TRANSCRIPT

The Economic Hit Man: A Background

Rohan Hazell:

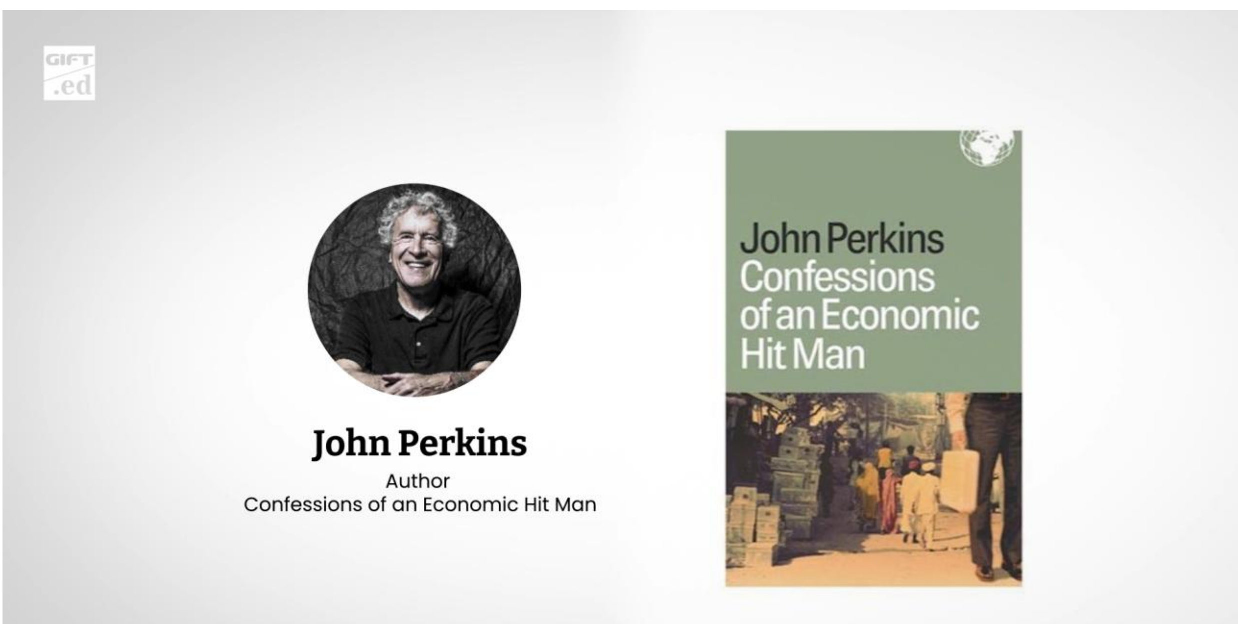
18th century Scottish economist and philosopher, Adam Smith, used the "invisible hand of the free market "as a metaphor describing the wider economic benefits to society when individuals act in their own self interests.

As John Perkins revealed in his best-selling memoir, Confessions of an Economic Hitman, behind-the-scenes influences on the economy go well beyond Smith's invisible hand.

Prior to becoming a best-selling author, John was the chief economist in a major consulting firm, advising the World Bank, United Nations, Fortune 500 corporations, and governments around the world.

We spoke to John to gain greater insight into how economic forces can be shaped and influenced by a small global minority, and not always in ways that benefit the collective.

John Perkins:



It's interesting how in business school I was taught and then working with the World Bank in the early parts of my career, I was taught that if you want to help a lower income country that has resources that your corporations would like to get a hold of, you want to help that country, you convince the country to take out huge loans from what we called *The Washington Consensus* - the World Bank, the Asian Development Bank, et cetera. But the money never actually goes to the country. It goes to hire our own companies, US companies, construction companies, to build big infrastructure projects like power plants and highways and industrial parks and so forth.

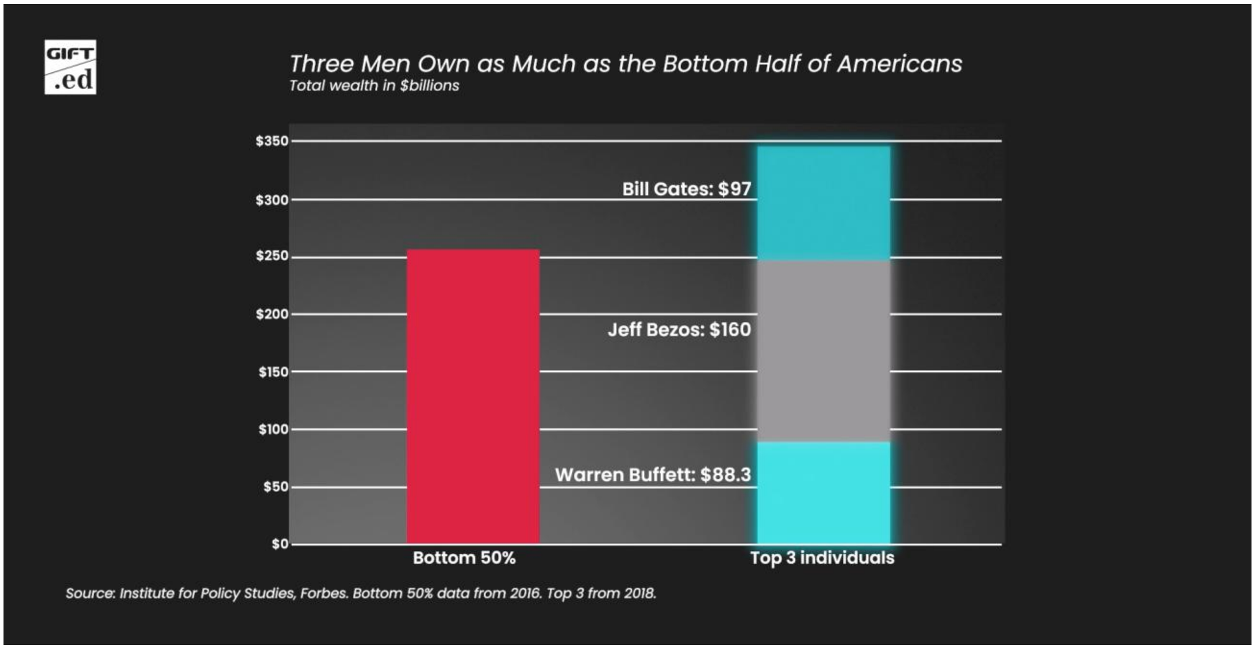
The Washington Consensus

A still widely-debated set of economic policies that were advocated by the International Monetary Fund (IMF), the World Bank, and the US Treasury Department during the 1980s and 1990s, aimed at promoting economic growth and stability in developing countries

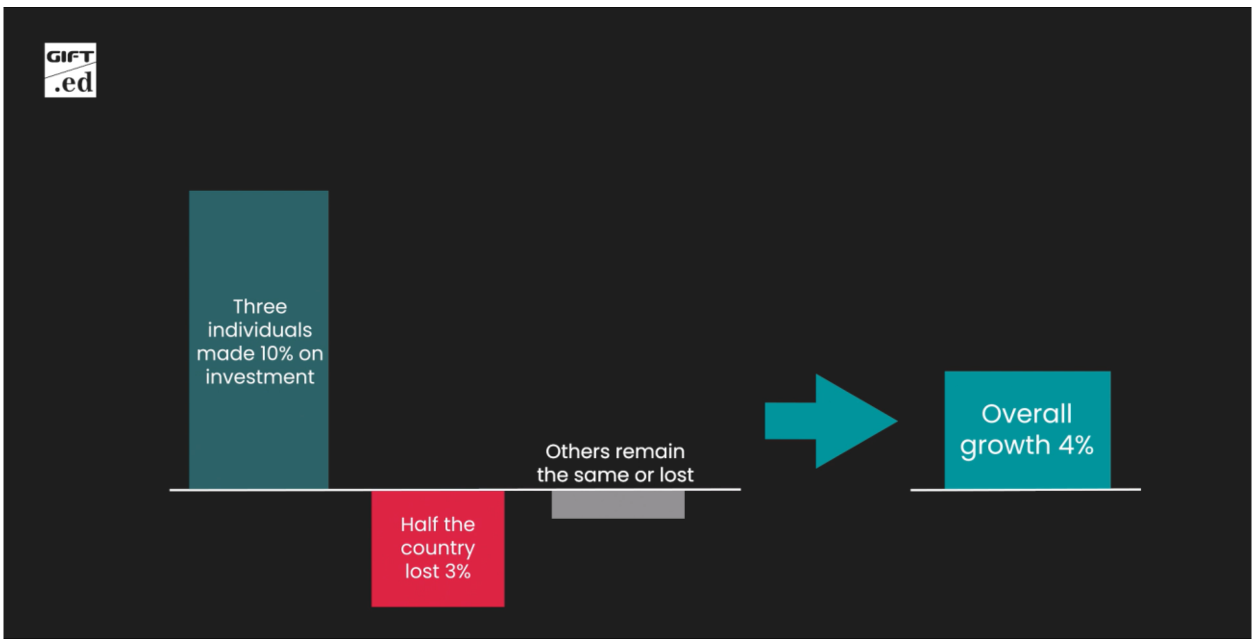
And these things for one thing, they make big profits for our companies. And they make a few families in the country very wealthy, the families that own the industries and the commercial establishments, but the majority of the people suffer because money is diverted from healthcare, education and other social services to pay off the interest on the loan. And in the end, the principle can't be repaid. So, we go back and say, sell your resources real cheap to our corporations, and vote with us at the United Nations. Let us build a military base on your soil. You know, it's a very old story, and yet I believe that I didn't see all the negative aspects at the beginning.

I only saw the positive, which was when you invest that kind of money, you could show statistically that the GDP grows, the economy grows, and that was interpreted as meaning that everybody prospers. But over time, and particularly with the help of the head of state of Panama, Omar Torrijos, and a few other individuals who exposed me to the truth, I saw the negative aspects, the fact that these statistics are a lie.

They don't provide information about true prosperity. It's only the prosperity of the rich. And you know, I'd say that as a good example. Today in the United States, three individuals have as much wealth as half the US population.



If those three individuals made 10% on their investments on their wealth last year, and half the country lost 3% and everybody else remained the same, it would show an overall growth of almost 4%.



So the statistics, if you're measuring by our current metrics, which would indicate that there's prosperity for everyone when in fact, only three individuals made all the money and everybody else either remained the same or lost. But it took me a long time to realise that because the story is told that it's not that way.

Finally, after seven years in that job, more or less, I began to understand the truth behind it. But I was stuck in the system. I was making a lot of money. I was travelling first class around the world. I grew up a relatively poor teacher's son. I wasn't impoverished, but in the United States, and suddenly I'm just living the life of what seemed like the American dream. I didn't want to admit that I knew what I knew. But over the next couple of years, my conscience really got to me. So, on my 10th year in that job, I quit and they made it very hard for me to quit from many different aspects.

But I did eventually quit, and I began to write this book. I decided to write an expose. I contacted other people who had jobs like mine and the people we call the "jackals" who, if the economic hitmen don't succeed in convincing governments leaders to accept these huge loans that the people go in who threaten coups and assassinations, and actually do them sometimes as you well know. And the United States has a history and in many parts of the world, Iran, Indonesia, Chile, many places, certainly a lot of involvement in the Philippines and many places.

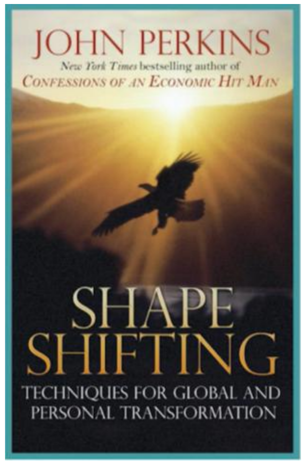
So, I began to contact these people to include them in the book, and I was then being contacted myself. I received phone calls, anonymous phone calls which threatened my life and my infant daughter. And I took this threat seriously because I knew what these people could do. I was terrified.

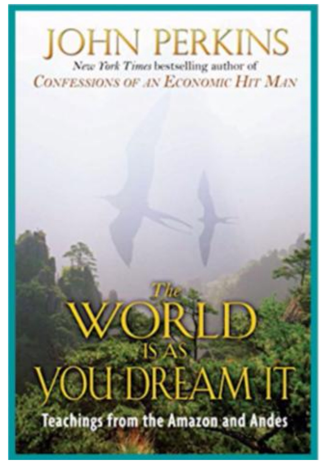
At the same time, the president of a major consulting firm, an engineering consulting firm in Boston, one of the largest in the United States, and perhaps the world at the time that had been a competitor of my company, this president of this company, Stone & Webster Engineering Company, invited me out to dinner. And he said, you know, you got a great resume. You were Chief Economist at one of our rivals. We'd like to use your resume in our proposals. You don't have to do anything for us or very little for us. Just let us use your resume and I'm prepared to write you a cheque for half a million dollars tomorrow morning as a consultant's retainer.

This is the late 80s, you know, half a million is nothing to laugh at today, but it was a lot more back then. So, my life is being threatened and I'm being offered this money and the president of this company turns to me and he says, you know, you just can't write that book.

So, I am getting exactly what presidents of these countries have gotten. I am getting the opportunity of a bribe to make a lot of money, a legal bribe because the consultants' retainers are perfectly legal, and at the same time, I am getting threatened. So I took the bribe. And, you know, in all fairness, I would say I did not put it toward buying a car, fancy cars or, or big houses I put it toward doing what I had done as a Peace Corps volunteer several years earlier and went back to the Amazon Rainforest where I lived for a couple of years as a Peace Corps volunteer and volunteered to help them save their forests and form a non-profit and wrote books about them.

I wrote five books - *Shapeshifting*, *The World Is As You Dream It* - books about what was going on in the Amazon, that was okay with Stone & Webster, but I didn't write *the* book.





And then many years later my contract had expired. I was in the Amazon on 9/11. When I came home I went to Ground Zero. As I looked at that smouldering pit, I knew I had to write about what I had done. But this time I decided I wouldn't contact anybody else. I would do it completely secretly, completely in private, and it would be an expose. It would have to be a personal story of confession. So, I wrote it as a confession and without anybody knowing.

I figured once I had it in the hands of a good agent in New York and he was sending it up to publisher, it would be my best insurance policy because you know, the National Security Agency, the CIA, organisations like that, the last thing they want is for a book like that to get a lot of attention and if its author can die mysteriously it's going to sell a lot of copies.

Rohan Hazell:

National and international economic decisions are not shaped solely by market forces, but are also greatly influenced by powerful actors in government and business.

As John Perkins has shared, these influences aren't always beneficial, and can serve the interests of a minority, rather than the collective.