

of jobs were eliminated. In addition, radical deregulation was implemented across the board; for example, in the livestock feed- and food-processing sector, with changes that directly contributed to the outbreak and spread of Mad Cow disease.

In the United States, significant deregulation had already been pushed through in the 1970s—rail, trucking, HMOs—but added effect came in 1987, with President Ronald Reagan’s Executive Order 12607 of Sept. 2, establishing his Commission on Privatization. Prison systems were the most sweeping U.S. privatizations in the 1980s, especially after the Federal government in 1984 gave approval for prison-labor produced goods to cross state lines in 20 states.

Then in 1992, President George Bush signed Executive Order 12803 on April 30, for an at-large “Privatization Initiative.” The same year, Defense Secretary Dick Cheney com-

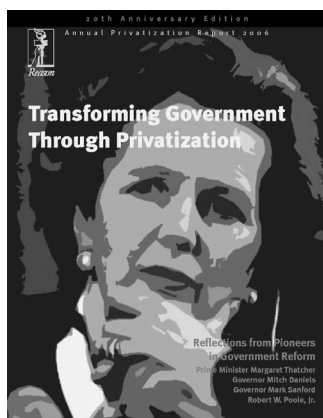
missioned a study by Halliburton—still classified—on how to proceed to privatize functions of the military. Considered too radical at the time, it later came into effect, resulting today in the whole swarm of PMCs (Private Military Corporations) now infamous in Iraq. (Within 18 months after leaving office, Cheney went to work for Halliburton).

Among the strategic U.S. assets sold off during the 1990s were the Elk Hills Naval Petroleum Reserves (\$3.6 billion), the U.S. Enrichment Corp. (\$3.1 billion) and dozens of military base functions. “Re-inventing government” was the cover-story for this process, whose point person was Vice President Al Gore.

Today, the preferred jargon for the subversion of nation-states is: “public-private partnerships”—PPPs.

—*Marcia Merry Baker*

## Financiers’ Foundation: Privatize P.O. and TVA



The Reason Foundation was set up in 1978 in the United States by a network of financial syndicates out to undercut nation-states. In 1985, for example, in parallel with the Thatcher government’s radical deregulation in Britain, the Reason Foundation was instrumental in holding a privatization conference for Reagan Administration officials. In 1987, Reagan signed an Executive Order setting up a Commission on Privatization; also that year, the U.S. government sold off its share in Conrail—marking a new era in the privatization of U.S. government assets and functions. In turn, these 1980s Transatlantic privatizations gave impetus to the worldwide push for global government sell-offs, and cartelizations of industry, agriculture, natural resources, and infrastructure.

For 20 years, the Reason Foundation has issued yearly status reports on this process. Its latest one came out in July, the “Annual Privatization 2006.” This year’s 230-page report notes that, “recent decades of privatization” have been successful, but before that things were bad. Wrote editor Leonard Gilroy:

For much of the 20th Century, the trend was clearly in the opposite direction. This period saw the rapid

expansion of state control over the lives of citizens. Prominent political ideologies like socialism and communism spread the belief that society’s needs and problems are best addressed through government intervention. Statism even spread to capitalist economies; for example, the British government nationalized its coal, gas, rail, shipbuilding, and steel industries, and the United States nationalized the facilities of the Tennessee Valley Authority and adopted a number of government-run social welfare programs (such as Social Security, Medicare, and Medicaid) under the New Deal and Great Society Programs. As governments grew, they increasingly constrained commerce and free enterprise, consumed an ever greater share of personal and business income, and restricted private property rights and personal freedoms.

The tide began to turn in the latter half of the century as the folly of this approach became apparent. . . . The concept of privatization began to flourish.

Also from that same *Annual Privatization Report 2006*, in E.S. Savas, “Privatization: Past, Present, Future”:

[There are still many choice U.S. targets for privatization.] “At the federal level, the greatest opportunities lie in continuing the A-76 competitions [outside bidding for takeover of government], activities deemed commercial, and even more important, privatizing the numerous federal corporations: Amtrak, the United States Postal Service, the Tennessee Valley Authority (TVA), and the power marketing administrations (PMAs) are the most attractive candidates.