American or of Japanese descent in the Second World War. It could be cruel and unjust if you were poor, gay, a woman, or an immigrant, but there was hope it could be better. It was a country I loved and honored. It paid its workers wages envied around the world. It made sure these workers, thanks to labor unions and champions of the working class in the Democratic Party and the press, had health benefits and pensions. It offered good, public education. It honored basic democratic values and held in regard the rule of law, including international law, and respect for human rights. It had social programs, from Head Start to welfare to Social Security, to take care of the weakest among us, the mentally ill, the elderly, and the destitute. It had a system of government that, however flawed, worked to protect the interests of most of its citizens. It offered the possibility of democratic change. It had a press that was diverse and independent and gave a voice to all segments of society,

including those beyond our borders, to impart to us unpleasant truths, to challenge the powerful, to reveal ourselves to ourselves.

I am not blind to the imperfections of this old America, or the failures to meet these ideals consistently at home and abroad. I spent more than two years living in Roxbury, the inner city in Boston, across the street from a public housing project where I ran a small church as a seminarian at Harvard Divinity School. I saw institutional racism at work. I saw how banks, courts, dysfunctional schools, probation officers, broken homes, drug abuse, crime, and employers all conspired to make sure the poor remained poor. I spent two decades as a foreign correspondent in Latin America, Africa, the Middle East, and the Balkans. I saw there the crimes and injustices committed in our name and often with our support, whether during the *contra* war in Nicaragua or the brutalization of the Palestinians by Israeli occupation forces. We had much to atone for, but still there was also much that was good, decent, and honorable in our country.

The country I live in today uses the same civic, patriotic, and historical language to describe itself, the same symbols and iconography, the same national myths, but only the shell remains. The America we celebrate is an illusion. America, the country of my birth, the country that formed and shaped me, the country of my father, my father's father, and his father's father, stretching back to the generations of my family that were here for the country's founding, is so diminished as to be unrecognizable. I do not know if this America will return, even as I pray and work and strive for its return.

The words *consent of the governed* have become an empty phrase. Our textbooks on political science and economics are obsolete. Our nation has been hijacked by oligarchs, corporations, and a narrow, selfish, political, and economic elite, a small and privileged group that governs, and often steals, on behalf of moneyed interests. This elite, in the name of patriotism and democracy, in the name of all the values that were once part of the American system and defined the Protestant work ethic, has systematically destroyed our manufacturing sector, looted the treasury, corrupted our democracy, and trashed the financial system. During this plundering we remained passive, mesmerized by the enticing shadows on the wall, assured our tickets to success, prosperity, and happiness were waiting around the corner.

The government, stripped of any real sovereignty, provides little more than technical expertise for elites and corporations that lack moral restraints and a concept of the common good. America has become a façade. It has become the greatest illusion in a culture of illusions. It represents a power and a democratic ethic it does not possess. It seeks to perpetuate prosperity by borrowing trillions of dollars it can never repay. The absurd folly of trying to borrow our way out of the worst economic collapse since the 1930s is the cruelest of all the recent tricks played on American citizens. We continue to place our faith in a phantom economy, one characterized by fraud and lies, which sustains the wealthiest 10 percent, Wall Street, and insolvent banks. Debt leveraging is not wealth creation. We are vainly trying to return to a bubble economy, of the sort that once handed us the illusion of wealth, rather than confront the stark reality that lies ahead. We are told massive borrowing will create jobs and re-inflate real estate values and the stock market. We remain tempted by mirages, by the illusion that we can, still, all become rich.

The corporate power that holds the government hostage has appropriated for itself the potent symbols, language, and patriotic traditions of the state. It purports to defend freedom, which it defines as the free market, and liberty, which it defines as the liberty to exploit. It sold us on the illusion that the free market was the natural outgrowth of democracy and a force of nature, at least until the house of cards collapsed and these corporations needed to fleece the taxpayers to survive. Making that process even more insidious, the real sources of power remain hidden. Those who run our largest corporations are largely anonymous to the mass of the citizens. The anonymity of corporate forces—an earthly *Deus absconditus*—makes them unaccountable. They have the means to hide and to divert us from examining the decaying structures they have created. As Karl Marx understood, capitalism when it is unleashed from government and regulatory control is a revolutionary force.

Cultures that cannot distinguish between illusion and reality die. The dying gasps of all empires, from the Aztecs to the ancient Romans to the French monarchy and the Austro-Hungarian Empire, have been characterized by a disconnect between the elites and reality. The elites were blinded by absurd fantasies of omnipotence and power that

doomed their civilizations. We have been steadily impoverished by our own power elites—legally, economically, spiritually, and politically. And unless we radically reverse this tide, unless we wrest the state away from corporate hands, we will be dragged down by the dark and turbulent undertow of globalization. In this world there are only masters and serfs. We are entering an era in which workers may become serfs, no longer able to earn a living wage to sustain themselves or their families, whether in sweatshops in China or the industrial wasteland of Ohio.

The country's moral decay is manifested in its physical decay. It is no coincidence that our infrastructure—roads, bridges, sewers, airports, trains, mass transit—is overburdened, outdated, and in dismal repair. It is not so elsewhere. China opens a new subway system every year. Europeans travel from London to Paris on high-speed trains. Meanwhile, America's antiquated and inefficient rail system cannot maintain its lumbering cars and aging tracks. Cities are plagued by broken pipes and sinkholes. The Environmental Protection Agency estimates that collapsing and overwhelmed sewage systems release more than 40,000 discharges of raw sewage into our drinking water, streams, and homes each year. The Education Department found that one-third of our schools are in such a severe state of disrepair that it "interferes with the delivery of instruction." A report in the journal *Health Affairs* estimates that if the for-profit health-care system is left unchanged, one of every five dollars spent by Americans in 2017 will go to health coverage. Half of all bankruptcies in America occur because families are unable to pay their medical bills. And staggering unemployment, bankruptcies, declining real estate prices, and the shuttering of stores and factories, are sweeping across the nation.

War and rampant militarism—we now have 761 military bases we maintain around the globe—drains the lifeblood out of the body politic. The U.S. military spends more than all other militaries on earth combined. The official U.S. defense budget for fiscal year 2008 is \$623 billion, and by 2010 the Pentagon is slated to receive more than \$700 billion, once funding for items such as nuclear weapons is included in the budget. The next closest national military budget is China's at \$65 billion, according to the Central Intelligence Agency. We embrace the dangerous delusion that we are on a providential mission

to save the rest of the world from itself, to impose our virtues—which we see as superior to all other virtues—on others, and that we have a right to do this by force. This belief has corrupted both Republicans and Democrats. The wars of occupation in Iraq and Afghanistan are doomed to futility. We cannot afford them. The rash of home fore-closures, the mounting job losses, the collapse of banks and the financial services industry, the poverty ripping apart the working classes, our crumbling infrastructure, and the killing of Afghan and Iraqi civilians by our iron fragmentation bombs converge. The costly forms of death we dispense on one side of the globe are hollowing us out from the inside at home.

The daily bleeding of thousands of jobs will soon turn our economic crisis into a political crisis. The street protests, strikes, and riots that have rattled France, Turkey, Greece, Ukraine, Russia, Latvia, Lithuania, Bulgaria, and Iceland will descend on us. It is only a matter of time. And not much time. When things start to go sour, when the Obama administration is exposed as a group of mortals waving a sword at a tidal wave, the United States could plunge into a long period of precarious social and political instability.

At no period in American history has our democracy been in such peril or the possibility of totalitarianism as real. Our way of life is over. Our profligate consumption is finished. Our children will never have the standard of living we had. This is the bleak future. This is reality. There is little President Obama can do to stop it. It has been decades in the making. It cannot be undone with \$1 trillion or \$2 trillion in bailout money. Nor will it be solved by clinging to the illusions of the past.

How will we cope with our decline? Will we cling to the absurd dreams of a superpower and the fantasies of a glorious tomorrow, or will we responsibly face our stark, new limitations? Will we heed those who are sober and rational, those who speak of a new simplicity and humility, or will we follow the demagogues and charlatans who rise up in moments of crisis and panic to offer fantastic visions of escape? Will we radically transform our system to one that protects the ordinary citizen and fosters the common good, that defies the corporate state, or will we employ the brutality and technology of our internal security and surveillance apparatus to crush all dissent?

There were some who saw it coming. The political philosophers Sheldon S. Wolin, John Ralston Saul, and Andrew Bacevich, writers such as Noam Chomsky, Chalmers Johnson, David Korten, and Naomi Klein, and activists such as Bill McKibben, Wendell Berry, and Ralph Nader warned us about our march of folly. In the immediate years after the Second World War, a previous generation of social critics recognized the destructive potential of the rising corporate state. Books such as David Riesman's *The Lonely Crowd*, C. Wright Mills's *The Power Elite*, William H. White's *The Organization Man*, Seymour Melman's *The Permanent War Economy: American Capitalism in Decline*, Daniel Boorstin's *The Image: A Guide to Pseudo-Events in America*, and Reinhold Niebuhr's *The Irony of American History* have proved to be prophetic. This generation of writers remembered what had been lost. They saw the intrinsic values that were being dismantled. The culture they sought to protect has largely been obliterated. During the descent, our media and universities, extensions of corporate and mass culture, proved intellectually and morally useless. They did not thwart the decay. We failed to heed the wisdom of these critics, embracing instead the idea that all change was a form of progress.

In his book *Democracy Incorporated*, Wolin, who taught political philosophy at Berkeley and at Princeton, uses the phrase *inverted totalitarianism* to describe our system of power. Inverted totalitarianism, unlike classical totalitarianism, does not revolve around a demagogue or charismatic leader. It finds expression in the anonymity of the corporate state. It purports to cherish democracy, patriotism, and the Constitution while manipulating internal levers to subvert and thwart democratic institutions. Political candidates are elected in popular votes by citizens, but candidates must raise staggering amounts of corporate funds to compete. They are beholden to armies of corporate lobbyists in Washington or state capitals who author the legislation and get the legislators to pass it. Corporate media control nearly everything we read, watch, or hear. They impose a bland uniformity of opinion. It diverts us with trivia and celebrity gossip. In classical totalitarian regimes, such as Nazi fascism or Soviet communism, economics was subordinate to politics. "Under inverted totalitarianism the reverse is true," Wolin writes. "Economics dominates politics—and with that domination comes different forms of ruthlessness."

“In order to cope with the imperial contingencies of foreign war and occupation,” according to Wolin,

democracy will alter its character, not only by assuming new behaviors abroad (e.g., ruthlessness, indifference to suffering, disregard of local norms, the inequalities in ruling a subject population) but also by operating on revised, power-expansive assumptions at home. It will, more often than not, try to manipulate the public rather than engage its members in deliberation. It will demand greater powers and broader discretion in their use (“state secrets”), a tighter control over society’s resources, more summary methods of justice, and less patience for legalities, opposition, and clamor for socioeconomic reforms.

Imperialism and democracy are incompatible. The massive resources and allocations devoted to imperialism mean that democracy inevitably withers and dies. Democratic states and republics, including ancient Athens and Rome, that refuse to curb imperial expansion eviscerate their political systems. Wolin writes:

Imperial politics represents the conquest of domestic politics and the latter’s conversion into a crucial element of inverted totalitarianism. It makes no sense to ask how the democratic citizen could “participate” substantively in imperial politics; hence it is not surprising that the subject of empire is taboo in electoral debates. No major politician or party has so much as publicly remarked on the existence of an American empire.

I reached Wolin by phone at his home about twenty-five miles north of San Francisco. He was a bombardier in the South Pacific during the Second World War and went to Harvard after the war for his doctorate. Wolin has written political science classics such as *Politics and Vision* and *Tocqueville Between Two Worlds*. He is the author of a series of essays on Augustine of Hippo, Richard Hooker, David Hume, Martin Luther, John Calvin, Max Weber, Friedrich Nietzsche, Karl Marx, and John Dewey. His voice, however, has faded from public awareness because, as he told me, “it is harder and harder for

people like me to get a public hearing.” He said that publications such as the *New York Review of Books*, which often printed his essays a couple of decades ago, shied away from his blistering critiques of American empire and capitalism, his warnings about the subversion and undermining of democratic institutions and the emergence of a corporate state. To question the ideology of the free market became, even among the liberal elite, a form of heresy.

“The basic systems are going to stay in place; they are too powerful to be challenged,” Wolin told me when I asked him about the Obama administration. “This is shown by the financial bailout. It does not bother with the structure at all. I don’t think Obama can take on the kind of military establishment we have developed. This is not to say that I do not admire him. He is probably the most intelligent president we have had in decades. I think he is well-meaning, but he inherits a system of constraints that make it very difficult to take on these major power configurations. I do not think he has the appetite for it in any ideological sense. The corporate structure is not going to be challenged. There has not been a word from him that would suggest an attempt to rethink the American imperium.”

Wolin argues that a failure to dismantle our overextended imperial projects, coupled with the economic collapse, is likely to result in a full-blown inverted totalitarianism. He said that without “radical and drastic remedies” the response to mounting discontent and social unrest will probably lead to greater state control and repression. There will be, he warned, a huge “expansion of government power.”

“Our political culture has remained unhelpful in fostering a democratic consciousness,” he said. “The political system and its operatives will not be constrained by popular discontent or uprisings.”

Wolin writes that in inverted totalitarianism, consumer goods, and a comfortable standard of living, along with a vast entertainment industry that provides spectacles and appealing diversions, keep the citizenry politically passive. I asked if the economic collapse and the steady decline in our standard of living might not, in fact, trigger classical totalitarianism. Could widespread frustration and poverty lead the working and middle classes to place their faith in demagogues, especially those from the Christian Right?

“I think that’s perfectly possible,” he answered. “That was the experience of the 1930s. There wasn’t just FDR. There was Huey Long and Father Coughlin. There were even more extreme movements, including the Klan. The extent to which those forces can be fed by the downturn and bleakness is a very real danger. It could become classical totalitarianism.”

He said the political passivity bred by a culture of illusion is exploited by demagogues who present themselves to a submissive population as saviors. They offer dreams of glory. He warned that “apoliticalness, even anti-politicalness, will be very powerful elements in taking us towards a radically dictatorial direction. It testifies to how thin the commitment to democracy is in the present circumstances. Democracy is not ascendant. It is not dominant. It is beleaguered. The extent to which young people have been drawn away from public concerns and given this extraordinary range of diversions makes it very likely they could then rally to a demagogue.”

Wolin lamented that the corporate state has successfully blocked public debate about alternative forms of power. Corporations determine who gets heard and who does not, he said. And those, such as Wolin, who critique corporate power are excluded from the national dialogue. Pundits on television news programs discuss politics as a horse race or compare the effectiveness of pseudo-events staged by candidates. They do not discuss ideas, issues, or meaningful reform.

“In the 1930s there were all kinds of alternative understandings, from socialism to more extensive governmental involvement,” he said. “There was a range of different approaches. But what I am struck by now is the narrow range within which palliatives are being modeled. We are supposed to work with the financial system. So the people who helped create this system are put in charge of the solution. There has to be some major effort to think outside the box.”

“The puzzle to me is the lack of social unrest,” Wolin said when I asked why we have not yet seen rioting or protests. He said he worried that popular protests will be dismissed and ignored by the corporate media. This, he said, is what happened when tens of thousands protested the war in Iraq. If protestors are characterized as cranks or fringe groups, if their voices are never heard, the state will have little trouble suppressing local protests, as happened during the Democratic

and Republican conventions. Anti-war protests in the 1960s gained momentum, he said, from their ability to spread their message across the country. This may not happen now. "The ways [corporate/governmental authorities] can isolate protests and prevent it from [becoming] a contagion are formidable," he said.

"My greatest fear is that the Obama administration will achieve relatively little in terms of structural change," he added. "They may at best keep the system going. But there is a growing pessimism. Every day we hear how much longer the recession will continue. They are already talking about beyond next year [into 2011]. The economic difficulties are more profound than we had guessed and because of globalization more difficult to deal with. I wish the political establishment, the parties, and leadership, would become more aware of the depths of the problem. They can't keep throwing money at this. They have to begin structural changes that involve a very different approach from a market economy. I don't think this will happen.

"I keep asking why and how and when this country became so conservative," he went on. "This country once prided itself on its experimentation and flexibility. It has become rigid. It is probably the most conservative of all the advanced countries."

The American left has crumbled and sold out to a bankrupt Democratic Party. It has abandoned the working class, which has no ability to organize and little political clout, especially with labor unions a spent force. The universities are mills for corporate employees. The media churn out info-tainment and pollute the airwaves with fatuous pundits. The Left, he said, no longer has the capacity to be a counterweight to the corporate state, and if an extreme right regains momentum there will probably be very little organized or effective resistance.

"The Left is amorphous," he said. "I despair over the Left. Left parties may be small in number in Europe, but they are a coherent organization that keeps going. Here, except for Nader's efforts, we don't have that. We have a few voices here, a magazine there, and that's about it. It goes nowhere."

The decline of American empire began long before the current economic meltdown or the wars in Afghanistan and Iraq. It began before the first Gulf War or Ronald Reagan. It began when we shifted, in the words of the historian Charles Maier, from an "empire of

production” to an “empire of consumption.” By the end of the Vietnam War, when the costs of the war ate away at Lyndon Johnson’s Great Society and domestic oil production began its steady, inexorable decline, we saw our country transformed from one that primarily produced to one that primarily consumed. We started borrowing to maintain a lifestyle we could no longer afford. We began to use force, especially in the Middle East, to feed our insatiable thirst for cheap oil. The decline has been steady and uninterrupted since the conclusion of the Second World War. At the end of the war, we possessed nearly two-thirds of the world’s gold reserves and more than half of its entire manufacturing capacity. The United States accounted for one-third of world exports, the foreign trade balance was in the black, and exports more than doubled imports. Three decades later, the nation had slipped into a negative trade balance, imports began to exceed exports, manufacturing jobs were on the decline, and we began, collectively, to spend more than we earned. Total public debt is now more than \$11 trillion, or about \$36,676 per capita.

The bill is now due. America’s most dangerous enemies are not Islamic radicals but those who sold us the perverted ideology of free-market capitalism and globalization. They have dynamited the foundations of our society.

“The Big Lies are not the pledge of tax cuts, universal health care, family values restored, or a world rendered peaceful through forceful demonstrations of American leadership,” Bacevich wrote in *The Limits of Power*:

The Big Lies are the truths that remain unspoken: that freedom has an underside; that nations, like households, must ultimately live within their means; that history’s purpose, the subject of so many confident pronouncements, remains inscrutable. Above all, there is this: Power is finite. Politicians pass over matters such as these in silence. As a consequence, the absence of self-awareness that forms such an enduring element of the American character persists.¹

The problems we face are structural. The old America is not coming back. Our financial system was taken hostage and looted by bankers, brokers, and speculators who told us that the old means of

making capital by producing and manufacturing were outdated. They assured us money could be made out of money. They insisted that financial markets could be self-regulating. Like all financial markets throughout history that have thrown off oversight and regulation, ours has collapsed. Speculators in the seventeenth century were hanged. Today they receive billions in taxpayer dollars and huge bonuses.

The corporate forces that control the state will never permit real reform. It would mean their extinction. These corporations, especially the oil and gas industry, will never allow us to achieve energy independence. That would devastate their profits. It would wipe out tens of billions of dollars in weapons contracts. It would cripple the financial health of a host of private contractors from Halliburton to Blackwater/Xe and render obsolete the existence of U.S. Central Command. This is the harsh, unspoken reality of corporate power. The unseen hands of Lockheed Martin, Boeing, and Northrup Grumman, the nation's top-three defense contractors, divided up \$69 billion in Pentagon contracts in 2007, the last year for which contracting data are available. These industries, which have judiciously spread their parts and supply business throughout the country, defend the production of weapons systems as vital for employment. But their leaders are clearly nervous. The Aerospace Industries Association (AIA), which represents more than one hundred defense and aerospace corporations, has an ad campaign with the slogan: "Aerospace and Defense: The Strength to Lift America." It claims its manufacturers contribute \$97 billion in exports a year and employ 2 million people, a figure disputed by the U.S. Bureau of Labor Statistics, which puts the number at 472,000 wage and salary workers. But this has not dampened the promise made by these corporate executives to help lift the nation out of its economic morass. "Our industry is ready and able to lead the way out of the economic crisis," Fred Downey, an associate vice president, told the Associated Press. The ads are useful, but so is the some \$149 million a year the industry lavishes on lobbying firms, according to the Center for Representative Politics.

Seymour Melman spent his academic career, which spanned the Cold War, at Columbia University, researching, writing, and speaking about the large military portion of the federal budget. In *Pentagon Capitalism* he described the redundancy and costliness of modern

weapons systems—such as the next wave of fighter planes, missiles, submarines, and aircraft carriers. He said that high-tech weapons yet to be designed always escalate spending as new, costlier systems replace the old, which are often junked.

The United States has become the largest single seller of arms and munitions on the planet. The defense budget for fiscal 2008 is the largest since the Second World War. More than half of federal discretionary spending goes to defense. And so we build Cold War relics such as the \$14 billion *Virginia*-class submarines as well as the stealth fighters we engineered to evade radar systems the Soviets never built. We spend \$8.9 billion on ICBM missile defense systems that would be useless in stopping a shipping container concealing a dirty bomb. The defense industry is able to monopolize the best scientific and research talent and squander the nation's resources and investment capital. These defense industries produce nothing that is useful for society or the national trade account. They offer little more than a psychological security blanket for fearful Americans who want to feel protected and safe.

The defense industry is a virus. It destroys healthy economies. We produce sophisticated fighter jets while Boeing is unable to finish its new commercial plane on schedule and our automotive industry goes bankrupt. We sink money into research and development of weapons systems and starve renewable energy technologies to fight global warming. Universities are flooded with defense-related cash and grants yet struggle to find money for environmental studies. The massive military spending, aided by this \$3 trillion war, has a social cost. Our bridges and levees collapse, our schools decay, our real manufacturing is done overseas by foreign workers, and our social safety net is taken away. And we are bombarded with the militarized language of power and strength that masks our brittle reality.

Melman coined the term *permanent war economy* to describe the American economy. Since the end of the Second World War, the federal government has spent more than half its tax dollars on past, current, and future military operations. It is the largest single sustaining activity of the government. The military-industrial establishment is especially lucrative to corporations because it offers a lavish form of corporate welfare. Defense systems are usually sold before they are produced, and

military industries are permitted to charge the federal government for huge cost overruns. Huge profits are guaranteed. Foreign aid is given to countries such as Egypt, which receives some \$3 billion in assistance but is required to buy American weapons with \$1.3 billion of it. The taxpayers fund the research, development, and building of weapons systems and then buy them on behalf of foreign governments. It is a circular system that little resembles the paradigm of a free-market economy.

There is rarely any accounting to the client (i.e., the government and people of the United States) if work is shoddy or produces flawed weapons systems. The U.S. Coast Guard, in one of many examples, undertook a five-year, \$24 billion modernization program called "Deepwater." The Coast Guard spent \$100 million to lengthen by thirteen feet the 110-foot Island Class patrol boats. They shipped the boats to the Bollinger Shipyard outside of New Orleans. The eight boats, when they returned, had such severe structural problems that they all had to be retired from service.

The Pentagon, Melman noted, is not restricted by the economic rules of producing goods, selling them for a profit, then using the profit for further investment and production. It operates, rather, outside of competitive markets. It has erased the line between the state and the corporation, and it subverts the actual economy. It leeches away the ability of the nation to manufacture useful products and produce sustainable jobs. Melman used the example of the New York City Transit Authority and its allocation in 2003 of \$3 billion to \$4 billion for new subway cars. New York City asked for bids, and no American companies responded. Melman argued that the industrial base in America was no longer centered on items that maintain, improve, or are used to build the nation's infrastructure. New York City eventually contracted with companies in Japan and Canada to build its subway cars. Melman estimated that such a contract could have generated, directly and indirectly, about 32,000 jobs in the United States. In another instance, of 100 products offered in the 2003 L.L. Bean catalogue, Melman found that ninety-two were imported and only eight were made in the United States.

The defense industries, like all corporations, rely on deceptive ad campaigns and lobbyists to perpetuate their lock on taxpayer money.

The late Senator J. William Fulbright described the reach of the military-industrial establishment in his 1970 book *The Pentagon Propaganda Machine*. Fulbright explained how the Pentagon influenced public opinion through direct contacts with the public, Defense Department films, close ties with Hollywood producers, and use of the commercial media to gain support for weapons systems. The majority of the military analysts on television are former military officials, many employed as consultants to defense industries, a fact they rarely disclose to the public. Barry R. McCaffrey, a retired four-star army general and military analyst for NBC News, was, *The New York Times* reported, at the same time an employee of Defense Solutions, Inc., a consulting firm. He profited, the article noted, from the sale of the weapons systems and expansion of the wars in Iraq and Afghanistan he championed over the airwaves.²

The grip of corporations on government is not limited to the defense industry. It has leached into nearly every aspect of the economy. The attempt to create a health-care plan that also conciliates the corporations that profit from the misery and illnesses of tens of millions of Americans is naïve, at best, and probably disingenuous. This conciliation insists that we can coax these corporations, which are listed on the stock exchange and exist to maximize profit, to transform themselves into social-service agencies that will provide adequate health care for all Americans.

“Obama offers a false hope,” says Dr. John Geyman, former chair of family medicine at the University of Washington and author of *Do Not Resuscitate: Why the Health Insurance Industry Is Dying, and How We Must Replace It*. “We cannot build on or tweak the present system. Different states have tried this. The problem is the private insurance industry itself. It is not as efficient as a publicly financed system. It fragments risk pools, skimming off the healthier part of the population and leaving the rest uninsured or underinsured. Its administrative and overhead costs are five to eight times higher than public financing through Medicare. It cares more about its shareholders than its enrollees or patients. A family of four now pays about \$12,000 a year just in premiums, which have gone up by 87 percent from 2000 to 2006.

The insurance industry is pricing itself out of the market for an ever-larger part of the population. The industry resists regulation. It is unsustainable by present trends.”

Our health-care system is broken. There are some 46 million Americans without coverage and tens of millions with inadequate policies that severely limit what kinds of procedures and treatments they can receive. Eighteen thousand people die, according to the Institute of Medicine, every year because they can't afford health care.

“There are at least 25 million Americans who are underinsured,” Geyman says. “Whatever coverage they have does not come close to covering the actual cost of a major illness or accident.”

The corporations that run our for-profit health-care industry would be shut down if single-payer, not-for-profit health-care was provided for all Americans. The for-profit health-care industry, like the defense industry, has vigorously fought to protect itself through campaign contributions and lobbying. They have placed profit before the common good. A study by Harvard Medical School found that national health insurance would save the country \$350 billion a year. But Medicare does not make campaign contributions. The private health-care industries do.

“The private health insurance companies and the pharmaceutical industry completely and totally oppose national health insurance,” says Stephanie Woolhandler, one of the founders of Physicians for a National Health Program. “The private health insurance companies would go out of business. The pharmaceutical companies are afraid that a national health program will, as in Canada, be able to negotiate lower drug prices. Canadians pay 40 percent less for their drugs. We see this on a smaller scale in the United States, where the Department of Defense is able to negotiate pharmaceutical prices that are 40 percent lower.”

We cannot improve the system by expanding government oversight or improve for-profit health care by requiring doctors and hospitals to prove they provide quality medical services. Proposals to require insurance companies to use more income from premiums for patient care or link payment with reported quality are unworkable. Nor will turning record-keeping from paper to electronic data blunt rising costs.

“There isn’t an enforcement mechanism,” Geyman says bluntly. “Most states have been unable to control rates or set a cap on rates.”

“The only way everyone will get insurance is with national health insurance,” says Woolhandler, who is a professor at Harvard Medical School. “People with catastrophic illnesses usually lose their jobs and lose their insurance. They often cannot afford the high premiums for the insurance they can get when they are unable to work. Most families that file for bankruptcy because of medical costs had insurance before they got sick. They either lost the insurance because they lost their jobs or faced gaps in coverage that meant they could not afford medical care.”

Our health system costs nearly twice as much as national programs in countries such as Switzerland. The overhead for traditional Medicare is 3 percent, and the overhead for the investment-owned companies is 26.5 percent. A staggering 31 percent of our health-care expenditures is spent on administrative costs. Look what we get in return. And yet the reality of the health-care system is never discussed because corporations, which fund the main political parties, do not want it discussed.

The Democratic Party has been as guilty as the Republicans in the abdication of real power to the corporate state. It was Bill Clinton who led the Democratic Party to the corporate watering trough. Clinton argued that the party had to ditch labor unions, no longer a source of votes or power, as a political ally. Workers, he insisted, would vote Democratic anyway. They had no choice. It was better, he argued, to take corporate money and do corporate bidding. By the 1990s, the Democratic Party, under Clinton’s leadership, had virtual fund-raising parity with the Republicans. Today the Democrats raise more.

The legislation demanded by corporations sold out the American worker. This betrayal was accompanied with a slick advertising campaign that promoted the laws used to destroy the working class, as the *salvation* of the American worker. The North American Free Trade Agreement was peddled by the Clinton White House as an opportunity to raise the incomes and prosperity of the citizens of the United States, Canada, and Mexico. NAFTA would also, we were told, stanch Mexican immigration into the United States.

“There will be less illegal immigration because more Mexicans will be able to support their children by staying home,” President Clinton said in the spring of 1993 as he was lobbying for the bill.

But NAFTA, which took effect in 1994, had the effect of reversing every one of Clinton’s rosy predictions. Once the Mexican government lifted price supports on corn and beans grown by Mexican farmers, those farmers had to compete against the huge agribusinesses in the United States. Many Mexican farmers were swiftly bankrupted. At least 2 million Mexican farmers have been driven off their land since 1994. And guess where many of them went? This desperate flight of poor Mexicans into the United States is now being exacerbated by large-scale factory closures along the border as manufacturers pack up and leave Mexico for the cut-rate embrace of China’s totalitarian capitalism. But we were assured that goods would be cheaper. Workers would be wealthier. Everyone would be happier. I am not sure how these contradictory things were supposed to happen, but in a sound-bite society, reality no longer matters. NAFTA was great if you were a corporation. It was a disaster if you were a worker.

Clinton’s welfare reform bill, signed on August 22, 1996, obliterated the nation’s social safety net. It threw 6 million people, many of them single mothers, off the welfare rolls within three years. It dumped them onto the streets without child care, rent subsidies, or continued Medicaid coverage. Families were plunged into crisis, struggling to survive on multiple jobs that paid \$6 or \$7 an hour, or less than \$15,000 a year. And these were the lucky ones. In some states, half of those dropped from the welfare rolls could not find work. Clinton slashed Medicare by \$115 billion over a five-year period and cut \$25 billion in Medicaid funding. The booming and overcrowded prison system handled the influx of the poor, as well as our abandoned mentally ill. We have 2.3 million of our citizens behind bars, most of them for nonviolent drug offenses. More than one in one hundred adults in the United States is incarcerated. The United States, with less than 5 percent of the global population, has almost 25 percent of the world’s prisoners. One in nine black men between twenty and thirty-four is behind bars. This has effectively decapitated the leadership in the inner cities, where African Americans have traditionally had to react more quickly to confront social injustices.

The Clinton administration, led by Lawrence Summers, signed into law the Financial Services Modernization Act of 1999, which ripped down the firewalls that had been established by the 1933 Glass-Steagall Act. Designed to prevent the kind of meltdown we are now experiencing, Glass-Steagall established the Federal Deposit Insurance Corporation. It set in place banking reforms to stop speculators from hijacking the financial system. With Glass-Steagall demolished, and the passage of NAFTA, the Democrats, led by Clinton, tumbled gleefully into bed with corporations and Wall Street speculators. They used institutions like Fannie Mae and Freddie Mac as a welfare gravy train. And many of the architects of this deregulation, economists such as Summers, remain in charge of the nation's economic policy.

"When times are prosperous, we do not mind a modest increase in 'welfare,'" wrote Robert N. Bellah:

When times are not so prosperous, we think at least our successful career will save us and our families from failure and despair. We are attracted, against our skepticism, to the idea that poverty will be alleviated by the crumbs that fall from the rich man's table. . . . Some of us often feel, and most of us sometimes feel, that we are only someone if we have made it: can look down on those who have not. The American dream is often a very private dream of being a star, the uniquely successful and admirable one, the one who stands out from the crowd of ordinary folk, who don't know how. And since we have believed in that dream for a long time and worked very hard to make it come true, it is hard for us to give it up, even though it contradicts another dream that we have—that of living in a society that would really be worth living in."³

The cost of our empire of illusion is not being paid by the corporate titans. It is being paid on the streets of our inner cities, in former manufacturing towns, and in depressed rural enclaves. This cost transcends declining numbers and statistics and speaks the language of human misery and pain. Human beings are not commodities. They are not goods. They grieve and suffer and feel despair. They raise children and struggle to maintain communities. The growing class divide is not understood, despite the glibness of many in the media, by complicated

sets of statistics, lines on a graph that chart stocks, or the absurd, utopian faith in unregulated globalization and complicated trade deals. It is understood in the eyes of a man or woman who is no longer making enough money to live with dignity and hope.

Elba Figueroa, forty-seven, lives in Trenton, New Jersey. She worked as a nurse's aide until she got Parkinson's disease. She lost her job. She lost her health care. She receives \$703 a month in government assistance. Her rent alone runs \$750 a month. And so she borrows money from friends and neighbors to stay in her apartment. She laboriously negotiates her wheelchair up and down steps and along the sidewalks of Trenton to get to soup kitchens and food pantries to eat.

"Food prices have gone up," Figueroa says, waiting to get inside the food pantry run by the Crisis Ministry of Princeton and Trenton. "I don't have any money. I run out of things to eat. I worked until I physically could not work anymore. Now I live like this."

The pantry occupies a dilapidated, three-story art deco building in Old Trenton, the poorest neighborhood in the city. The pantry is one of about two dozen charities in the city that provide shelter and food to the poor. Those who qualify for assistance are permitted to pick up food once a month. Clutching pieces of paper that show the number of points they have been allotted, they push shopping carts in a U-shaped course around the first floor. Every food item is assigned a number of points. Points are allotted according to the number of people in a household. The shelves of the pantry hold bags of rice, jars of peanut butter, macaroni and cheese, and cans of beets, corn, and peas. Two refrigerated cases have eggs, chickens, fresh carrots, and beef hot dogs. "All Fresh Produce 2 pounds = 1 point," a sign on the glass door of the refrigerated unit reads. Another reads: "1 Dozen EGGS equal 3 protein points. Limit of 1 dozen per household."

The swelling numbers waiting outside homeless shelters and food pantries around the country, many of them elderly or single women with children, have grown by at least 30 percent over the last year. General welfare recipients struggle to survive on \$140 a month in cash and another \$140 in food stamps. This is all many in Trenton and other impoverished pockets now have to survive. Trenton, a former manufacturing center with a 20 percent unemployment rate and a median

income of \$33,000, is a window into our unraveling. And as the government squanders taxpayer money in fruitless schemes to prop up insolvent banks and investment houses, citizens are thrown into the streets without work, a place to live, or enough food.

There are now 36.2 million Americans who cope daily with hunger, up by more than 3 million since 2000, according to the Food Research and Action Center in Washington. The number of people in the worst-off category—the hungriest—rose by 40 percent since 2000, to nearly 12 million people.

“We are seeing people we have not seen for a long time,” says the Reverend Jarrett Kerbel, director of the Crisis Ministry’s food pantry, which supplies food to 1,400 households in Trenton each month. “We are seeing people who haven’t crossed that threshold for five, six, or seven years coming back. We are seeing people whose unemployment has run out, and they are struggling in that gap while they reapply, and, of course, we are seeing the usual unemployed. This will be the first real test of [Bill] Clinton’s so-called welfare reform.”

The Crisis Ministry, like many hard-pressed charities, is over budget, and food stocks are precariously low. Donations are on the decline. There are days when soup kitchens in Trenton are shut down because they have no food.

“We collected 170 bags of groceries from a church in Princeton, and it was gone in two days,” Kerbel says. “We collected 288 bags from a Jewish center in Princeton, and it was gone in three days. What you see on the shelves is pretty much what we have.”

States, facing dramatic budget shortfalls, are slashing social assistance programs, including Medicaid, social services, and education. New Jersey’s shortfall has tripled to \$1.2 billion and could soar to \$5 billion. Tax revenue has fallen to \$211 million less than projected. States are imposing hiring freezes, canceling raises, and cutting back on services big and small, from salting and plowing streets in winter to heating assistance programs. Unemployment insurance funds, especially with the proposed extension of benefits, are running out of money.

Dolores Williams, fifty-seven, sits in the cramped waiting room at the Crisis Ministry clutching a numbered card, waiting for her number to be called. She has lived in a low-income apartment block known as The Kingsbury for a year. Two residents, she says, recently jumped to

their deaths from the nineteenth floor. She had a job at Sam's Club but lost it. No one, she says, is hiring. She is desperate.

She hands me a copy of the *Trentonian*, a local paper. The headline on the front page reads: "Gangster Slammed for Bicycle Drive-By." It is the story of the conviction of a man for a fatal drive-by shooting from a bicycle. The paper is filled with stories like these, the result of social, economic, and moral collapse. Poverty breeds more than hunger. It destroys communities. In one *Trentonian* story, a fifty-six-year-old woman is robbed and pistol-whipped in the middle of the afternoon. Another article reports the plight of four children whose parents had been shot and seriously wounded. "Libraries OK Now, but Future Is Murky," a headline reads. Another reads: "Still No Arrests in Hooker Slayings."

"It is like this every day," Williams says.

Corporations are ubiquitous parts of our lives, and those that own and run them want them to remain that way. We eat corporate food. We buy corporate clothes. We drive in corporate cars. We buy our fuel from corporations. We borrow from, invest our retirement savings with, and take out college loans with corporations and corporate banks. We are entertained, informed, and bombarded with advertisements by corporations. Many of us work for corporations. There are few aspects of life left that have not been taken over by corporations, from mail delivery to public utilities to our for-profit health-care system. These corporations have no loyalty to the country or workers. Our impoverishment feeds their profits. And profits, for corporations, are all that count.

The corporation is designed to make money without regard to human life, the social good, or the impact of the corporation's activities on the environment. Corporation bylaws impose a legal duty on corporate executives to make the largest profits possible for shareholders. In the 2003 documentary film *The Corporation* by Mark Achbar, Jennifer Abbott, and Joel Bakan, management guru Peter Drucker tells Bakan: "If you find an executive who wants to take on social responsibilities, fire him. Fast." And William Niskanen, chair of the libertarian Cato Institute, says that he would not invest in a company that promoted corporate responsibility.

A corporation that attempts to engage in social responsibility, that tries to pay workers a decent wage with benefit, that protects workers' rights, that invests its profits to limit pollution, that gives consumers better deals, can actually be sued by shareholders. Robert Monks, an investment manager, says in the film: "The corporation is an externalizing machine, in the same way that a shark is a killing machine. There isn't any question of malevolence or of will. The enterprise has within it, and the shark has within it, those characteristics that enable it to do that for which it was designed."

Ray Anderson, the CEO of Interface Corporation, the world's largest commercial carpet manufacturer, calls the corporation a "present-day instrument of destruction" because of its compulsion to "externalize any cost that an unwary or uncaring public will allow it to externalize."

"The notion that we can take and take and take and take, waste and waste, without consequences, is driving the biosphere to destruction," Anderson says.

The film, based on Bakan's book *The Corporation: The Pathological Pursuit of Profit and Power*, asserts that the corporation exhibits many of the traits found in people clinically defined as psychopaths. Psychologist Robert Hare recites in the film a checklist of psychopathic traits and ties them to the behavior of corporations:

- Callous unconcern for the feelings for others;
- Incapacity to maintain enduring relationships;
- Reckless disregard for the safety of others;
- Deceitfulness: repeated lying and conning of others for profit;
- Incapacity to experience guilt;
- Failure to conform to social norms with respect to lawful behavior.

And yet, under the American legal system, corporations have the same legal rights as individuals. They make contributions to candidates. They fund 35,000 lobbyists in Washington and thousands more in state capitals to write corporate-friendly legislation and defang regulatory agencies. They saturate the airwaves, the Internet, newspapers, and magazines with advertisements promoting their brands as the

friendly face of the corporation. They have huge legal teams, tens of thousands of employees, and scores of elected officials who ward off public intrusions into their affairs or lawsuits. They hold a near monopoly on all electronic and printed sources of information. A few media giants, such as AOL Time Warner, General Electric, Viacom, Disney, and Rupert Murdoch's NewsGroup, control nearly everything we read, see, and hear.

"Private capital tends to become concentrated in [a] few hands, partly because of competition among the capitalists, and partly because technological development and the increasing division of labor encourage the formation of larger units of production at the expense of the smaller ones," Albert Einstein wrote in 1949 in the *Monthly Review* in explaining why he was a socialist:

The result of these developments is an oligarchy of private capital the enormous power of which cannot be effectively checked even by a democratically organized political society. This is true since the members of legislative bodies are selected by political parties, largely financed or otherwise influenced by private capitalists who, for all practical purposes, separate the electorate from the legislature. The consequence is that the representatives of the people do not in fact sufficiently protect the interests of the underprivileged sections of the population. Moreover, under existing conditions, private capitalists inevitably control, directly or indirectly, the main sources of information (press, radio, education). It is thus extremely difficult, and indeed in most cases quite impossible, for the individual citizen to come to objective conclusions and to make intelligent use of his political rights.⁴

The growing desperation across the United States is unleashing not simply a recession—we have been in a recession for some time now—but rather a depression unlike anything we have seen since the 1930s. It has provided a pool of broken people willing to work for low wages without unions or benefits. This is excellent news if you are a corporation. It is very bad news if you are a worker. For the bottom 90 percent

of Americans, annual income has been on a slow, steady decline for three decades. The majority of that sector's workers had an average annual income that peaked at \$33,000 in 1973. By 2005, according to David Cay Johnston in his book *Free Lunch*, it had fallen to a bit more than \$29,000 in adjusted dollars, despite three decades of economic expansion. And where did that money go? Ask Exxon Mobil, the biggest U.S. oil and gas company, which made a \$10.9 billion profit in the first quarter of 2007. Or better yet, ask Exxon Mobil Corporation Chairman and Chief Executive Officer Rex Tillerson, whose compensation rose nearly 18 percent to \$21.7 million in 2007, when the oil company pulled in the largest profit ever for a U.S. company. His take-home pay package included \$1.75 million in salary, a \$3.36 million bonus, and \$16.1 million in stock and option awards, according to a company filing with the U.S. Securities and Exchange Commission. He also received nearly \$430,000 in other compensation, including \$229,331 for personal security and \$41,122 for use of the company aircraft. In addition to his pay package, Tillerson received more than \$7.6 million from exercising options and stock awards during the year. Exxon Mobil earned \$40.61 billion in 2007, up 3 percent from the previous year. But Tillerson's 2007 pay was not even the highest mark for the U.S. oil and gas industry. Occidental Petroleum Corporation Chairman and CEO Ray Irani made \$33.6 million, and Anadarko Petroleum Corporation chief James Hackett took in \$26.7 million over the same period.

For each dollar earned in 2005, the top 10 percent received 48.5 cents. That was the top tenth's greatest share of the income pie, Johnston writes, since 1929, just before the Roaring '20s collapsed in the Great Depression. And within the top 10 percent, those who made more than \$100,000, nearly all the gains went to the top tenth of 1 percent, people like Tillerson, Irani, or Hackett, who made at least \$1.7 million that year. And until we have real election reform, until we make it possible to run for national office without candidates kissing the rings of Tillersons, Iranis, and Hacketts to get hundreds of millions of dollars, this cannibalization of America will continue.

Our elites manipulate statistics and data to foster illusions of growth and prosperity. They refuse to admit they have lost control since to lose control is to concede failure. They contribute, instead, to the collective denial of reality by insisting that another multibillion-dollar

bailout or government loan will prop up the dying edifice. The well-paid television pundits and news celebrities, the economists and the banking and financial sector leaders, see the world from inside the comfort of the corporate box. They are loyal to the corporate state. They cling to the corporation and the corporate structure. It is known. It is safe. It is paternal. It is the system.

Our government is being wrecked by corporations, which now get 40 percent of federal discretionary spending. More than 800,000 jobs once handled by government employees have been outsourced to corporations, a move that has not only further empowered our shadow corporate government but also helped destroy federal workforce unions. Management of federal prisons, the management of regulatory and scientific reviews, the processing or denial of Freedom of Information requests, interrogating prisoners, and running the world's largest mercenary army in Iraq—all this has become corporate. And these corporations, in a perverse arrangement, make their money directly off of the American citizen. This devil's deal is an expansion of the corporate welfare enjoyed by the defense industry.

Halliburton in 2003 was given a no-bid and non-compete \$7 billion contract to repair Iraq's oil fields, as well as the power to oversee and control Iraq's entire oil production. This has now become \$130 billion in contract awards to Halliburton. And flush with taxpayer dollars, what has Halliburton done? It has made sure only thirty-six of its 143 subsidiaries are incorporated in the United States and 107 subsidiaries (or 75 percent) are incorporated in thirty different countries. This arrangement allows Halliburton to lower its tax liability on foreign income by establishing a "controlled foreign corporation" and subsidiaries inside low-tax, or no-tax, countries used as tax havens. Thus the corporations take our money. They squander it. They cleverly evade taxation. And our corporate government not only funds them but protects them.

The financial and political disparities between our oligarchy and the working class have created a new global serfdom. Credit Suisse analysts estimate that the number of subprime foreclosures in the United States by the end of 2012 will total 1,390,000. If that estimate is correct, 12.7 percent of all residential borrowers in the United States will be forced out of their homes.

The bailout for banks and financial firms, who feel no compunction to account for taxpayer funds, pulled the plug on the New Deal. The Great Society is now gasping for air, mortally wounded, coughing up blood. Power no longer lies with the citizens of the United States, who, with ratios of 100 to 1, pleaded with their representatives in Washington not to loot the national treasury to bail out Wall Street investment firms. Power lies with the corporations. These corporations, not we, pick who runs for president, Congress, judgeships, and most state legislatures. You cannot, in most instances, be a viable candidate without their blessing and money. These corporations, including the Commission on Presidential Debates (a private organization), determine who gets to speak and what issues candidates can or cannot challenge, from universal, not-for-profit, single-payer health care to Wall Street bailouts to NAFTA. If you do not follow the corporate script, you become as marginal and invisible as Dennis Kucinich, Ralph Nader, or Cynthia McKinney.

This is why most Democrats opposed Pennsylvania Democratic House Representative John Murtha's call for immediate withdrawal from Iraq—something that would dry up profits for companies like Halliburton—and supported continued funding for the war. It is why most voted to reauthorize the Patriot Act. It is why the party opposed an amendment that was part of a bankruptcy bill that would have capped credit card interest rates at 30 percent. It is why corporatist politicians opposed a bill that would have reformed the notorious Mining Law of 1872, which allows mineral companies to plunder federal land for profit. It is why they did not back the single-payer health-care bill House Resolution 676, sponsored by Representatives Kucinich and John Conyers. It is why so many politicians advocate nuclear power. It is why many backed the class-action "reform" bill—the Class Action Fairness Act (CAFA)—that was part of a large lobbying effort by financial firms. CAFA would effectively shut down state courts as a venue to hear most class-action lawsuits. Workers, under CAFA, would no longer have redress in many of the courts where these cases have a chance of defying powerful corporations. CAFA moves these cases into corporate-friendly federal courts dominated by Republican judges.

The assault on the American working class—an assault that has devastated members of my own family—is nearly complete. In the past

three years, nearly one in five U.S. workers was laid off. Among workers laid off from full-time work, roughly one-fourth were earning less than \$40,000 annually. There are whole sections of the United States that now resemble the developing world. There has been a Weimarization of the American working class. And the assault on the middle class is now under way. Anything that can be put on software—from finance to architecture to engineering—can and is being outsourced to workers in countries such as India or China, who accept pay that is a fraction of their Western counterparts, and without benefits. And both the Republican and Democratic parties, beholden to corporations for money and power, have allowed this to happen.

Over the past few decades, we have watched the rise of a powerful web of interlocking corporate entities, a network of arrangements within subsectors, industries, or other partial jurisdictions to diminish and often abolish outside control and oversight. These corporations have neutralized national, state, and judicial authority. The corporate state, begun under Ronald Reagan and pushed forward by every president since, has destroyed the public and private institutions that protected workers and safeguarded citizens. Only 7.8 percent of workers in the private sector are unionized. This is about the same percentage as in the early 1900s. There are 50 million Americans in real poverty and tens of millions of Americans in a category called “near poverty.”

We hear little about these stories of pain and dislocation. We are diverted by spectacle and pseudo-events. We are fed illusions. We are given comforting myths—the core of popular culture—that exalt our nation and ourselves, even though ours is a time of collapse, and moral and political squalor. We are bombarded with useless trivia and celebrity-gossip despite the valiant efforts of a few remaining newspapers such as the *New York Times* and the *Washington Post*, along with Democracy Now, National Public Radio, Pacifica, and Jim Lehrer of the Public Broadcasting Service. These organizations still practice journalism as an ethical pursuit on behalf of the common good, but they are a beleaguered minority. The Federal Communications Commission, in an example of how far our standards have fallen, defines television shows such as Fox’s celebrity gossip program *TMZ* and the Christian Broadcast Network’s *700 Club* as “bona fide newscasts.” The economist Charlotte Twight calls this vast corporate

system of spectacle and diversion, in which we get to vote on *American Idol* or be elevated to celebrity status through reality television programs, “participatory fascism.”

Washington has become our Versailles. We are ruled, entertained, and informed by courtiers—and the media have evolved into a class of courtiers. The Democrats, like the Republicans, are mostly courtiers. Our pundits and experts, at least those with prominent public platforms, are courtiers. We are captivated by the hollow stagecraft of political theater as we are ruthlessly stripped of power. It is smoke and mirrors, tricks and con games, and the purpose behind it is deception.

Television journalism is largely a farce. Celebrity reporters, masquerading as journalists, make millions a year and give a platform to the powerful and the famous so they can spin, equivocate, and lie. Sitting in a studio, putting on makeup, and chatting with Joe Biden, Hillary Clinton, or Lawrence Summers has little to do with journalism. If you are a true journalist, you should start to worry if you make \$5 million a year. No journalist has a comfortable, cozy relationship with the powerful. No journalist believes that serving the powerful is a primary part of his or her calling. Those in power fear and dislike journalists—and they should. Ask Amy Goodman, Seymour Hersh, Walter Pincus, Robert Scheer, or David Cay Johnston.

The comedian Jon Stewart, who hosts the popular *Daily Show with Jon Stewart* on Comedy Central, has become one of the most visible and influential media figures in America. In an interview with Jim Cramer, who hosts a show called *Mad Money* on CNBC, Stewart asked his guest why, during all the years he advised viewers about investments, he never questioned the mendacious claims from CEOs and banks that unleashed the financial meltdown—or warned viewers about the shady tactics of short-term selling and massive debt leveraging used to make fortunes for CEOs out of the retirement and savings accounts of ordinary Americans.⁵

STEWART: This thing was ten years in the making. . . . The idea that you could have on the guys from Bear Stearns and Merrill Lynch and guys that had leveraged 35 to 1 and then blame mortgage holders, that’s insane. . . .

CRAMER: I always wish that people would come in and swear themselves in before they come on the show. I had a lot of CEOs lie to me on the show. It's very painful. I don't have subpoena power. . . .

STEWART: You knew what the banks were doing and were touting it for months and months. The entire network was.

CRAMER: But Dick Fuld, who ran Lehman Brothers, called me in—he called me in when the stock was at forty—because he was saying: “Look, I thought the stock was wrong, thought it was in the wrong place”—he brings me in and lies to me, lies to me, lies to me.

STEWART [feigning shock]: The CEO of a company lied to you?

CRAMER: Shocking.

STEWART: But isn't that financial reporting? What do you think is the role of CNBC? . . .

CRAMER: I didn't think that Bear Stearns would evaporate overnight. I knew the people who ran it. I thought they were honest. That was my mistake. I really did. I thought they were honest. Did I get taken in because I knew them before? Maybe, to some degree. . . . It's difficult to have a reporter say, “I just came from an interview with Hank Paulson, and he lied his darn-fool head off.” It's difficult. I think it challenges the boundaries.

STEWART: But what is the responsibility of the people who cover Wall Street? . . . I'm under the assumption, and maybe this is purely ridiculous, but I'm under the assumption that you don't just take their word at face value. That you actually then go around and try to figure it out. [*Applause.*]

Cramer, like most television and many print reporters, gives an uncritical forum to the powerful. At the same time, they pretend they have vetted and investigated the claims made by those in power. They play the role on television of journalists. It is a dirty quid pro quo. The media get access to the elite as long as the media faithfully report what the elite wants reported. The moment that quid pro quo breaks down, reporters—real reporters—are cast into the wilderness and denied access.

The behavior of a Jim Cramer, as Glenn Greenwald pointed out in an article on Salon.com, mirrors that of the reporters who covered the lead-up to the war in Iraq. Day after day, news organizations as diverse as the *New York Times*, CNN, and the three major television networks amplified lies fed to them by the elite as if they were facts. They served the power elite, as Cramer and most of those on television do, rather than the public.

In Bill Moyers's 2007 PBS documentary *Buying the War*, Moyers asked *Meet the Press* host Tim Russert why he had passed on these lies without vetting them—and even more damaging, he contrasted Russert's work with that of Bob Simon of CBS, who had made a few phone calls and had quickly learned that the administration's pro-war leaks, so crucial in fanning public and political support for going to war, were bogus. Moyers focused on a story, given to the *New York Times* by Vice President Dick Cheney's office, that appeared on the front page of the paper the Sunday morning the vice president was also a guest on *Meet the Press*.⁶ Moyers began by setting up a video clip of Cheney's performance:

BILL MOYERS: Quoting anonymous administration officials, the *Times* reported that Saddam Hussein had launched a worldwide hunt for materials to make an atomic bomb using specially designed aluminum tubes.

Moyers then ran the clip of Cheney on *Meet the Press* the same morning the *Times* story appeared:

CHENEY: . . . Tubes. There's a story in the *New York Times* this morning, this is—and I want to attribute this to the *Times*. I don't want to talk about obviously specific intelligence sources, but—

Jonathan Landay, a reporter who had written news stories at the time questioning Cheney's prior assertions that Saddam Hussein had been seeking to acquire nuclear weapons, gave us the sneaky reason the White House had leaked the information—*specifically so Cheney could discuss previously top-secret information on national TV*. Even though

there was no corroboration of that information (and never would be, since it was inaccurate), Cheney could now speak of it publically as if it were fact. “Now,” said Landay, “ordinarily, information like the aluminum tubes wouldn’t appear. It was top-secret intelligence, and the Vice President and the National Security Advisor would not be allowed to talk about this on the Sunday talk shows. But, it appeared that morning in the *New York Times* and, therefore, they were able to talk about it.”

Moyers went back to the clip of the Cheney performance:

CHENEY: It’s now public that, in fact, he has been seeking to acquire, and we have been able to intercept to prevent him from acquiring through this particular channel, the kinds of tubes that are necessary to build a centrifuge, and the centrifuge is required to take low-grade uranium and enhance it into highly enriched uranium, which is what you have to have in order to build a bomb.

Moyers, in the studio, asked Bob Simon of CBS what he thought of Cheney’s actions:

MOYERS: Did you see that performance?

BOB SIMON: I did.

MOYERS: What did you think?

SIMON: I thought it was remarkable.

MOYERS: Why?

SIMON: Remarkable. You leak a story, and then you quote the story. I mean, that’s a remarkable thing to do. . . .

Moyers continued the video clip, with *Meet the Press* host Russert asking a question that appears to accept, credulously and uncritically, the very statement Cheney had just made.

TIM RUSSERT [TO CHENEY]: What specifically has [Saddam] obtained that you believe will enhance his nuclear development program?

Moyers, back in the studio, asked Russert, who was with him, why he had not been more incisive and skeptical with his questions, especially with material that was so unprecedented and potentially explosive:

MOYERS: Was it just a coincidence in your mind that Cheney came on your show and others went on the other Sunday shows, the very morning that that story appeared?

TIM RUSSERT: I don't know. The *New York Times* is a better judge of that than I am.

MOYERS: No one tipped you that it was going to happen?

RUSSERT: No, no. I mean—

MOYERS: The Cheney office didn't leak to you that "there's gonna be a big story"?

RUSSERT: No. No. I mean, I don't have the—this is, you know—on *Meet the Press*, people come on and there are no ground rules. We can ask any question we want. I did not know about the aluminum tubes story until I read it in the *New York Times*.

MOYERS: Critics point to September 8, 2002, and to your show in particular, as the classic case of how the press and the government became inseparable. Someone in the administration plants a dramatic story in the *New York Times*. And then the Vice President comes on your show and points to the *New York Times*. It's a circular, self-confirming leak.

RUSSERT: I don't know how Judith Miller and Michael Gordon reported that story, who their sources were. It was a front-page story of the *New York Times*. When Secretary [Condoleezza] Rice and Vice President Cheney and others came up that Sunday morning on all the Sunday shows, they did exactly that. My concern was, is that there were concerns expressed by other government officials. And to this day, I wish my phone had rung, or I had access to them.

Moyers then told the audience, "Bob Simon didn't wait for the phone to ring," and returned to his conversation with Simon of CBS.

MOYERS [to Bob Simon]: You said a moment ago when we started talking to people who knew about aluminum tubes. What people—who were you talking to?

SIMON: We were talking to people—to scientists—to scientists and to researchers, and to people who had been investigating Iraq from the start.

MOYERS: Would these people have been available to any reporter who called, or were they exclusive sources for *60 Minutes*?

SIMON: No, I think that many of them would have been available to any reporter who called.

MOYERS: And you just picked up the phone?

SIMON: Just picked up the phone.

MOYERS: Talked to them?

SIMON: Talked to them and then went down with the cameras. . . .

Walter Pincus of the *Washington Post* suggested that Russert's failure indicated a larger failure of many media figures: "More and more, in the media, become, I think, common carriers of administration statements, and critics of the administration. And we've sort of given up being independent on our own."⁷

Russert, like Cramer, when exposed as complicit in the dissemination of misinformation, attempted to portray himself as an innocent victim, as did *New York Times* reporter Judy Miller, who, along with her colleague Michael Gordon, worked largely as stenographers for the Bush White House during the propaganda campaign to invade Iraq. Once the administration claims justifying the war had been exposed as falsehoods, Miller quipped that she was "only as good as my sources." This logic upends the traditional role of reporting, which should always begin with the assumption that those in power have an agenda and are rarely bound to the truth. All governments lie, as I. F. Stone pointed out, and it is the job of the journalist to do the hard, tedious reporting to expose these lies. It is the job of courtiers to feed off the scraps tossed to them by the powerful and serve the interests of the power elite.

Cramer continues to serve his elite masters by lashing out at government attempts to make the financial system accountable. He has

repeatedly characterized President Obama and Democrats in Congress as Russian communists intent on “rampant wealth destruction.” He has referred to Obama as a “Bolshevik” who is “taking cues from Lenin.” He has also used terms such as “Marx,” “comrades,” “Soviet,” “Winter Palace,” and “Politburo” in reference to Democrats and asked whether House Speaker Nancy Pelosi is the “general secretary of the Communist Party.” On the March 3, 2009, edition of NBC’s *Today*, Cramer attacked Obama’s purported “radical agenda” and claimed that “this is the most, greatest wealth destruction I’ve seen by a president.” Statements like these from courtiers like Cramer will grow in intensity as the economic morass deepens and the government is forced to be increasingly interventionist, including the possible nationalization of many banks.

The most egregious lie is the pretense that these people function as reporters, that they actually report on our behalf. It is not one or two reporters or television hosts who are corrupt. The media institutions are corrupt. Many media workers, especially those based in Washington, work shamelessly for our elites. In the weeks before the occupation of Iraq, media workers were too busy posturing as red-blooded American patriots to report. They rarely challenged the steady assault by the Bush White House against our civil liberties and the trashing of our Constitution. The role of courtiers is to parrot official propaganda. Courtiers do not defy the elite or question the structure of the corporate state. The corporations, in return, employ them and promote them as celebrities. The elite allow the courtiers into their inner circle. As Saul points out, no class of courtiers, from the eunuchs behind the Manchus in the nineteenth century to the Baghdad caliphs of the Abbasid caliphate, has ever transformed itself into a responsible and socially productive class. Courtiers are hedonists of power.

The rise of courtiers extends beyond the press. Elected officials govern under the pretense that they serve the public, while, with a few exceptions, actually working on behalf of corporations. In 2008, a Congress with a majority of Democrats passed the FISA bill, which provides immunity for the telecommunications companies that cooperated with the National Security Agency’s illegal surveillance over the previous six years. Such a bill endangers the work of journalists, human rights workers, crusading lawyers, and whistle-blowers who

attempt to expose abuses the government seeks to hide. This bill means we will never know the extent of the Bush White House's violation of our civil liberties. Worst of all, since the bill gives the U.S. government a license to eavesdrop on our phone calls and e-mails, it effectively demolishes our right to privacy. These private communications can be stored indefinitely and disseminated, not just to the U.S. government but to other governments as well. The bill will make it possible for those in power to identify and silence anyone who dares to make information public that defies the official narrative or exposes fraud or abuse of power. But the telecommunications corporations, which spent some \$15 million in lobbying fees, wanted the bill passed, so it was passed.

Being a courtier requires agility and eloquence. The most talented of them should be credited as persuasive actors. They entertain us. They make us feel good. They persuade us; they are our friends. They are the smiley faces of a corporate state that has hijacked the government. When the corporations make their iron demands, these courtiers drop to their knees. They placate the telecommunications companies that want to be protected from lawsuits. They permit oil and gas companies to rake in obscene profits and keep in place the vast subsidies of corporate welfare doled out by the state. They allow our profit-driven health-care system to leave the uninsured and underinsured to suffer and die without proper care.

We trust courtiers wearing face powder who deceive us in the name of journalism. We trust courtiers in our political parties who promise to fight for our interests and then pass bill after bill to further corporate fraud and abuse. We confuse how we are made to feel about courtiers with real information, facts, and knowledge. This is the danger of a culture awash in pseudo-events. The Democratic Party refused to impeach Bush and Cheney. It allows the government to spy on us without warrants or cause. It funnels billions in taxpayer dollars to investment firms that committed fraud. And it tells us it cares about the protection of our civil rights and democracy. It is a form of collective abuse. And, as so often happens in the weird pathology of victim and victimizer, we keep coming back for more.

Our political and economic decline took place because of a corporate drive for massive deregulation, the repeal of antitrust laws, and the

country's radical transformation from a manufacturing economy to an economy of consumption. Franklin Delano Roosevelt recognized this danger. He sent a message to Congress on April 29, 1938, titled "Recommendations to the Congress to Curb Monopolies and the Concentration of Economic Power." In it he wrote:

the first truth is that the liberty of democracy is not safe if the people tolerate the growth of power to a point where it becomes stronger than the democratic state itself. That, in its essence, is Fascism—ownership of Government by an individual, by a group, or by any other controlling private power. The second truth is that the liberty of a democracy is not safe if its business system does not provide employment and produce and distribute goods in such a way to sustain an acceptable standard of living.⁸

The rise of the corporate state has grave political consequences, as we saw in Italy and Germany in the early part of the twentieth century. Antitrust laws not only regulate and control the marketplace. They also serve as bulwarks to protect democracy. And now that they are gone, now that we have a state run by and on behalf of corporations, we must expect inevitable and terrifying consequences.

As the pressure mounts, as this despair and impoverishment reach into larger and larger segments of the populace, the mechanisms of corporate and government control are being bolstered to prevent civil unrest and instability. The emergence of the corporate state always means the emergence of the security state. This is why the Bush White House pushed through the Patriot Act (and its renewal), the suspension of habeas corpus, the practice of "extraordinary rendition," the practice of warrantless wiretapping on American citizens, and the refusal to ensure free and fair elections with verifiable ballot-counting. It is all part of a package. It comes together. The motive behind these measures is not to fight terrorism or to bolster national security. It is to seize and maintain internal control.

Hints of our brave new world seeped out when the director of national intelligence, retired admiral Dennis Blair, testified in February and March 2009 before the Senate Intelligence Committee. He warned that the deepening economic crisis posed perhaps our gravest threat to

stability and national security. It could trigger, he said, a return to the “violent extremism” of the 1920s and ’30s. “The primary near-term security concern of the United States is the global economic crisis and its geopolitical implications,” Blair told the Senate:

The crisis has been ongoing for over a year, and economists are divided over whether and when we could hit bottom. Some even fear that the recession could further deepen and reach the level of the Great Depression. Of course, all of us recall the dramatic political consequences wrought by the economic turmoil of the 1920s and 1930s in Europe, the instability, and high levels of violent extremism.⁹

The road ahead is grim. The United Nations’ International Labor Organization estimates that some 50 million workers will lose their jobs worldwide in 2009. The collapse had already seen close to 4 million lost jobs in the United States by mid-2009. The International Monetary Fund’s prediction for global economic growth in 2009 is 0.5 percent—the worst since the Second World War. There were 2.3 million properties in the United States that received a default notice or were repossessed in 2008. And this number is set to rise, especially as vacant commercial real estate begins to be foreclosed. About 20,000 major global banks collapsed, were sold, or were nationalized in 2008. An estimated 62,000 U.S. companies are expected to shut down in 2009.

We have few tools left to dig our way out. The manufacturing sector in the United States has been dismantled by globalization. Consumers, thanks to credit card companies and easy lines of credit, are \$14 trillion in debt. The government has spent, lent, or guaranteed \$12.8 trillion toward the crisis, most of it borrowed or printed in the form of new money. It is borrowing to fund our wars in Afghanistan and Iraq. And no one states the obvious: We will never be able to pay these loans back. We are supposed to spend our way out of the crisis and maintain our part of the grand imperial project on credit. We are supposed to bring back the illusion of wealth created by the bubble economy. There is no coherent and realistic plan, one built around our severe limitations, to stanch the bleeding or ameliorate the mounting deprivations we will suffer as citizens. Contrast this with the national security state’s preparations to crush potential civil unrest, and you get a glimpse of the future.

Senator Frank Church, as chairman of the Select Committee on Intelligence in 1975, investigated the government's massive and highly secretive National Security Agency. He was alarmed at the ability of the state to intrude into private lives. He wrote when he finished his investigation:

That capability at any time could be turned around on the American people and no American would have any privacy left, such is the capability to monitor everything: telephone conversations, telegrams, it doesn't matter. There would be no place to hide. If this government ever became a tyranny, if a dictator ever took charge in this country, the technological capacity that the intelligence community has given the government could enable it to impose total tyranny, and there would be no way to fight back, because the most careful effort to combine together in resistance to the government, no matter how privately it was done, is within the reach of the government to know. Such is the capability of this technology. . . . I don't want to see this country ever go across the bridge. I know the capability that is there to make tyranny total in America, and we must see to it that this agency and all agencies that possess this technology operate within the law and under proper supervision, so that we never cross over that abyss. That is the abyss from which there is no return. . . .¹⁰

At the time Senator Church made this statement, the NSA was not authorized to spy on American citizens. Today it is.

The military can be ordered by the president into any neighborhood, any town or suburb, capture a citizen and hold him or her in prison without charge. The executive branch can do this under the Authorization for Use of Military Force, passed by Congress after 9/11, that gives the president the power to "use all necessary and appropriate force" against anyone involved in planning, aiding, or carrying out terror attacks. And if the president can declare American citizens living inside the United States to be enemy combatants and order them stripped of constitutional rights, which he effectively can under this authorization, what does this mean for us? How long can we be held without charge? Without lawyers? Without access to the outside world?

The specter of social unrest was raised at the Strategic Studies Institute of the U.S. Army War College in November 2008, in a monograph by Nathan Freier titled *Known Unknowns: Unconventional "Strategic Shocks" in Defense Strategy Development*. The military must be prepared, Freier warned, for a "violent, strategic dislocation inside the United States" that could be provoked by "unforeseen economic collapse," "purposeful domestic resistance," "pervasive public health emergencies," or "loss of functioning political and legal order." The resulting "widespread civil violence," the document said, "would force the defense establishment to reorient priorities in extremis to defend basic domestic order and human security."¹¹

"An American government and defense establishment lulled into complacency by a long-secure domestic order would be forced to rapidly divest some or most external security commitments in order to address rapidly expanding human insecurity at home," it went on.

"Under the most extreme circumstances, this might include use of military force against hostile groups inside the United States. Further, [the Department of Defense] would be, by necessity, an essential enabling hub for the continuity of political authority in a multistate or nationwide civil conflict or disturbance," the document read.

In plain English, this translates into the imposition of martial law and a de facto government run and administered by the Department of Defense. They are considering it. So should we.

Blair warned the Senate that "roughly a quarter of the countries in the world have already experienced low-level instability such as government changes because of the current slowdown." He noted that the "bulk of anti-state demonstrations" internationally have been seen in Europe and the former Soviet Union, but this did not mean they could not spread to the United States. He told the senators that the collapse of the global financial system is "likely to produce a wave of economic crises in emerging market nations over the next year." He added that "much of Latin America, former Soviet Union states, and sub-Saharan Africa lack sufficient cash reserves, access to international aid or credit, or other coping mechanism."

"When those growth rates go down, my gut tells me that there are going to be problems coming out of that, and we're looking for that,"

he said. He referred to “statistical modeling” showing that “economic crises increase the risk of regime-threatening instability if they persist over a one- to two-year period.”

Blair articulated the newest narrative of fear. As the economic unraveling accelerates, we will be told it is not the bearded Islamic extremists who threaten us most, although those in power will drag them out of the Halloween closet whenever they need to give us an exotic shock, but instead the domestic riffraff, environmentalists, anarchists, unions, right-wing militias, and enraged members of our dispossessed working class. Crime, as it always does in times of poverty and turmoil, will grow. Those who oppose the iron fist of the state security apparatus will be lumped together in slick, corporate news reports with the growing criminal underclass.

The destruction the corporate state has wrought has been masked by lies. The consumer price index (CPI), for example, used by the government to measure inflation, is meaningless. To keep the official inflation figures low, the government has been substituting basic products they once tracked to check for inflation with ones that do not rise very much in price. This trick has kept the cost-of-living increases tied to the CPI artificially low. The disconnect between what we are told and what is actually true is worthy of the deceit practiced in the old East Germany. The *New York Times*' consumer reporter, W. P. Dunleavy, wrote that her groceries now cost \$587 a month, up from \$400 one year earlier. This is a 40 percent increase. California economist John Williams, who runs an organization called Shadow Statistics, contends that if Washington still used the CPI measurements applied back in the 1970s, inflation would be about 10 percent.

The advantage of false statistics to the corporations is huge. An artificial inflation rate, one far lower than the real rate, keeps down equitable interest payments on bank accounts and certificates of deposit. It masks the deterioration of the American economy. The fabricated statistics allow corporations and the corporate state to walk away from obligations tied to real adjustments for inflation. These statistics mean that less is paid out in Social Security and pensions. These statistics reduce the interest on the multitrillion-dollar debt. Corporations never have to pay real cost-of-living increases to their employees.

The lies employed to camouflage the economic decline have been in place for several decades. President Ronald Reagan included 1.5 million U.S. Army, Navy, Air Force, and Marine service personnel with the civilian work force to magically reduce the nation's unemployment rate by 2 percent. President Clinton decided that those who had given up looking for work, or those who wanted full-time jobs but could find only part-time employment, were no longer to be counted as unemployed. His trick disappeared some 5 million unemployed from the official unemployment rolls. If you work more than twenty-one hours a week—most low-wage workers at places like Wal-Mart average twenty-eight hours a week—you are counted as employed, although your real wages put you below the poverty line. Our actual unemployment rate, when you include those who have stopped looking for work and those who can find only poorly paid part-time jobs, is not 8.5 percent but 15 percent. A sixth of the country was effectively unemployed in May of 2009. And we were shedding jobs at a faster rate than in the months after the 1929 crash.

Individualism is touted as the core value of American culture, and yet most of us meekly submit, as we are supposed to, to the tyranny of the corporate state. We define ourselves as a democracy, and meanwhile voting rates in national elections are tepid, and voting on local issues is often in the single digits. Our elected officials base their decisions not on the public good but on the possibility of campaign contributions and lucrative employment on leaving office. Our corporate elite tell us government is part of the problem and the markets should regulate themselves—and then that same elite plunders the U.S. Treasury when they trash the economy. We insist we are a market economy, one based on the principles of capitalism and free trade, and yet the single largest sectors of international trade are armaments and weapons systems. There is a vast and growing disconnect between what we say we believe and what we do. We are blinded, enchanted, and finally enslaved by illusion.

It was the economic meltdown of Yugoslavia that gave us Slobodan Milosevic. It was the collapse of the Weimar Republic that vomited up Adolf Hitler. And it was the breakdown in czarist Russia that opened the door for Vladimir Lenin and the Bolsheviks. Financial

collapses lead to political extremism. The rage bubbling up from our impoverished and disenfranchised working class presages a looming and dangerous right-wing backlash. I spent two years traveling the country to write a book on the Christian Right called *American Fascists: The Christian Right and the War on America*. I visited former manufacturing towns where for many the end of the world is no longer an abstraction. They have lost hope. Fear and instability have plunged the working classes into profound personal and economic despair, and, not surprisingly, into the arms of the demagogues and charlatans of the radical Christian Right who offer a belief in magic, miracles, and the fiction of a utopian Christian nation. And unless we rapidly re-enfranchise our dispossessed workers into the economy, unless we give them hope, our democracy is doomed.

In his book *Collapse*, economist Jared Diamond lists five factors that can lead to social decay, including a failure to understand and to prevent causes of environmental damage; climate change; depredations by hostile neighbors; the inability of friendly neighbors to continue trade; and finally, how the society itself deals with the problems raised by the first four factors. A common failing involved in the last item is the dislocation between the short-term interests of elites and the longer-term interests of the societies the elites dominate and exploit.

His last point is crucial. Corruption, mismanagement, and political inertia by an elite, which is beyond the reach of the law, almost always result in widespread cynicism, disengagement, apathy, and finally rage. Those who suffer the consequences of this mismanagement lose any loyalty to the nation and increasingly nurse fantasies of violent revenge. The concept of the common good, mocked by the behavior of the privileged classes, disappears. Nothing matters. It is only about "Me."

As the public begins to grasp the depth of the betrayal and abuse by our ruling class; as the Democratic and Republican parties expose themselves as craven tools of our corporate state; as savings accounts, college funds, and retirement plans become worthless; as unemployment skyrockets and home values go up in smoke, we must prepare for the political resurgence of reinvigorated right-wing radicals including those within the Christian Right. The engine of the Christian Right—

as is true for all radical movements—is personal and economic despair. And despair, in an age of increasing shortages, poverty and hopelessness, will be one of our few surplus commodities.

But our collapse is more than an economic and political collapse. It is a crisis of faith. The capitalist ideology of unlimited growth has failed. It did not take into account the massive depletion of the world's resources, from fossil fuels to clean water to fish stocks to soil erosion, as well as overpopulation, global warming, and climate change. It failed to understand that the huge, unregulated international flows of capital and assault on manufacturing would wreck the global financial system. An overvalued dollar (which could soon deflate); wild tech; stock and housing financial bubbles; unchecked greed; the decimation of our manufacturing sector; the empowerment of an oligarchic class; the corruption of our political elite; the impoverishment of workers; a bloated military and defense budget; and unrestrained credit binges are consequences of a failed ideology and conspire to bring us down. The financial crisis may soon become a currency crisis. This second shock will threaten our financial viability. We let the market rule. Now we are paying for it.

In his book *The Great Transformation*, written in 1944, Karl Polanyi laid out the devastating consequences—the depressions, wars, and totalitarianism—that grow out of a so-called self-regulated free market. He grasped that “fascism, like socialism, was rooted in a market society that refused to function.” He warned that a financial system always devolved, without heavy government control, into a Mafia capitalism—and a Mafia political system—which is a good description of our power elite.

Polanyi, who fled fascist Europe in 1933 and eventually taught at Columbia University, wrote that a self-regulating market turned human beings and the natural environment into commodities, a situation that ensures the destruction of both society and the natural environment. He decried the free market's assumption that nature and human beings are objects whose worth is determined by the market. He reminded us that a society that no longer recognizes that nature and human life have a sacred dimension, an intrinsic worth beyond monetary value, ultimately commits collective suicide. Such societies cannibalize themselves until they die. Speculative excesses and growing

inequality, he wrote, always destroy the foundation for a continued prosperity.

We face an environmental meltdown as well as an economic meltdown. This would not have surprised Polanyi. Polar ice caps are melting. Sea levels are rising. The planet is warming at an alarming rate. Droughts are destroying croplands. Russia's northern coastline has begun producing huge quantities of toxic methane gas. Scientists with the International Siberian Shelf Study describe what they saw along the coastline recently as "methane chimneys" reaching from the sea floor to the ocean's surface. Methane, locked in the permafrost of Arctic landmasses, is being released at an alarming rate as average Arctic temperatures rise. Methane is a greenhouse gas twenty-five times more powerful than carbon dioxide. The release of millions of tons of it will only accelerate the rate of global warming.

Those who run our corporate state have fought environmental regulation as tenaciously as they have fought financial regulation. They are responsible, as Polanyi predicted, for our personal impoverishment and the impoverishment of our ecosystem. We remain addicted, courtesy of the oil, gas, and automobile industries and a corporate-controlled government, to fossil fuels. Species are vanishing. The great human migration from coastlines and deserts has begun. And as temperatures continue to rise, huge parts of the globe will become uninhabitable. The continued release of large quantities of methane, some scientists have warned, could asphyxiate the human species. NASA climate scientist James Hansen has demonstrated that any concentration of carbon dioxide greater than 350 parts per million in the atmosphere is not compatible with maintenance of the biosphere on the "planet on which civilization developed and to which life on earth is adapted." To halt this self-immolation, he has determined, the world must stop burning coal by 2030—and the industrialized world well before that—if we are to have any hope of ever getting the planet back down below that 350 number. And in the United States coal supplies half of our electricity.

Democracy is not an outgrowth of free markets. Democracy and capitalism are antagonistic entities. Democracy, like individualism, is based not on personal gain but on self-sacrifice. A functioning democracy must often defy the economic interests of elites on behalf of

citizens, but this is not happening. The corporate managers and government officials trying to fix the economic meltdown are pouring money and resources into the financial sector because they are trained only to manage and sustain the established system, not change it.

Saul writes that the first three aims of the corporatist movement in Germany, Italy, and France during the 1920s, those that went on to become part of the fascist experience, were “to shift power directly to economic and social interest groups, to push entrepreneurial initiative in areas normally reserved for public bodies,” and to “obliterate the boundaries between public and private interest—that is, challenge the idea of the public interest.” It sounds depressingly familiar.

The working class, which has desperately borrowed money to stay afloat as real wages have dropped, now face years, maybe decades, of stagnant or declining incomes without access to new credit. The national treasury, meanwhile, is being drained on behalf of speculative commercial interests. The government—the only institution citizens have that is big enough and powerful enough to protect their rights—is becoming weaker, more anemic, and increasingly unable to help the mass of Americans who are embarking on a period of deprivation and suffering unseen in this country since the 1930s. Creative destruction, Joseph Schumpeter understood, is the essential fact about unfettered capitalism.

“You are going to see the biggest waste, fraud, and abuse in American history,” Ralph Nader told me when I asked about the bailouts. “Not only is it wrongly directed, not only does it deal with the perpetrators instead of the people who were victimized, but they don’t have a delivery system of any honesty and efficiency. The Justice Department is overwhelmed. It doesn’t have a tenth of the prosecutors, the investigators, the auditors, the attorneys needed to deal with the previous corporate crime wave before the bailout started last September. It is especially unable to deal with the rapacious ravaging of this new money by these corporate recipients. You can see it already. The corporations haven’t lent it. They have used some of it for acquisitions or to preserve their bonuses or their dividends. As long as they know they are not going to jail, and they don’t see many newspaper reports about their colleagues going to jail, they don’t care. It is total impunity. If they

quit, they quit with a golden parachute. Even [General Motors CEO Rick] Wagoner is taking away \$21 million.”

There are a handful of former executives who have conceded that the bailouts are a waste. The former chairman of American International Group Inc. (AIG), Maurice R. Greenberg, told the House Oversight and Government Reform Committee that the effort to prop up the firm with \$170 billion has “failed.” He said the company should be restructured. AIG, he said, would have been better off filing for Chapter 11 bankruptcy protection instead of seeking government help.

“These are signs of hyper-decay,” Ralph Nader said from his office in Washington. “You spend this kind of money and do not know if it will work.”

“Bankrupt corporate capitalism is on its way to bankrupting the socialism that is trying to save it,” he added. “That is the end stage. If they no longer have socialism to save them, then we are into feudalism. We are into private police, gated communities, and serfs with a twenty-first-century nomenclature.”

We will not be able to raise another \$3 or \$4 trillion, especially with our commitments now totaling more than \$12 trillion, to fix the mess. It was not long ago that such profligate government spending was unthinkable. There was an \$800 billion limit placed on the Federal Reserve. The economic stimulus and the bailouts will not bring back our casino capitalism. And as the meltdown shows no signs of abating, and the bailouts show no sign of working, the recklessness and desperation of our capitalist overlords have increased. The cost to the working and middle class is becoming unsustainable. The Fed reported that households lost \$5.1 trillion, or 9 percent, of their wealth in the last three months of 2008, the most ever in a single quarter in the fifty-seven-year history of record-keeping by the central bank. For the full year, household wealth dropped \$11.1 trillion, or about 18 percent. These figures did not record the decline of investments in the stock market, which has probably erased trillions more in the country’s collective net worth.

The bullet to our head, inevitable if we do not radically alter course, will be sudden. We have been borrowing at the rate of more than \$2 billion a day over the last ten years, and at some point it has to

stop. The moment China, the oil-rich states, and other international investors stop buying U.S. Treasury Bonds, the dollar will become junk. Inflation will rocket upward. We will become Weimar Germany. A furious and sustained backlash by a betrayed and angry populace, one unprepared intellectually and psychologically for collapse, will sweep aside the Democrats and most of the Republicans. A cabal of proto-fascist misfits, from Christian demagogues to simpletons like Sarah Palin to loudmouth talk-show hosts, whom we naively dismiss as buffoons, will find a following with promises of revenge and moral renewal. The elites, the ones with their Harvard Business School degrees and expensive vocabularies, will retreat into their sheltered enclaves of privilege and comfort. We will be left bereft, abandoned outside the gates, and at the mercy of the security state.

Lenin said that the best way to destroy the capitalist system was to debauch its currency. As our financial crisis unravels, and our currency becomes worthless, there will be a loss of confidence in the traditional mechanisms that regulate society. When money becomes worthless, so does government. All traditional standards and beliefs are shattered in a severe economic crisis. The moral order is turned upside down. The honest and industrious are wiped out while the gangsters, profiteers, and speculators walk away with millions. There are signs that this has begun. Look at Lehman Brothers CEO Richard Fuld. Many of his investors lost everything and yet he pocketed \$485 million. An economic collapse does not mean *only* the degradation of trade and commerce, food shortages, bankruptcies, and unemployment. It also means the systematic dynamiting of the foundations of a society. I watched this happen in Yugoslavia. I watch it now in the United States.

The free market and globalization, promised as routes to worldwide prosperity, have been exposed as two parts of a con game. But this exposure does not mean our corporate masters will disappear. Totalitarianism, as George Orwell pointed out, is not so much an age of faith as an age of schizophrenia. "A society becomes totalitarian when its structure becomes flagrantly artificial," Orwell wrote. "That is when its ruling class has lost its function but succeeds in clinging to power by force or fraud."¹² They have engaged in massive fraud. Force is all they have left.

There are powerful corporate entities, fearful of losing their influence and wealth, arrayed against us. They are waiting for a moment to strike, a national crisis that will allow them, in the name of national security and moral renewal, to take complete control. The tools are in place. These antidemocratic forces, which will seek to make an alliance with the radical Christian Right and other extremists, will use fear, chaos, the hatred for the ruling elites, and the specter of left-wing dissent and terrorism to impose draconian controls to extinguish our democracy. And while they do it, they will be waving the American flag, chanting patriotic slogans, promising law and order, and clutching the Christian cross. By then, exhausted and broken, we may have lost the power to resist.

In Joseph Roth's book *The Emperor's Tomb*, which chronicles the decay of the Austro-Hungarian Empire, he wrote that at the very end of the empire, even the streetlights longed for morning so that they could be extinguished. The undercurrent of a world like ours, where people are reduced to objects and where there are no higher values, where national myths collapse, triggers a similar longing for annihilation and a moral decline into hedonism and giddy, communal madness. The earth is strewn with the ruins of powerful civilizations that decayed—Egypt, Persia, the Mayan empires, Rome, Byzantium, and the Mughal, Ottoman, and Chinese kingdoms. Not all died for the same reasons. Rome, for example, never faced a depletion of natural resources or environmental catastrophe. But they all, at a certain point, were taken over by a bankrupt and corrupt elite. This elite, squandering resources and pillaging the state, was no longer able to muster internal allegiance and cohesiveness. These empires died morally. The leaders, in the final period of decay, increasingly had to rely on armed mercenaries, as we do in Iraq and Afghanistan, because citizens would no longer serve in the military. They descended into orgies of self-indulgence, surrendered their civic and emotional lives to the glitter, excitement, and spectacle of the arena, became politically apathetic, and collapsed.

The more we sever ourselves from a literate, print-based world, a world of complexity and nuance, a world of ideas, for one informed by

comforting, reassuring images, fantasies, slogans, celebrities, and a lust for violence, the more we are destined to implode. As the collapse continues and our suffering mounts, we yearn, like World Wrestling Entertainment fans, or those who confuse pornography with love, for the comfort, reassurance, and beauty of illusion. The illusion makes us feel good. It is its own reality. And the lonely Cassandras who speak the truth about our misguided imperial wars, the economic meltdown, or the imminent danger of multiple pollutions and soaring overpopulation, are drowned out by arenas full of excited fans chanting, "Slut! Slut! Slut!" or television audiences chanting, "JER-RY! JER-RY! JER-RY!"

The worse reality becomes, the less a beleaguered population wants to hear about it, and the more it distracts itself with squalid pseudo-events of celebrity breakdowns, gossip, and trivia. These are the debauched revels of a dying civilization. The most ominous cultural divide lies between those who chase after these manufactured illusions, and those who are able to puncture the illusion and confront reality. More than the divides of race, class, or gender, more than rural or urban, believer or nonbeliever, red state or blue state, our culture has been carved up into radically distinct, unbridgeable, and antagonistic entities that no longer speak the same language and cannot communicate. This is the divide between a literate, marginalized minority and those who have been consumed by an illiterate mass culture.

Mass culture is a Peter Pan culture. It tells us that if we close our eyes, if we visualize what we want, if we have faith in ourselves, if we tell God that we believe in miracles, if we tap into our inner strength, if we grasp that we are truly exceptional, if we focus on happiness, our lives will be harmonious and complete. This cultural retreat into illusion, whether peddled by positive psychologists, Hollywood, or Christian preachers, is a form of magical thinking. It turns worthless mortgages and debt into wealth. It turns the destruction of our manufacturing base into an opportunity for growth. It turns alienation and anxiety into a cheerful conformity. It turns a nation that wages illegal wars and administers off-shore penal colonies where it openly practices torture into the greatest democracy on earth.

The world that awaits us will be painful and difficult. We will be dragged back to realism, to the understanding that we cannot mold

and shape reality according to human desires, or we will slide into despotism. We will learn to adjust our lifestyles radically, to cope with diminished resources, environmental damage, and a contracting economy, as well as our decline as a military power, or we will die clinging to our illusions. These are the stark choices before us.

But even if we fail to halt the decline, it will not be the end of hope. The forces we face may be powerful and ruthless. They may have the capacity to plunge us into a terrifying dystopia, one where we will see our freedoms curtailed and widespread economic deprivation. But no tyranny in history has crushed the human capacity for love. And this love—unorganized, irrational, often propelling us to carry out acts of compassion that jeopardize our existence—is deeply subversive to those in power. Love, which appears in small, blind acts of kindness, manifested itself even in the horror of the Nazi death camps, in the killing fields of Cambodia, in the Soviet gulags, and in the genocides in the Balkans and Rwanda.

The Russian novelist Vasily Grossman wrote of the power of these acts in his masterpiece *Life and Fate*:

I have seen that it is not man who is impotent in the struggle against evil, but the power of evil that is impotent in the struggle against man. The powerlessness of kindness, of senseless kindness, is the secret of its immortality. It can never be conquered. The more stupid, the more senseless, the more helpless it may seem, the vaster it is. Evil is impotent before it. The prophets, religious teachers, reformers, social and political leaders are impotent before it. This dumb, blind love is man's meaning.

Human history is not the battle of good struggling to overcome evil. It is a battle fought by a great evil struggling to crush a small kernel of human kindness. But if what is human in human beings has not been destroyed even now, then evil will never conquer.¹³

What was a scrap of paper to a commander of the Khmer Rouge or Joseph Stalin? What was a scrap of paper to the Russian poet Osip Mandelstam, extinguished in Stalin's reign of terror, or the Hungarian poet Miklós Radnóti, on whose body, found in a mass grave, were poems that condemned his fascist killers and are today taught to

schoolchildren in Hungary? "I'm a poet who's fit for the stake's fire," Radnóti had scribbled, "because to the truth he's testified. One, who knows that the snow is white, the blood is red, as is the poppy, and the poppy's furry stalk is green. One, whom they will kill in the end, because he himself has never killed." What were the teachings of Jesus to the Roman consuls or the sayings of Buddha to the feudal warlords? Whose words, decades later, do we heed: the pompous and grandiose rants of the dictator and the politician, or the gentle reminders that call us back to the human?

I am not naïve about violence, tyranny, and war. I have seen enough of human cruelty. But I have also seen in conflict after conflict that we underestimate the power of love, the power of a Salvadorian archbishop, even though he was assassinated, to defy the killing, the power of a mayor in a small Balkan village to halt the attacks on his Muslim neighbors. These champions of the sacred, even long after they are gone, become invisible witnesses to those who follow, condemning through their courage their own executioners. They may be few in number but their voices ripple outward over time. The mediocrities who mask their feelings of worthlessness and emptiness behind the façade of power and illusion, who seek to make us serve their perverse ideologies, fear most those who speak in the language of love. They seek, as others have sought throughout human history, to silence these lonely voices, and yet these voices always rise in magnificent defiance. All ages, all cultures, and all religions produce those who challenge the oppressor and fight for the oppressed. Ours is no exception. The ability to stand as "an ironic point of light" that "flashes out wherever the just exchange their messages," is the ability to sustain a life of meaning. It is to understand, as Cyrano said at the end of his life, "I know, you will leave me with nothing—neither the laurel nor the rose. Take it all then! There is one possession I take with me from this place. Tonight when I stand before God—and bow low to him, so that my forehead brushes his footstool, the firmament—I will stand again and proudly show Him that one pure possession—which I have never ceased to cherish or to share with all—"

Our culture of illusion is, at its core, a culture of death. It will die and leave little of value behind. It was Sparta that celebrated raw militarism, discipline, obedience, and power, but it was Athenian art and

philosophy that echoed down the ages to enlighten new worlds, including our own. Hope exists. It will always exist. It will not come through structures or institutions, nor will it come through nation-states, but it will prevail, even if we as distinct individuals and civilizations vanish. The power of love is greater than the power of death. It cannot be controlled. It is about sacrifice for the other—something nearly every parent understands—rather than exploitation. It is about honoring the sacred. And power elites have for millennia tried and failed to crush the force of love. Blind and dumb, indifferent to the siren calls of celebrity, unable to bow before illusions, defying the lust for power, love constantly rises up to remind a wayward society of what is real and what is illusion. Love will endure, even if it appears darkness has swallowed us all, to triumph over the wreckage that remains.