

# PEACE STUDIES JOURNAL

Vol. 3, Issue 2  
August 2010

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## Book Review

*Confessions of an Economic Hit Man*, by John Perkins. San Francisco: Barret-Koehler Publishers Inc., 2004. Pp. 250.

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## CONFESSIONS OF AN ECONOMIC HIT MAN

For years I have studied, with some degree of horror, the accounts of investigative reporters and of a small group of social scientists, who have uncovered the dark underside of US foreign policy. The tales of covert CIA or Defense Department operations undermining governments considered to be “leftist” or too reform minded are well documented (Wise and Ross, 1965; Graham, 2004; Harrington, 1975; Mahle, 2004; Pilisuk, 1971) and former members of the CIA, who have become whistle-blowers, have since validated the accounts revealed by reporters (Stockwell, 1991). Frequently US corporate officials have been key partners in the coups that have occurred and have been major beneficiaries. Other studies of global poverty have shown that the policies of The World Bank and of the International Monetary Fund have resulted in an enormous third world debt that prevents poor nations from maintaining a share of resources needed to provide the education and health-care that might offer some hope to stem their poverty. It is a poverty that increases for the majority even as infrastructure projects increase the wealth of a few (Bello, Cunningham, & Rau, 1999). Somehow I have always been able to look at these debacles of government interference and of ruinous aid policies as the inadvertent result of shortsighted planning, of cold war fears and of bureaucratic inability to see the consequences of such interventions upon real people. The idea, however, that there might have been a self-conscious master plan to impoverish poor nations and to make their governments pawns of US global imperial ambitions, was one that I preferred to look upon as a conspiracy theory that went beyond the evidence. Enter John Perkins and his *Confessions of an Economic Hit-Man*.

Told in the first person and written with a level of intrigue akin to a James Bond thriller, this book examines the hidden hands directing much of US foreign policy during the second half of the 20<sup>th</sup> century. The level of direction and intent is staggering. Perkins was raised on the fringe of New England high society, served with his wife in the Peace Corps in Ecuador, and was recommended by his father-in-law for a position with the National Security Agency (the largest spy agency of the US). His early years in this work involved extensive psychological assessments of his strengths and vulnerabilities and his induction into a highly secretive role, that of an economic hit man. The official auspices soon changed to a private corporation working with large government contracts. Details were told to him gradually in the apartment of a woman assigned to mentor him. The location provided another level of deniability for the corporation and for the government. The seduction provided an assurance that he would not disclose details of his work to his wife or to others.

Perkins had obtained an MBA, but his position was predicated upon an ability to make economic forecasts and to sell them to heads of state in undeveloped countries. He supervised a staff including economists who provided complex models that could be used to exaggerate the benefits to GNP of massive loans. The loans were always for the development of infrastructure, oil drilling and pipelines, dams, electric power grids, and building complexes. The contracts would be awarded to such corporate giants as Bechtel, Halliburton, Brown and Root. The inducements to foreign leaders included military and police aid and training, lucrative financial benefits, recognition in US diplomatic circles, and even the procurement of personal mistresses. The contracts would make a small group within the accepting country very wealthy. On the negative side, they would make the particular nation a client state of the US, dependent upon further loans and adjustments to repay the incurred debts, and unable therefore to use the country's resources for a form of development that might provide sustainable productivity for its farmers, education and health for its children, and protections for its environment. Some populist leaders found the terms unacceptable. Many of the states that were more representative of the needs of their own people and that refused the loan terms, were removed in coups, assassinations, or plane or helicopter "accidents." If that did not produce a compliant government, the next steps were to foment a violent revolt and finally to send in the bombs and the marines.

Perkins' awareness of the game being played came through personal encounters with national leaders and with their opposition. He brought to his work an infatuation with the diverse and beautiful lands he visited and a curiosity and fascination with the people he met. People the world over shared with him their insights into how these massive projects were destroying not only ecosystems but also cultures.

Even where official dissent was dangerous, there were still people who would come and talk to Perkins. Under Suharto's regime in Indonesia --where more than 300,000 people were killed to maintain control-- he was to hear other voices. He was led to the show of a puppeteer whose stories revealed the imperial greed of Uncle Sam and the secret government campaign to dominate a large Muslim nation with oil reserves. The insight cast great doubt on the claim by Perkins' superiors that selling inflated loan contracts was needed to save the Indonesian people from communism

US officials and the Shah of Iran (who came to power after a CIA orchestrated removal of the popular Premier Mossadegh) might agree that transforming the desert into a modern industrial site was a good and lucrative idea. But others in Iran would tell Perkins, at great personal risk, that the destruction of the desert would eliminate both the Bedouins and the places where educated middle class Iranians came for vacations that connected them with their history. These dissidents could tell him what his employer did not want to hear: that the Shah was despised by Iranians and that the economic plan to remake Iran and exploit its resources was in reality empowering the Mullahs who would soon come to power and bring the forced westernization to an end.

Just as some leaders could easily be sold the development schemes, others showed a vision and an independence in their efforts to secure terms by which their country's resources might be used to benefit their own people. Outside of the canal zone, Panama is an impoverished banana republic. Omar Torrijos carefully made his case successfully with Jimmy Carter for the return of administration of the canal zone to Panama. A leader of exceptional integrity, Torrijos was praised and admired by author Graham Green, but targeted for revenge during the Reagan administration. His security guard later testified that he knew that a bomb had been put on the plane that crashed and killed Torrijos. His successor Manuel Noriega, a general trained in the US Army School of the Americas, tried to retain one aspect of Torrijos policy. He planned to allow a major reconstruction of the Panama Canal to go up for competitive bidding and likely be obtained by a Japanese firm. Bechtel luminaries, Casper Weinberger and George Schultz, serving as secretaries of Defense and State respectively, were the major beneficiaries of the US violent overthrow of Panama and the restoration of the Arais family oligarchy that had ruled before Torrijos.

Perkins was involved in numerous hit man activities in Latin America, Africa and Asia. Others in his role likely made fewer contacts with the people whose lives were being destroyed. Others accepted the company rationales provided to them and kept their vows of secrecy. Many just fulfilled the roles for which their degrees in business, law or engineering had prepared them. But even with his greater willingness to hear other voices, Perkins was recurrently faced with choices in which he rationalized what he was doing in both personal and social ways. The account of his personal struggles with conscience parallels the depictions of a Dostoyevsky and is a highlight of this work. Even for those of us who play smaller roles in global exploitation, who buy the sneakers and low-cost clothing stitched by people working under dangerous conditions for less than living wages, who drive the cars that demand oil, who train the people and provide the tools for exploitative corporations, who live with privilege without questioning at whose expense, for many of us, the issues of conscience may be similar. When our hearts go out to the victims of a Tsunami but remain silent to the daily deaths from malnutrition, habitat destruction or preventable illness, are the psychological processes of withdrawal, denial and rationalization really different?

For Perkins, disengagement from his role was gradual. Even after he had resigned he continued to testify in favor of nuclear power plants even after he knew that their costs and risks were not acceptable. But gradually he was shifting his career, promoting alternative energies, leading trips to let people meet the indigenous tribes of the Amazon Basin and eventually listening more to the wisdom of the Shamans he met, than to the manipulations of the corporatocracy, The critical

push to complete this book followed the tragedies of 9/11 and the military invasions of Afghanistan and Iraq that followed. Ultimately Perkins heard the voices of the historical figures who he admired as a youngster; the words of Thomas Paine, the courage of Paul Revere.

Although this book is well documented, it is not written in academic style and deals little with the points of view of the World Bank or NGO professionals about the relationship of development to reduction of poverty. A more scholarly perspective may be found in William Easterly's *The Elusive Quest for Growth*. It provides a former World Bank economist's strong critique of failed development policies with a case that development is still essential to reduce poverty. But the facts on the ground that Perkins reports are still compelling. Nowadays many corporate officials take luxurious trips in search of desperate people around the world for sweatshop exploitation. This type of servitude has replaced the earlier forms of slavery. The rationalizations are indeed similar to those of the slave traders. But Perkins avoids the judgment of a conspiracy that can be blamed on a few powerful individuals while exonerating the rest of us. His own confession and change in direction of his life came with great pain. But perhaps the responsibility goes beyond the hit men. We live with the myth that "a brutal, selfish and ultimately self destructive resource-grab" is a natural, wonderful and inevitable model for economic development. But water, oil, the diverse species that make life sustainable, and the diverse cultures that give life meaning are disappearing. Untold by the corporate media, Perkins writes, "The real story is that we are living a lie." For us ordinary people who work for and do business with the large banks, corporations and governments or are dependent upon them for our goods and services, we may all be in need of a similar confession. It may be psychologically painful, but the pain now inflicted on our behalf is many times greater and it is not forgotten. I recall the words of Professor Hans Morgenthau at a teach-in on the war in Vietnam in 1965, "If we ignore the facts, the facts will return to haunt us." Everyone should read this book, and then make their own choice.

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## Notes

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