

# HEALTH FOR NO ONE BY THE YEAR 2000:

## The high cost of placing 'national security' before global justice

National Council for International Health (NCIH)

-- David Werner, 1989 --

*To formulate an effective strategy for improving health and survival, we must first reexamine the causes that lead to the present high levels of sickness and death -- especially among vulnerable groups. We must follow the chain of causes all the way to its source, even if its final link frames a mirror in which we begin to rediscover ourselves -- our value judgments, our lifestyle, our government -- through the eyes of the world's dispossessed and hungry.*

Not long ago a high-ranking officer in the World Health Organization (WHO) remarked that the biggest obstacle to health in the world today is the United States of America.

Needless to say, he did not make this statement in public. After all, 25% of the funding for WHO comes from the US. And the US government has made its threat very clear: If WHO or any other agency of the United Nations takes a position opposing US economic interests or foreign policies, US funding for that agency may be severely slashed. In May, Secretary of State James Baker recommended to President Bush that if WHO granted membership to the newly proclaimed Palestinian state, US funding for WHO should be cut off completely!<sup>1</sup>

The fact that the US government would even consider jeopardizing the main coordinating body for health of the world's people in order to impose a highly disputed political sanction against one small people reflects its short-sighted, often heavy-handed position. The threat this May is only one in a long series of maneuvers to intimidate or destabilize United Nations agencies that have dared to oppose injurious US policies or actions, some of them in violation of international law.

Under the facade of "national security" the US government consistently places powerful economic and political interests at home above the basic needs, rights, and health of disadvantaged peoples. This is especially, but by no means exclusively, true when a Republican Administration controls the White House.

---

<sup>1</sup> "Baker Urges Cutting Off of Funds if U.N. Agencies Upgrade P.L.O.," *New York Times*, May 2, 1989, p. A6.

The US government has extraordinary influence, both direct and indirect, over health and development policies worldwide. First, it has strong economic and political leverage over the various UN agencies. Second, it plays a strategic role in the decisions of the World Bank and International Monetary Fund (IMF), whose present stranglehold on debt-burdened countries has sent previous advances in health and development into a tailspin. Third, through funding provided largely by the US Agency for International Development (AID), it manipulates the priorities and program designs, not only of recipient governments, but also of hundreds of AID-assisted nongovernmental organizations (NGOs), research institutes, and international schools of public health.

As a result, health and development policies aimed at poor countries often seem to answer more to the economic and political concerns of the Oval Office and big business than to the needs of the so-called 'target' populations. One thing is very clear: the high-level health and development policies of the 80s have not been designed to correct the social and economic inequities that perpetuate poor health. Rather they are designed to patch up the damage caused by those inequities, to promote privatization of production and services, and to legitimize and further entrench the existing powers-that-be.

Although there is still a lot of fuzzy talk about participation and empowerment, decision-making control has become increasingly centralized, not only in the capital cities of poor nations, but in the global power bases of Geneva, New York, and Washington.

The Reaganization of health, development, and economic policy -- now perpetuated by Bush -- has taken a high toll on the world's less fortunate people. UNICEF has accurately called the 1980s "the Decade of Despair." Both in underdeveloped countries and in the USA, the gap between rich and poor is widening. Progress toward the international goal of Health for All has virtually stopped, and in many countries has been reversed. For the world's poorest people, average incomes have dropped by 10-25%. Today almost 900 million people -- or one of every six -- live in a state of absolute poverty. In the 37 poorest countries, per capita spending on health has been reduced by 50% and on education by 25%. In nearly half of the 103 Third World nations from which recent information is available, the proportion of 6- to 11-year-olds enrolled in primary school is falling.<sup>2</sup> (This latter finding is of special concern, since recent studies show that 'female education' is a key determinant of child health and survival.)

Child Survival has been the new global health goal of the 80s. But in spite of attempts to improve survival statistics through an international blitz of technological interventions, child mortality remains outrageously high. Of the 14 million children under age five who die each year, 99% are in poor countries.<sup>3</sup> One million die directly from hunger.<sup>4</sup>

Yet the world has more than enough renewable resources to meet all people's basic needs. The problem is not one of shortage, but of distribution... and of the priorities of national and world leaders. With what is spent every three weeks on the instruments of war, primary health care could be provided to everyone on earth for an entire year.

--0--

---

<sup>2</sup> UNICEF, *The State of the World's Children, 1989*, p. 1.

<sup>3</sup> H. Mahler, "Fighting AIDS: A Health Care Priority," *Network*, Vol. 10, No. 2 (Winter 1988), p. 1.

<sup>4</sup> "Vital Statistics: Plight of the World's Children" fact sheet, p. 1.

There is an enormous amount of both historical and contemporary evidence that major long-term improvements in health and survival are not, to any large extent, determined by medical care or specific health interventions. To the contrary, **far-reaching improvements in health result from social, economic, and political changes that lead a community or a nation to an improved standard of living, fairer distribution of resources, more adequate returns for the work people do, and fuller assurance that the basic needs of all people will be met.**

You may say that such a sentiment smacks of Communism. But, in fact, it smacks equally of Christianity, of Judaism, of Islam -- not, perhaps, as they are commonly practiced today -- but surely as they were initially envisioned by their founders. What it really smacks of is human decency, and in the long run it has all the pragmatism of The Golden Rule. We harvest what we sow.

But The Golden Rule -- or even forward-looking pragmatism -- is not what seems to motivate many of those who hold colossal wealth and power. Rather it is the thirst to maintain and increase their holdings. And when our leaders fear their wealth and power is slipping, it seems they will stop at nothing, even if their actions place in peril the wellsprings of life itself. In today's world, disproportionate power has become the most deadly illness of all.

### **Where have we gone wrong?**

Our present strategies for health and development are failing miserably. Not only does the survival of millions of children remain in jeopardy, but also the survival of the ecosystem and of the human race.

One of our biggest mistakes, I think, is that too often we try to impose technological solutions for problems that are fundamentally social and political.

Consider the problem of widespread malnutrition. Nearly everyone agrees that to save lives of disadvantaged children, malnutrition must be combated. The question is how. Clearly, one cause of child malnutrition is poverty. Another cause is repeated episodes of diarrhea and infectious diseases. So, do we focus on the social cause or on the biological cause? Or both? One involves working toward empowerment, equity and social change. The other entails technological interventions such as immunization and oral rehydration therapy. Clearly, both options could be integrated within a comprehensive approach. But, unfortunately, today's top-level planners have opted for the technological approach so selectively that, in terms of trying to correct the social causes of poor health, they let governments off the hook. And so immunization and ORT -- important as they are -- have become part of the 'appropriate technology' cop-out: technical gimmicks to placate social ills.

**Before formulating donor policies, health professionals and NGOs need to explore what actually determines change in the health status of populations.**

To think that we can solve problems that are fundamentally social and political through technological interventions is to invite failure. Failure is even more certain when decisions regarding those technologies are top-down and influenced by ulterior motives.

Oral Rehydration Therapy is an example. Numerous studies have shown that a home-made cereal-based gruel is in many circumstances the most effective solution for children with diarrhea.<sup>5</sup> It is already prepared as a weaning food in the homes of millions of poor families around the world. And it is cheaper, more acceptable, more consistently available, and more effective in reducing dehydration, stool volume, vomiting, and weight loss from diarrhea than is the standard WHO sugar-based formula. However, the production of aluminum-foil packets of the WHO formula has grown into a multi-million dollar industry.

Endless problems have arisen with ORS packets. For one, they create dependency on an outside product that often necessitates hours of walking in the hot sun or waiting in long lines, only to find the supply of ORS has run out.

But probably the biggest problem with oral rehydration solution packets is the cost. Initially, packets were distributed by UNICEF and governments to mothers free of charge. But as the demand rose, so did expense, to the point where ORS consumed too much of countries' national health budgets. With the IMF demanding cuts in public spending to keep servicing foreign debt, most poor countries simply could not sustain the increasing costs of ORS packets. This provided the perfect excuse for USAID and fellow advocates of privatization to put the screws on health ministries to go commercial.

As a result, in many poor countries today, a hodgepodge of ORS packets and drinks are now sold for profit. The average cost of 15 to 20 cents per packet may not seem like much to us. But to a Bangladesh peasant earning 30 cents a day, his purchase of ORS packets -- successfully marketed to him as a 'life-saving wonder drug' -- may add to the hunger and hasten the death not only of the sick child but also of her brothers and sisters.

And so the world has witnessed -- if still not clearly seen -- how a potentially empowering health technology, when introduced from the top-down without adequately considering all the socio-political constraints, can be transformed into yet another means of duping and exploiting the poor. Meanwhile, the experts, while they are publicly trumpeting the success of Oral Rehydration Therapy, are quietly asking themselves why the worldwide ORT campaign has fallen so far short of its goals.

Regardless of attempts by the health and development establishment to find technological answers to humanity's most urgent needs, there remains little doubt that poverty is the biggest underlying cause of widespread poor health and early death. But behind the gaunt face of poverty lie many causes, abuses, and injustices.

Today it is popular to focus on the survival of children, and to pretend that this depends primarily on a few simple interventions. But the health and survival of children depends on many, many factors: on the health of their fathers and mothers; on the survival skills of their families; on the relative peace or violence in their communities; on the economic and political status of their nations; on whether the wages people earn or the land they till provide enough to eat; on the availability, quality, and cost of education, health services, water, shelter, and transportation; on the ability of people to organize and defend their rights; on local consumption of alcohol, tobacco, and narcotics; on who has power over whom; on war; on the Cold War; on military expenditures relative to public service expenditures; on international trade relations; on preservation or destruction of the environment; on how far mother has to walk to get

---

<sup>5</sup> See, for example, A. M. Molla, S. M. Ahmed, and W. B. Greenough, "Rice-Based Oral Rehydration Solution Decreases the Stool Volume in Acute Diarrhoea," *Bulletin of the World Health Organization*, 1985, vol. 63, no. 4, pp. 751-56. Also see other studies by Molla, Greenough, and D. Mahalanabis.

firewood or cow manure for cooking; on covert mining of harbors and undermining of grassroots movements; on whether the US President can get away with lying to Congress; on whether the banks will be permitted to continue protecting their billions by taking food from the mouths of millions of children.

Although it is easy to blame `natural causes' such as bacteria, viruses, earthquakes, drought, and `inhospitable environment' for high rates of illness and death, `man-made causes' play an increasingly prominent role. Many of these causes relate to human greed: the efforts of some to prosper at the expense of others.

In today's world there are a number of giant profit-making ventures that are taking an extraordinary toll on the health and lives of billions of people, and that have an enormous negative impact on the well-being and survival of children.

These health-destroying multinational industries include:

- alcoholic beverages
- tobacco
- illicit narcotics
- pesticides
- infant formula
- unnecessary, dangerous, overpriced pharmaceuticals
- arms and military equipment
- international money lending

Each of these represents a huge, powerful, enormously profitable multi-billion dollar industry. Their cost in terms of human life and health is incalculable. The weakened resistance -- physical, economical, mental, and social -- caused by these unscrupulous businesses adds enormously to the impact of infection and malnutrition. And, as usual, it is the poor that bear the brunt of the damage -- especially since the alcohol, tobacco, pesticide, infant formula, pharmaceutical, arms, and banking industries have all increasingly targeted the Third World as their new, most vulnerable market.

Attempts have been made by nongovernmental organizations, the UN, and the governments of various countries to try to limit the damage caused by these powerful industries. But in the case of each and every one of these killer industries, the US government has defended their interests at the expense of the health, quality of life, and often survival of millions.

Clearly, in view of all these huge, officially condoned assaults on life and health -- ranging from IMF-mandated hunger to poisoning for profit -- technological answers like the Green Revolution and the Child Survival Revolution are not enough. In fact, with their apparently simple approach of coping with the biological causes of poor health, they lure us away from confronting the far more deadly social causes.

--0--

### **What, then, can we do?**

Actually, we can do a lot -- if we are prepared to take the risks. We at this conference represent perhaps the biggest consortium of nongovernmental health and development initiatives in the world. We can have an impact. But which direction will we go? If we honestly want to see all children become healthy and safe, we need to radically revise our strategies.

A lot of foreign aid has been shown to do more harm than good, especially for those whose needs are greatest. That is because aid usually goes from government to government rather than from people to people. Here, of course, NGOs have a potential advantage. To the extent that we work directly with marginalized groups, responding to their needs on their terms, the chances are greater that the benefits of our assistance will outweigh the harm.

In terms of policy, I think it is important that NGOs continue funding grassroots programs, especially those that are working for health in the broader context of social change. We must, of course, be careful that our assistance promotes self-determination rather than dependency. But, equally important, we must be careful that the struggling people-centered collectives that we encourage are not destabilized, destroyed, or co-opted by the local, national, or global powers-that-be.

Protecting these people-centered initiatives -- both local and national -- is perhaps the most important and challenging task of NGOs in today's dangerous world. It is especially difficult because the world has become so small and the powers that control it so interconnected and so dishonest. Overtly and covertly throughout the developing world, the US government has consistently sabotaged, terrorized, and tried to crush people-centered efforts to overcome poverty and meet all people's basic needs. In numerous countries Washington has conspired to overthrow progressive leaders, and has replaced them with tyrants who sacrifice their people's health and rights in order to favor foreign business, in exchange for the weaponry of repression they need to stay in power. As far back as the Kennedy Administration's 'Alliance for Progress,' US foreign aid has been linked to the training of security forces which have used repressive tactics including torture to pacify unrest and to suppress people's bottom-up endeavors for real progress.

Ironically, the countries which have made the greatest progress in overall health status are precisely those countries that the US has tried hardest to destabilize and destroy. For these are the countries whose peoples have struggled to liberate themselves from the brutal exploitations that underlie poverty and poor health.

Low intensity conflict (LIC) has become the main strategy of the United States and South Africa for destabilizing people-centered efforts. Instead of sacrificing more young Americans in undeclared wars -- which US citizens are less ready to tolerate since Vietnam -- LIC involves infiltrating progressive groups, recruiting dissidents, paying mercenaries, and dividing people into opposing factions, to fight among themselves. It also involves psychological warfare which varies, according to the circumstances, from terrorism to brain-washing and social marketing. Using lies and deception, it tries to sell the idea that all organized struggle for basic rights is Communist-inspired, and that Communism is the number one threat to the so-called 'free world.'

At present, the CIA is said to be orchestrating destabilization activities in about 50 Third World countries.<sup>6</sup> In order to finance and provide arms for many of these covert operations, the CIA has been involved for more than 30 years in the trafficking of drugs into the United States. Much of the escalation of drug production, trafficking, and use can be traced to the US government's secret wars. Over the past three decades, these wars and covert operations have cost millions of lives, disrupted the economies of dozens of countries, displaced and impoverished tens of millions of people, and disabled countless thousands. Women and children have been hit the hardest. So much for 'national security.'<sup>7</sup>

---

<sup>6</sup> John Stockwell, talk at First Presbyterian Church, Palo Alto, California, March 15, 1989 (tape available from Mid-Peninsula Peace Center).

<sup>7</sup> John Stockwell, "The United States in Search of Enemies: A Selected 'National Security' Reading List," pp. 1-2.

In the face of such deadly events, the Child Survival Revolution is at best a finger in the dike. For the health and survival of children, of the environment, and of humanity, a real revolution is needed: a worldwide uprising (as peaceful as possible) led by a coalition of all marginalized peoples, together with all of us -- the more fortunate persons and groups -- who recognize the insanity of today's structures and leadership, and who believe that every child should have enough to eat.

Clearly, such an uprising will not come about overnight. It must begin through a process of awakening, of outrage, of solidarity.

**For health professionals and NGOs to effectively contribute to health in the Third World, I believe our first task is to help transform the power structures right here at home.** We need to invest more of our resources and political clout, not in tutoring the victims of global injustice, but in constraining the bullies. We must invest in the long hard task of re-educating Americans -- beginning with ourselves -- until, as in the last days of the Vietnam War, the people stand up to their government and `Just say NO':

NO to military buildup. NO to the sale of arms. NO to suffocating adjustment policies. NO to trade policies which benefit rich nations at the expense of the poor. NO to covert operations and the destabilization of small struggling countries. NO to the routine lies of national leaders. NO to the killer industries. NO to government-sponsored drug smuggling. NO to huge military expenditures. NO to violations of international law.

For a viable future, we must work together toward much more fundamental changes than the ones most of us now opt for. This will require some difficult decisions.

To avoid conflict of interest, **a good start might be for all NGOs to refuse further funding from the US government.** Some NGOs have already adopted this policy. It frees us to answer first to those on the bottom. And it frees us to criticize where criticism is most urgent.

**It is also important that NGOs stand by WHO, UNICEF, the World Court, and other UN agencies when they oppose unhealthy policies or actions by major donor countries, especially our own.** And if the US government cuts off funding to a UN agency as punishment for noncompliance, perhaps our nationwide community of NGOs could come to the rescue.

--0--

I realize that perhaps not many of you here will take my suggestions to heart. I have been accused of being impractical, a dreamer. But is it impractical for an ostrich in a land of lions to pull its head out of the sand? Unless more of us begin to squarely confront the biggest, most threatening obstacles to Health for All -- the obstacles that our own power structures create -- not only is the survival of children at stake, but also the survival of our species.

Which direction will we move in? Will we continue to ride the band-aid bandwagon of Revolutions that aren't, trying to patch up (and cover up) the broken pieces of our self-detonating world order? Or will we join in solidarity with humanity, to work toward new, more truly human social structures, a global community in which health no longer means mere survival but rather -- as declared in Alma Ata -- "complete physical, mental, and social well-being" for all.

## APPENDIX

### A CLOSER LOOK AT THE GOVERNMENT-BACKED KILLER INDUSTRIES

In this paper we looked briefly at the devastating impact of the so-called "killer industries" on the health and safety of billions of people. The biggest and most important of these multi-billion dollar industries include:

Type and size of the major multinational `killer industries':

alcoholic beverages	\$ 170 billion/year
tobacco	\$ 35 billion/year (USA)
illicit narcotics	\$ 100 billion/year
pesticides	\$ 14 billion/year (USA)
infant formula	\$ 2.5 billion/year
unnecessary, overpriced pharmaceuticals	\$ 100 billion/year
arms and military equipment	\$ 200 billion/year (USA)
international banking (Third World debts serviced)	\$1000 billion ongoing

Each of these enormously profitable industries has targeted the Third World as its newest, fastest growing, most vulnerable market. The negative impact they have had on the health and development of disadvantaged peoples cannot be overestimated. And as usual, it is the poor who suffer the brunt of the harm, especially women and children. Both directly and indirectly these industries add to the poverty, poor nutrition, lowered resistance to disease, and high rates of illness, disability and death of billions of people.

Efforts have been made by various UN agencies, nongovernmental organizations, and governments to try to limit the damage caused by these deadly industries. But the industries in question have exceptional wealth and power. Their `divine right' to ride roughshod over mandates by the UN and legislation by Third World governments is consistently and heavy-handedly defended by the US government. **There is little question that the US government's backing of big business -- regardless of the human and environmental cost -- far overrides its paltry attempts to correct the irrevocable damage that has been and continues to be done.**

Let us take a look at the full dimensions of this global assault on life and health, and how it is sustained by the collaborative, often underhanded tactics of industry and government. In this discussion we will consider mainly the major killer industries mentioned above. But the same patterns of abuse apply, at least in part, to many other multinational enterprises which -- by way of deforestation, giant dams, nuclear power, environmentally lethal chemicals, and so on -- seek short-term "economic growth" at the expense of long-term well-being and survival.

## **Alcoholic beverages -- a \$170 billion-a-year industry**

The amount of violence, malnutrition, broken families, hungry children, abandoned youth, chronic illness, and early death precipitated by drinking makes consumption of alcohol one of the world's major health hazards. In many of the poorest countries (and some not-so-poor countries), manslaughter, accidents, and cirrhosis -- mostly related to drinking -- are among the biggest causes of death from ages 15 to 50 (especially in men).

In some African countries, the influence of alcohol on the health of entire communities is conspicuous. One repeatedly sees neighboring villages, Moslem and Christian, side by side. In many of the Moslem communities people look relatively prosperous, their children more or less healthy and well-fed. By contrast, in many of the Christian communities people look 'down and out,' their children gaunt and sickly. The basic economy and agriculture of the respective villages is the same. The main difference seems to be that in the Christian communities men often drink heavily. In the Moslem communities drinking is effectively prohibited.

Similarly, many of the most severely malnourished children in Latin America come from families where fathers, during a several-day binge, have sold their harvest for a pittance, or who -- when drunk -- have beaten and humiliated their wives so often that they leave with their children and try to survive on their own.<sup>8</sup> Both in underdeveloped and overdeveloped countries, alcoholism is an especially big problem in communities where poverty and unemployment are high, and among indigenous minorities (such as the American Indians and the Australian Aboriginals) who have been to a large extent dispossessed of their land, traditions, and rights.

Recognizing the damage caused by alcohol, communities and sometimes local governments have taken action to try to reduce or restrict the availability of liquor. But the giant companies producing alcoholic drinks and their local distributors are very powerful, and often bend the law or pay off corrupt officials in order to maximize sales. In the villages where I work in Mexico, community health workers and a teacher were jailed for organizing women to oppose the opening of a bar.<sup>9</sup>

--0--

Events involving the alcohol industry provide a harsh example of the way major donor countries effectively pressure UN agencies to refrain from taking important health and development measures that conflict with the interests of big business.

In the early 80s, the World Health Organization undertook a "study of the evidence linking the international production, marketing and distribution of alcohol by just a few corporations to the increasing

---

<sup>8</sup> See Medea Benjamin, *Don't Be Afraid, Gringo: A Honduran Woman Speaks from the Heart; The Story of Elvia Alvarado* (Institute for Food and Development Policy, 1987), p. 54.

<sup>9</sup> See "Women Unite to Overcome Drunkenness," *Newsletter from the Sierra Madre* (published by the Hesperian Foundation), No. 14, January 1982, p. 5.

global problem of alcohol abuse (particularly in the Third World) and the health and social problems generated by such abuse." <sup>10</sup> This was the first major study of the alcohol industry by any international agency. It was part of a much larger project designed to translate the study results into such health policy and activities as: "encouraging public awareness of the links between international alcohol trade, and health and social problems; promoting stricter regulations of alcohol advertising, particularly in the Third World; and the critical review of all current trade agreements involving alcohol."<sup>11</sup> However, in 1983 high level administrators of WHO moved secretly to cancel the publication of the study. They also terminated the larger project without explanation, and dismissed the research team. The decision to cancel the study caused a storm of controversy within WHO because it went against the recommendations both of its own legislative committee and of an international committee of experts.

The decision to block publication and cancel this important study was, according to all accounts, a response to external pressure. The study's co-author, John Cavanaugh, explains:

"The report is a critique of the corporate activity of a \$170 billion-a-year industry. It is a detailed investigation of that industry's marketing of a product that, it goes without saying, has an enormous impact on health. WHO was threatened because the study flies in the face of the economic interests of its major member states. . . . These major states also happen to be WHO's largest contributors -- and WHO is always careful to stay on the good side of its major contributors."<sup>12</sup>

Jan Ording, ex-director of the larger project, agrees. He concludes, "WHO's sensitivity to pressure is big. Past experience on pharmaceuticals, pesticides, tobacco and a whole range of other issues that involve industry has shown that."<sup>13</sup>

---

<sup>10</sup> John Ratcliffe, "The Influence of Funding Agencies on International Health Policy, Research and Programs," *Möbius*, Vol. 5, No. 3, p. 107.

<sup>11</sup> Ratcliffe, "The Influence of Funding Agencies on International Health Policy, Research and Programs," *Möbius*, Vol. 5, No. 3, p. 108.

<sup>12</sup> Selvaggio K., "WHO Bottles Up Alcohol Study," *Multinational Monitor*, No. 4 (November 1983), pp. 9-11.

<sup>13</sup> Selvaggio K., "WHO Bottles Up Alcohol Study," *Multinational Monitor*, No. 4 (November 1983), pp. 9-11.

## **Tobacco -- a \$35 billion-a-year industry (US tobacco companies only)**

Tobacco is a dangerous, habit-forming drug. It is as addictive as heroin and crack, and -- in terms of the overall health of populations -- far more dangerous. Smoking is now recognized by WHO as one of the world's biggest health hazards. In the USA it causes 350,000 deaths annually, far more than heroin, cocaine, traffic accidents, murder and suicide combined.<sup>14</sup> **Worldwide, it causes 2.5 million deaths a year.** It substantially decreases the life expectancy, not only of persons who smoke, but of family members and others exposed to the smoke. It is a major factor in the high rates of cancer, heart disease, and stroke that now constitute the largest causes of death in industrialized countries. It accounts for millions of cases of chronic asthma and emphysema, and aggravates peptic ulcers. It increases infant mortality and retards fetal development and birth weight of babies whose mothers smoke during pregnancy. And it increases the incidence of allergies, respiratory disease, and pneumonia in children with a parent who smokes.

Although the US Surgeon General now warns that, "Cigarette smoking is dangerous to your health," the US government continues to subsidize the tobacco industry with millions of dollars. And, since fewer people in the rich countries now smoke, the big tobacco companies have made the Third World their new, most susceptible market. When the chairman of a major tobacco company was asked what he wanted from the new advertizing blitz in poor countries, he replied, "We want Asia!"<sup>15</sup>

Dr. Peter Bourne, president of the American Association for World Health, says, "Despite our great concern about the effect of Colombian cocaine on young Americans, *more Colombians die today from diseases caused by tobacco products than do Americans from Colombian cocaine*" [italics added]. US tobacco companies began large-scale penetration of the Third World after World War II, under the taxpayer-funded 'Food for Peace' program (P.L. 480). This was a joint effort by the US government and major tobacco manufacturers to create a Third World market for mild-tasting Western cigarettes. Over the next 25 years of the Food for Peace program, the US exported nearly \$1 billion worth of tobacco. Countries like Thailand, the Philippines, and Malaysia purchased it with long-term, low-interest US government loans. If the countries used the profits from the sale of this tobacco for US-approved development projects, they could cancel the initial loan.

The US tobacco companies exported not only cigarettes, but also their high-power marketing techniques (such as using images of smoking cowboys to win teenagers). By the early 80s, cigarette consumption in the Third World was climbing by an average of over 3% a year.<sup>16</sup>

A number of countries have passed laws restricting import of foreign tobacco products. In 1985 the Reagan Administration stepped in to help the American tobacco industry. A group of US senators, backing Reagan, called for "the fairness and equity to which the United States tobacco industry is entitled." The US government threatened trade sanctions to force the countries to lift import restrictions on US cigarettes. Several countries, including Japan, Taiwan, and South Korea, yielded to the pressure, and American tobacco companies moved in. To compete with the imports, local tobacco companies began to launch major advertising campaigns, just like the US manufacturers. As a result, the number of

---

<sup>14</sup> "A Deadly Business" (editorial), *Multinational Monitor*, July/August 1987, p. 6

<sup>15</sup> Lori Heise, "Unhealthy Alliance: With U.S. Government Help, Tobacco Firms Push Their Goods Overseas," *World-Watch*, September/October 1988, p. 22.

<sup>16</sup> Susan A. Motley, "Burning the South: U.S. Tobacco Companies in the Third World," *Multinational Monitor*, July/August 1987, p. 10.

smokers in these countries rose dramatically within the first year or two after the invasion of US tobacco. The projected cost in terms of life and health is enormous.

In 1984 the average Third World smoker smoked about 300 cigarettes a year, compared to 2,500 per year in the First World. But the gap has been narrowing rapidly. **At the present rate of increase of smoking in the Third World, WHO predicts a global pandemic of lung cancer by the year 2000.**<sup>17</sup>

The growing use of tobacco in underdeveloped countries contributes to poor health and high death rates in a wide variety of ways, both direct and indirect:

First is its direct effect on those who smoke. It is estimated that the growing epidemic of smoking in the Third World now contributes to more deaths than do the so-called 'tropical' diseases. Increasing the risk of cancer in poor countries, the **cigarettes that US tobacco companies sell overseas routinely have much higher levels of nicotine and tar than do the same brands sold in the USA.**<sup>18</sup>

Second, the purchase of tobacco puts increased financial strain on poor families, which affects child survival. In Bangladesh, studies show that money spent on cigarettes means less food for children and more malnutrition-related deaths.<sup>19</sup>

Third, millions of acres of farm land have switched from food crops to tobacco. Cigarette companies encourage this by providing small farmers with free seed, fertilizer, and pesticides. WHO estimates that **the switch from food crops to tobacco increased Third World spending on imported foods from \$8 billion in 1971 to \$50 billion in 1980.**<sup>20</sup>

Fourth, millions of acres of forests have been destroyed to provide the tobacco industry with fuel for 'curing' tobacco leaves. In Brazil alone, 60 million trees are felled each year by its 115,000 tobacco farmers. 80% of the energy is wasted.<sup>21</sup>

All in all, the production and use of tobacco plays an increasingly prominent role in the high rates of sickness and death in underdeveloped countries, as well as in the related factors of poverty, malnutrition, and environmental degradation. Working together, the US government and the tobacco corporations have

---

<sup>17</sup> Heise, "Unhealthy Alliance," *World-Watch*, September/October 1988, p. 19.

<sup>18</sup> Heise, "Unhealthy Alliance," *World-Watch*, September/October 1988, p. 28.

<sup>19</sup> Heise, "Unhealthy Alliance," *World-Watch*, September/October 1988, p. 28.

<sup>20</sup> Motley, "Burning the South," *Multinational Monitor*, July/August 1987, pp. 8-9.

<sup>21</sup> Summary of information on tobacco's penetration into Third World compiled by Dan Perlman, p. 4.

put profits at home before health abroad. Judith Mackay, executive director of the Hong Kong Council on Smoking and Health, shares a common sentiment about US government and industry:

"The image ... emerging in Asia is that of a country interested in the sale and promotion not of a healthy product but a lethal one. Instead of being considered the leader of the free world in a positive sense, [the United States] is becoming seen as an exploiter of Asian people."<sup>22</sup>

### **Illicit narcotics -- a \$100 billion-a-year industry**

"All drug investigations will eventually run up against the complicity of governments, including ours and our allies', with the most powerful figures in the drug business."

-- From a review of *The Underground Empire* by James Mills, *New York Times Book Review*, June 29, 1986.

It is hard to measure the toll on health and life caused by or related to 'the drug problem.' The USA is the world's biggest consumer of illegal drugs, and the health and lives of millions of people are affected -- especially young people and socially marginalized groups such as blacks and Latinos. Not only does the use of hard drugs often damage health and sometimes cause brain damage or death through overdose, but the sharing of needles often leads to the spread of fatal diseases such as Hepatitis B and, more recently, AIDS. Also, the combination of addictiveness, high cost, and illegality of hard drugs leads users into escalating patterns of crime and self-destruction. **The net result is to jeopardize the well-being not only of the millions of users, but also of their families, communities, and nation.**

The impact of the illegal drug industry on inhabitants of the major producer countries is equally distressing. Drug lords in a number of countries, especially in Latin America, have built up so much wealth and power that they have become a major economic and political force. In some cases the police, military, and virtually the entire government have become corrupted by the drug trade. Whole legal systems have been compromised, and those judges, authorities, or journalists who have tried to combat or expose high level crime have been intimidated or killed. Because of its illegality, this enormously profitable but risky industry has led to extraordinarily high rates of violence. **Hardest hit are the small mountainside growers -- poor farmers with hungry children -- who, as the economies of their countries stagger under the huge burden of external debt, have been forced into drug growing in a desperate attempt to survive.** These same small farmers are periodically busted, beaten, jailed, and further impoverished (through extortion) by the narcotics-control police who induced them to grow drugs in the first place, and who move in and out of the gangs of the big drug lords.<sup>23</sup> Meanwhile, in the cities of drug-producing countries, drug use is escalating, especially among the growing armies of street children, who too often resort to cheap but toxic options such as 'glue sniffing' which can permanently damage their bodies and minds.

---

<sup>22</sup> Heise, "Unhealthy Alliance," *World-Watch*, September/October 1988, p. 28.

<sup>23</sup> See "Health Workers Falsely Jailed," *Newsletter from the Sierra Madre*, No. 18, October 1987, p. 5.

The US government is supposedly fighting a 'War on Drugs.' But the 'war' is in many respects a farce -- and a cover-up. The United States government, largely through the CIA, has for the last 30 years played a key role in escalating what was once a relatively small-time narcotics trade in underdeveloped countries into what has now become a huge, interconnected, global industry to a large extent impervious to the law. The government has conspired in the build-up of the global narcotics industry because it needed its help with covert operations supposedly undertaken in the interest of 'national security.'

Collusion in drug trafficking as a part of covert US policy has been well-documented by journalists and scholars.<sup>24</sup> Drug trafficking into the USA has served as a major source of off-the-books funding for undeclared wars and 'low-intensity conflict' against poor countries targeted as 'threats to our national security.' (When it comes to 'national security,' it appears that anything goes; the end justifies the means.) So the CIA began to recruit drug lords and members of the Mafia as clandestine collaborators. In the course of the Vietnam War, the CIA became heavily involved in organizing the drug trade in Laos, Thailand, and South Vietnam.<sup>25</sup> The region became the notorious 'Golden Triangle' through which drugs were sent to the US, Canada, and Northern Europe. More recently, in the Afghanistan War, the lands controlled by the US-supported guerrillas quickly grew into one of the world's largest supply centers of heroin for the US and European markets.<sup>26</sup>

During the investigations of the Iran-Contra scandal that broke in 1987 (still by no means resolved), evidence surfaced -- and was quickly partially suppressed -- that once again the CIA, together with the Reagan/Bush Administration, was involved in an arms-for-drugs trade to supply the Nicaraguan Contras. (This was at a time when the US Congress had prohibited all military aid to the Contras.)

The amount of lying and cover-up by high-ranking US government officials regarding the Iran-Contra events, and especially the joint Republican/Democrat hush-up of the drug connection, has been incredible. As recently as May 1989, a poll showed that 63% of Americans think that President Bush is still not telling the truth about the scandal (as opposed to only 32% who think he is). Yet lying, deceit, and violation of national and international law has become such a standard part of official procedure that most Americans simply close their eyes to it, or accept it as inevitable: part of the price of 'democracy' and 'national security.' To make things worse, it has become very clear that investigators or law-makers who try too hard to uncover the truth about the government-drug connection are in for big trouble. Powerful campaigns, often using smear tactics, have been launched to discredit and block the re-election of congresspersons who probe too deeply for the truth. Likewise, carefully engineered attempts have been made to intimidate, discredit, incriminate, and bankrupt nongovernmental groups (such as the Christic Institute) that are researching US government-abetted crime.

In contrast to the intimidation of those who try to expose and put an end to the US government's drugs-for-arms deals, the government provides protection and legal immunity to many of the world's biggest drug dealers, especially those who have collaborated with its covert arms-for-drugs deals. After all, it would be very awkward if the drug lords began to talk -- which some of them have.

---

<sup>24</sup> See, for example, Jonathan Marshall, Peter Dale Scott, and Jane Hunter, *The Iran-Contra Connection* (South End Press, 1989), p. 2.

<sup>25</sup> Gabriel Molina, "Covert CIA Operations in Countries Where There Have Been Revolutions Have Led to Chinese, Vietnamese, Russian, and Cuban Drug Mafias," *Granma*, April 19, 1987.

<sup>26</sup> Arthur Bonner, "Afghan Rebels' Victory Garden: Opium," *New York Times*, June 18, 1986.

At times, the US government even puts foreign relations on the line to protect its kingpins in arms-for-drugs trafficking. A current example concerns John Hull, an American farmer with a large ranch in Costa Rica near the Nicaragua border. Overwhelming evidence -- corroborated by Senator Kerry's congressional investigation -- indicates that Hull, working closely with the CIA (specifically Rob Owen and Oliver North), provided a transit point for the arms-for-drugs supply line to the Contras. In January 1989, the Costa Rican government arrested Hull and charged him with illegal international trafficking of drugs and arms. In response to the arrest, a group of nineteen members of Congress led by Lee Hamilton (of the Iran/Contra investigation) and David Dreier wrote a letter to Costa Rican President Oscar Arias stating, "It is our hope that Mr. Hull's case can be concluded promptly and that it can be handled in a manner that will not complicate US-Costa Rican relations." In a justifiably angry reply to this thinly veiled threat, the Costa Rican President wrote back:

"Mr. John Hull is accused of serious crimes, among them that of participating in the illegal traffic of drugs into the United States. **It pains me that you insinuate that the exemplary relations between your country and mine could deteriorate because our legal system is fighting drug trafficking, no matter how powerful the people who participate in it, or what external backing they might have.**"<sup>27</sup> [Emphasis added.]

Likewise, the US government's current vendetta against ousted Panamanian military chief Manuel Noriega (now scathingly nicknamed 'General Coke') is as double-dealing and opportunistic as Noriega himself. In the early 1980s, the Oval Office's drug task force was well-informed about Noriega's key role in Panamanian trafficking and laundering of drugs. But the task force, headed by Vice President George Bush, chose to remain silent. Why? There is evidence that at the time, Noriega not only had clandestine dealings with the CIA, but also supported the U.S. destabilization campaign against Nicaragua.

Noriega is but one of many big-time drug dealers within and outside the USA who have secretly supported Washington's covert operations in exchange (they hope) for legal immunity. On April 13, 1989, Senator Kerry issued a report on his Congressional committee's investigation into allegations about contra drug trafficking. It states:

"... it is clear that individuals who provided support for the contras were involved in drug trafficking, that the supply network of the contras was used by drug trafficking organizations, and that elements of the contras themselves knowingly received financial and material assistance from drug traffickers. *In each case, one or another agency of the US government had information regarding the involvement, either while it was occurring, or immediately thereafter.*"<sup>28</sup> [Emphasis added]

So much for the US government's War on Drugs. The illegal multinational drug industry is a major cause of sickness, suffering, and death in the world today, not only because of the harm, crime, and destitution it often brings to consumers and their families, but because it is being used to pay for covert operations to destabilize the very peoples who are struggling hardest to overcome the economics of inequity. And in the process, the health and lives of many innocent mothers, children, health workers, school teachers, community organizers, and others targeted by the destabilization strategies are victimized.

---

<sup>27</sup> "Hull Charged with Drug Trafficking, Neutrality Violations," *Contragate Alert: A Newsletter of the Christic Institute*, April 1989, p. 4.

<sup>28</sup> From the Kerry Commission's Report on "Drugs, Law Enforcement, and Foreign Policy," US Senate Committee on Foreign Relations (Government Printing Office, 1989).

If the American people really want to work to overcome the drug problem, first we must rise up and JUST SAY NO to our government's dishonesty, to its destabilization tactics, and to its use of drug trafficking to finance terrorism. Second, and just as important, we must put pressure on our government to help free poor countries from their suffocating debt burden. For such countries as Mexico, Colombia, and Bolivia, the drug trade accounts for at least 75% of their export earnings.<sup>29</sup> These countries depend on drug trafficking to keep paying interest on their huge debts.

**As long as the net balance of money keeps flowing from the poor countries to the rich, so will the drugs.** With their present debt burden, the poor countries simply cannot afford to seriously reduce drug trafficking. Their governments know this, and so does the US government. This is one more reason why, on both sides, the War on Drugs' bark is bigger than its bite.

Like the problems arising from the other 'killer industries,' the drug problem cannot be resolved in isolation. It is an integral part of the economics of inequity. A lasting solution can only come through far reaching change in our existing social, economic, and power structures.

---

<sup>29</sup> See "Meese Doesn't Favor Sanctions . . .," *New York Times*, May 14, 1986, p. 10.

## **Pesticides -- a \$14 billion-a-year industry.**

"The sales abroad of products not permitted for use at home has become a matter of international concern over the last few years as a result of incidents of widespread poisoning and severe environmental harm. There is a sense of outrage on the part of many poor countries whose citizens are the most vulnerable to exports of hazardous drugs, pesticides, and food products."

-- Congressman S. Jacob Scherr before a Subcommittee on government Operations.<sup>30</sup>

The major use of pesticides and herbicides in Third World agriculture has coincided with large-scale agribusiness and the so-called 'Green Revolution.' In some cases, pesticides have contributed to increased crop production. But they have also contributed to two enormous problems affecting health: *poverty* and *poisoning*.

The Green Revolution -- like so many attempts to provide technical solutions to problems that are primarily social and political -- may go down in history as a 'breakthrough' that backfired. Designed to combat the problem of world hunger, its net result in many parts of the world has been to create more hungry mouths.

It happened like this. The goal of the Green Revolution was to increase food production by introducing high-yield hybrid grains. This goal was achieved. However, the new hybrids lacked the hardiness and resistance of the native grains. They needed irrigation, chemical fertilizers and pesticides -- all expensive imports that poor farmers could not afford. This meant that millions of poor farmers were forced off the land. In Central America, for example, there are four times as many landless peasants today as there were before the Green Revolution in 1960. By the mid-70s, 50% or more of the rural inhabitants in at least 20 Third World countries had become effectively landless.<sup>31</sup>

As the small family farms were bought up by big landholders, many began to convert to large-scale agribusiness, introducing tractors, mechanized labor, and heavy use of herbicides to replace farmhands. Competition for the remaining jobs meant workers were grievously underpaid and exploited. Millions immigrated to the mushrooming city slums, where again the excess of unemployed workers led to starvation wages, prostitution, hoards of street children, severe malnutrition, and high rates of infant and child mortality.

In terms of helping solve the problem of world hunger, the Green Revolution failed because planners had defined the primary food problem as one of shortage rather than of distribution.

---

<sup>30</sup> "U.S. Export of Banned Products: Hearing before a Subcommittee of the House Committee on Government Operations," 95th Cong., 2nd Sess. 34 (1978). As quoted by Mark David McWilliams, "Tom Sawyer's Apology: A Reevaluation of United States Pesticide Export Policy," *Hastings International and Comparative Law Review*, Vol. 8, No. 1 (Fall 1984), p. 62.

<sup>31</sup> Frances Moore Lappé and Joseph Collins, *World Hunger: Twelve Myths* (Grove Press, 1986), p. 5.

Clearly, shortage is not the underlying problem. Increases in global food production in the last 25 years have exceeded population growth by about 16%. The world currently produces enough grain alone to provide everyone on earth with 3,600 calories a day -- far more than enough.<sup>32</sup> And nearly all individual countries, even in times of famine, produce more food than their populations require. But the people who most need the food do not get it.

The takeover by large-scale agribusiness -- with its heavy use of fertilizers and pesticides -- is in keeping with the 'adjustment policies' of the International Monetary Fund, which requires that poor countries increase production of cash crops for export in order to service their foreign debts. But it runs counter to the needs of the people. For example, in South Africa 50,000 black children starve to death every year, yet South Africa is a net exporter of food products -- including corn (maize), which is the main food of black families.<sup>33</sup> Thus the introduction of large-scale agriculture, with heavy use of pesticides and herbicides to replace weeding formerly done by manual labor, has exacerbated rather than helped to solve the problem of world hunger.

--0--

**The biggest problem with pesticides, however, is poisoning -- both of people and of the environment.** Farmworkers often handle and use dangerous insecticides and herbicides without even the most basic protection. In many countries, migrant farmworkers live with their families in shacks or tarpaper dormitories on the edge of plantations that are sprayed from the ground or by airplane, and the spray drifts into the living quarters and contaminates foods and the water supply.

The number of chronic illnesses, birth defects and fatalities caused by pesticides has become a major health problem. Up to 2 million pesticide-caused illness poisonings and 10,000 deaths occur per year, most of them among farmworkers in underdeveloped countries. And the numbers are rapidly increasing.<sup>34</sup>

Global pesticide use has grown from almost nothing 40 years ago to over 5 billion pounds a year today. Of this total, the USA, which holds the lead in pesticide use, uses 1 billion pounds, or 4 pounds of pesticide per year for every US citizen. At least 15 herbicides have recently been detected in surface and underground water in many parts of the country.<sup>35</sup>

The dilemma with pesticides is: the more you use, the more you need. And the side-effects are increasingly dangerous. Pesticides kill not only the pests that attack crops, but also many beneficial animals and plants, including the natural enemies of those pests: everything from spiders and aphids to birds. In short, they destroy the ecological balance. **Despite the huge increases in pesticide use since the late 1940s, crop losses to insects, disease, and weed pests have actually increased from 32 to 37%.**

Biologists are now realizing that 'biological control' of pests gives better long-term results, preserves the ecosystem, and is much safer in terms of human health. Small-scale family farming, using a wide

---

<sup>32</sup> Lappé and Collins, *World Hunger: Twelve Myths*, p. 9.

<sup>33</sup> Lappé and Collins, *World Hunger: Twelve Myths*, p. 12.

<sup>34</sup> Lester R. Brown, *State of the World, 1988: A Worldwatch Institute Report on Progress Toward a Sustainable Society* (Norton and Company, 1988), p. 121; Lappé and Collins, *World Hunger: Twelve Myths*, p. 33.

<sup>35</sup> Lappé and Collins, *World Hunger: Twelve Myths*, p. 33, p. 41.

variety of mixed crops, including hardy traditional food crops, lends itself to the successful cultivation of pesticide-free produce. This is precisely the opposite of the trend introduced by the Green Revolution and large-scale, mechanized agribusiness.

--0--

A huge scandal arose following the Vietnam War over the US veterans who are suffering delayed effects of dioxin poisoning from the herbicide 'Agent Orange.' The 309th Aerial Squadron, which used the defoliant to destroy more than 6 million acres of forest and crops in order to deprive the Viet Cong of shelter and food, adopted the slogan, "Only you can prevent forests."<sup>36</sup>

Dioxin, an unavoidable trace contaminant in Agent Orange, is the most lethal poison known. It has been calculated that just 3 ounces of dioxin released into the public water system of New York City would kill the city's entire population. It is estimated that 130 pounds of dioxin were dumped in Vietnam before 1970. Inevitably, some of the US troops were contaminated. Since the chemical is stored in people's fat and released when they lose weight, the signs of poisoning may sometimes be delayed for years. More than 16,000 families of Vietnam veterans have sued Dow Chemical and others for billions of dollars in damages over exposure to Agent Orange. It is estimated that of the 2.8 million soldiers who served in Vietnam, 40,000 may eventually become ill or die from the poisons dumped on Vietnam. No one appears to have calculated how many Vietnamese have died -- or have yet to die -- from dioxin poisoning.

One of the main suppliers of Agent Orange to the US Military was the Dow Chemical Company. Already in 1965, when the US government was purchasing millions of pounds of Agent Orange, Dow Chemical internal documents (revealed in court proceedings in 1983) stated that the dioxin in Agent Orange could be "exceptionally toxic" to humans and warned that fatalities had been reported. On March 24, 1965, four chemical manufacturers met at Dow to discuss the health hazards of dioxin. They decided to suppress information about its dangers because they feared that exposure might "generate a new wave of government regulation of the chemical industry."<sup>37</sup>

The US military, during the Vietnam war, had early reports of a high incidence of unexplained illnesses and birth defects in the sprayed areas. But it discounted the reports as 'Communist propaganda.'

It was mostly pressure from US environmental groups, concerned about the damage, not only to innocent people, but also to the tropical forests, that, in 1969, finally brought a stop to the spraying of defoliants in Vietnam.

--0--

---

<sup>36</sup> Russell Mokhiber, "Agent Orange: Bringing the Battle Home," *Multinational Monitor*, Vol. 8, No. 4 (April, 1987), p. 11. All information on Agent Orange included in this paper is from this article.

<sup>37</sup> Mokhiber, "Agent Orange," *Multinational Monitor*, Vol. 8, No. 4, April 1987, p. 12.

As US industries are faced with tighter restrictions on domestic sales, the export of dangerous substances to the Third World has steadily increased. Pesticides banned for use in the United States head the list of dangerous goods that are exported. In 1976, 29%, or 161 million pounds, of all pesticides exported by the US worldwide were either unregistered or banned for use at home.<sup>38</sup> In general, at least one quarter of the pesticides exported to the Third World by US corporations are banned, highly restricted, or have never been registered for use in the US. These exports take a heavy toll on the health of both the environment and people in underdeveloped countries. For example, in Guatemala, average DDT levels in cow's milk are 90 times that allowed in the US. Nicaraguans and Guatemalans have 31 times more DDT in their blood than Americans. (DDT has been banned in the US since 1970.)<sup>39</sup>

**In spite of a wealth of scientific information documenting the dangers of the overuse and misuse of pesticides, achieving rational control and reduction of their use has proved all but impossible. The pesticide industry has become very powerful, boasting a strong political lobby and conducting advertising campaigns that stress advantages while downplaying the risks.** This enables it to get away with activities like distributing such highly toxic herbicides as Paraquat and Agent Orange -- including surplus from the Vietnam War -- in rural areas of the Third World, especially Latin America, with information on risks and precautions printed only in English.

Since 1980, several bills have been introduced in Congress to regulate the export of hazardous substances. However, none of the bills has been approved. An Executive Order that President Carter signed a few days before leaving office would have required a licence for the export of substances that "represent a substantial threat to human health or safety or to the environment." President Reagan revoked the Carter order shortly after coming into office, arguing that it would hinder American trade.<sup>40</sup>

The United Nations has made several attempts to address world trade in hazardous substances. Through WHO it set up the International Registry of Potentially Toxic Chemicals (IRPTC). However, the United States, which has more information than any other country on poisonous chemicals, refused to cooperate. **In 1984, the US cast the only vote against a UN resolution for further development of the IRPTC** on the grounds that its efforts would be "duplicative." The US was the only nation to publicly state that it sees no need for the Registry.<sup>41</sup>

**In short, the pesticide industry is rooted in an approach to agriculture which is biologically and medically dangerous. It responds to the short-term needs of the international banking system (to produce monoculture crops for export) rather than to the needs of a hungry peasantry (to produce a variety of food crops for local consumption). Both directly and indirectly, its toll on human health and well-being is enormous and on the rise.**

---

<sup>38</sup> McWilliams, "Tom Sawyer's Apology," *Hastings International and Comparative Law Review*, Vol. 8, No. 1 (Fall 1984), p. 61 (see note 31).

<sup>39</sup> Raymond Hill, "Problems and Policy for Pesticide Exports to Less Developed Countries," *Natural Resources Journal*, Vol. 28, No. 4 (Fall 1988), p. 702.

<sup>40</sup> Hill, "Problems and Policy," *Natural Resources Journal*, Vol. 28, No. 4 (Fall 1988), pp. 709-710.

<sup>41</sup> Hill, "Problems and Policy," *Natural Resources Journal*, Vol. 28, No. 4 (Fall 1988), p. 712.

The solution to the problem of pesticides will not come through isolated legislation or through teaching poor farmers methods of `organic' gardening (although both may help). It will require reprioritizing of our values and our power structures, so that the concentrated profits of agribusiness no longer take precedence over the more intimate, more healthy, and more viable relationship of families and communities with the land.

## Infant formula -- a \$2.5 billion-a-year industry

The United Nations has estimated that health problems associated with bottle feeding in underdeveloped countries result in one million infant deaths per year.<sup>42</sup>

In the US and other 'developed' countries, most parents are now aware that breast feeding is healthier for their babies than is bottle feeding. In the last few years, more and more mothers are choosing to breast feed their babies, and increasing opportunities for breast feeding are being provided for mothers who work.

In poor countries, the choice between breast feeding and bottle feeding is often a question of life or death. Breast milk is not only the most complete food for an infant, it is also the least expensive -- a key factor for families that cannot afford to buy adequate food for their children. In addition, breast milk protects a child against infection in two important ways. First, it contains anti-infectious agents that help the baby fight off infection before the child's immune system is fully developed. Second, it is usually free of infectious agents, whereas substitutes given in a baby bottle are often contaminated by the time they reach the baby (regardless of how pure they are in their original container).

The net result is that **in poor communities the chances of survival for breast-fed babies averages 50% higher than for bottle-fed babies.** Studies have shown that the death rate from infant diarrhea -- the primary killer of children in poor countries -- is up to 70% lower in breast-fed than in bottle-fed babies in the same socio-economic conditions.

---

<sup>42</sup> Russell Mokhiber, "Infant Formula: Hawking Disaster in the Third World," *Multinational Monitor*, Vol. 8, No. 4 (April 1987), p. 22. This article is one of a series in this issue on "Corporate Crime and Violence," which documents how a variety of major industries has compromised safety to increase profits and have illegally covered up -- often for years or decades -- the deadly hazards of their products in order not to jeopardize sales. In addition to infant formula, the issue considers: the Union Carbide disaster in Bhopal, India; the Dalkon Shield produced by A. H. Robins; Agent Orange, produced by Dow Chemical and others; thalidomide, the birth-defect-causing tranquilizer; Minimata's disease, or mercury poisoning, caused by the Chisso Corporation in Japan; and asbestos. Of these, asbestos certainly qualifies as a 'killer industry.' Although it has now been all but removed from the US market, it is estimated that the long term effects on those who have worked with asbestos or who continue to be exposed to it may result, during the next 30 years, in up to one quarter of a million deaths of US citizens due to asbestos-related cancer. The asbestos industry, led by the \$2 billion Manville Corporation in Denver, Colorado, knew about -- and refused to make public -- the health risks of asbestos for more than 50 years. In the 1970s, as the risks became widely recognized and the industry suffered severe setbacks in the US, it shifted its marketing to the Third World. As a result, millions of persons, especially children, are exposed to naked asbestos roofing in schools, hospitals, health posts, and home. And because of the high cost of replacement in the economic hard times of the remainder of the 20th Century, millions of children still unborn will continue to be exposed. Furthermore, the health risks involved with demolition of asbestos buildings, especially under poorly regulated conditions, are extremely high. All in all -- even though in 1918 US insurance companies stopped selling life insurance to those working with asbestos -- the high costs of placing profits before honesty, legality, and health will continue to cut short the lives of thousands, perhaps millions, of people for many years to come.

Breast feeding is considered so critical to the health and survival of children that UNICEF included it as one of the four key health measures of the 'Child Survival Revolution.' It launched an international campaign to help mothers realize that 'Breast is Best' and that to give babies infant formula rather than breast milk increases their risk of getting sick and dying.

However, infant formula has become a multi-million dollar business, and like the other giant killer industries has done its best to expand its market into the vulnerable population of the Third World. As campaigns to encourage breast feeding began to grow, the infant formula companies, such as Nestle, heightened their own campaigns to promote their products. They provided medical students and doctors with misleading literature and with abundant free samples of infant formula, often complete with bottles. They dressed employees as 'milk nurses' to make the rounds of hospital maternity wards, giving 'starter packs' of baby bottles and infant formula to new mothers.

The misleading promotion of infant formula was so successful that in Latin America up to 70% of mothers were bottle feeding by the mid-1970s. Many mothers would spend their last pennies to buy infant formula and, to make it last longer, would water it down so much that their children would become increasingly malnourished and die from diarrhea or other infections.

**In May 1981, the United Nations -- prompted by WHO and UNICEF -- passed a Code of guidelines to regulate the misleading promotional campaigns to increase infant formula sales in the Third World. This Code was approved by the 118 national governments, with only the United States, at the request of the Reagan Administration, voting against it.**

Nestle and other multinational milk companies continued unethical promotion of their products in blatant violation of the UN code. However, enough public awareness had been aroused, primarily among the middle class in North America and Europe, so that a massive boycott was launched against the 'Baby Killer.' This was led by an international coalition of community protest groups, called INFAC (Infant Formula Action Network).

And the boycott worked! -- at least in part. The big companies slowly realized that their unethical marketing in the Third World was costing them extensive sales at home. (The loss in sales to Nestle caused by the boycott has been estimated at \$5 billion.) At last, in 1984, they gave in.

While the problem of unhealthy use of infant formula has not been completely solved, substantial progress has been made. The modest success of the Nestle boycott is exciting because it demonstrates that **people power can be effective -- even against the transgressions of a giant profit-hungry industry**. Similarly, the power of outraged people was effective in bringing an end to the Vietnam War. So we can see that organized action by large numbers of people can be effective -- at least to some extent -- against the abuses of both industry and government.

However, as long as the power of industry over the global order of events remains as great as it is, no people's action group can afford to rest on its laurels. In 1988, the consumer group Action for Corporate Accountability (Action) charged that the Nestle Corporation and the US-based American Home Products are not in compliance with the WHO international code and are again "dumping supplies of infant formula on hospitals and maternity wards," a practice that Action said is designed to preclude new mothers from breast feeding their babies. Company representatives have denied the charges. And the boycott has been resumed.<sup>43</sup>

---

<sup>43</sup> "Nestle's Again," *World Development Forum*, Vol. 6, No. 18 (Oct. 15, 1988), p. 4.

## **Pharmaceuticals -- a \$100 billion-a-year industry (\$15 billion sold to Third World)**

Most underdeveloped countries spend up to 60% of their health budgets on medicines. The vast majority of these medicines has been shown to be unnecessary. The World Health Organization has formulated a list of about 240 'essential drugs' which it considers to be sufficient for most countries. Most experts agree that no more than 350 to 400 medicines are needed. Yet many countries -- especially in Latin America and parts of Asia -- import between 15,000 and 20,000 kinds of drugs. In payment, \$15 billion flows from the poor countries to the rich.

Much of this expenditure does little or nothing to meet the major health needs in poor countries. Virginia Beardshaw of Health Action International (HAI), a Netherlands-based consumer group, points out that the poor in Third World nations "will mortgage their land, sell their cattle and sell their seed to buy medicines which they mistakenly think will save their children."<sup>44</sup> In the Philippines, where the incidence of tuberculosis is among the highest in Asia, more money is spent on Vicks VapoRub than on life-saving anti-tuberculosis drugs.<sup>45</sup> In Kenya, the biggest-selling medicine for diarrhea -- the major killer of children -- is a kaolin-pectin mixture called ADM, the use of which is considered "unwarranted" by the American Medical Association, and which is condemned in a British Drug Guide as having "no part to play in the treatment of infantile gastroenteritis."<sup>46</sup>

HAI estimates that 70% of the drugs sold to the Third World could be eliminated as non-essential. This would reduce spending on medicine by more than half, freeing more than \$7 billion for essential drugs in short supply, and for preventive measures and primary health care.<sup>47</sup>

But the health of the people is clearly not the first priority of the multinational drug companies. As with the alcohol, tobacco, and pesticide industries, the pharmaceutical industry looks to the Third World as its gold mine for growth. It also looks to the poor countries, with their inadequate drug regulations, as a 'dumping ground' for pharmaceuticals that have been banned or restricted in the parent countries because they are dangerous, irrational, or ineffective.

The advertising campaigns of the drug companies in the Third World are formidable, and often dishonest. It is said that in Mexico (which imports 80% of its pharmaceuticals) the drug companies spend more money on brainwashing medical students than the medical schools spend on educating them. On the average, 20% of the industry's costs -- or about \$25 billion -- go to advertising and 'promotion' (as compared to 15.5% spent on research and development).<sup>48</sup>

---

<sup>44</sup> Steve Askin, "Pills, Potions and Placebos," *Environmental Action*, Vol. 17, No. 5 (March/April 1986), p. 23.

<sup>45</sup> Askin, "Pills, Potions and Placebos," *Environmental Action*, Vol. 17, No. 5 (March/April 1986), p. 23.

<sup>46</sup> Askin, "Pills, Potions and Placebos," *Environmental Action*, Vol. 17, No. 5 (March/April 1986), p. 23.

<sup>47</sup> Askin, "Pills, Potions and Placebos," *Environmental Action*, Vol. 17, No. 5 (March/April 1986), p. 25.

<sup>48</sup> Jacqueline Orr, "Rexall for Profits -- A Drug Industry Profile," *Dollars and Sense*, No. 128 (July/August 1987), p. 16.

The information that drug companies provide on their products in countries without strict controls is often dangerously misleading. For example, Parke-Davis, the manufacturer of Chloramphenicol -- an antibiotic with a relatively high incidence of fatal side effects -- recommends it in the US only for a few life-threatening diseases for which other, less toxic drugs are ineffective. But in Latin America Parke-Davis has for years downplayed the risk and recommended its use even for 'upper respiratory infections' (e.g. the common cold). When another antibiotic, Lincocin, was severely restricted by the US Food and Drug Administration (FDA) for use in the USA for being less effective and less safe than cheaper equivalents, the US manufacturer (Upjohn) moved its sales campaign south of the border. So effective was the promotional blitz that within a year Lincocin became the second-biggest selling drug in Mexico.<sup>49</sup>

Investigations have also shown that many drug companies have been guilty of bribing Third World health officials to purchase large stocks of medicines that are nonessential, overpriced, or banned in their own countries. During the 70s, in response to mounting protest both from within and outside of the US, Congress more or less enforced a 1938 regulation prohibiting US drug companies from exporting products banned in the USA. But during the Reagan Administration, a bill was passed that dangerously weakened these regulations, giving US drug companies the loopholes they needed to export products banned or not yet approved in the USA. Another deregulation, authorized in 1987, permits drug companies to sell certain 'super-priority' drugs before they are fully tested or proved to be safe and effective. This relaxation of regulations that were designed to protect consumers has proven enormously profitable to the pharmaceutical industry.

Spearheading these highly profitable deregulations of the pharmaceutical industry during the Reagan Administration was Vice President George Bush. Bush's former position on the board of directors of a major US drug company, Eli Lilly, makes the alliance between government and the pharmaceutical industry particularly insidious.<sup>50</sup>

For the drug companies, all this relaxing of regulations appears to have paid off. In 1987, exports of US pharmaceuticals rose sharply, and profits jumped by 20%. With an average profit of 18.1% since 1958, the pharmaceutical industry is one of the most lucrative businesses in the USA. Only the arms industry and computer industries bring higher profits. The government helps guarantee these profits by granting drug companies substantial tax benefits and research subsidies. It also provides a 22-year patent protection, which gives drug companies monopoly control and almost unrestricted price setting power over new products. The companies tend to charge as much as the market will bear, and have sometimes billed poor countries 3 to 4 times their domestic price for essential drugs (such as tetracycline).

Inadequately protected by the rulings of industrialized countries, some of the Third World countries have tried to enact their own regulations. In the early 80s, one of the world's poorest countries, Bangladesh, took a daring step: it passed a law prohibiting the import of a long list of nonessential drugs. In reaction, the multinational drug companies did everything in their power to force the Bangladesh Health Ministry to abandon its new policy. They boycotted sales even of essential medicines to the country, thus jeopardizing millions of lives to sicknesses such as malaria, tuberculosis and cholera. At

---

<sup>49</sup> Many similar examples are given in Milton Silberman's excellent and disturbing book *The Drugging of the Americas*, David Melrose's *Bitter Pills: Medicines and the Third World Poor* (Oxfam, 1982), p. 113, and Michael Tom's *Dying for Drugs: Pill Power and Politics in the Philippines* (Health Action Network, 1988).

<sup>50</sup> Orr, "Rexall for Profits," *Dollars and Sense*, No. 128 (July/August 1987), p. 18.

**the time of this emergency, the US government, rather than coming to the rescue, stood behind the drug companies, threatening to cut off foreign aid to Bangladesh if the country did not give in.**

However, with support from a number of more progressive European countries (most notably Sweden), Bangladesh managed to hold its ground until it could increase local production of essential drugs. (Key to this process was the creation of the Gonoshasthaya People's Pharmaceutical Company, a nongovernmental, non-profit factory that trains and employs mainly single mothers, and which has succeeded in producing several of the essential drugs at roughly one-third of the standard prices of the multinationals.)

Similar stories (but not always with the same happy ending) can be told for many other countries. When Sri Lanka introduced a policy similar to Bangladesh, the American Pharmaceutical Manufacturers Association halted all distribution of drugs to the country until it compromised its policy. According to international health critic Steve Gloyd, **"Time after time countries that have tried to implement reasonable, thoughtful policies on drug importation and distribution have been thwarted by transnational corporations or by their local representatives."**<sup>51</sup>

WHO is caught in the same double bind with regard to the pharmaceutical industry, as with the other giant industries that systematically profit at the expense of health, yet are strongly supported by donor governments. This is especially true of US companies, since the US government provides 25% of WHO funding, which it periodically threatens to withdraw.

While WHO has been praised for formulating its 'essential drugs list,' health advocates criticize the organization for failing to fulfill its mandate to develop a code on drug marketing practices. Yet the pressures on WHO against developing such a marketing code have been strong.

For example, in November 1985 WHO conducted a closed-door conference in Nairobi, Kenya on the right of the \$100 billion drug industry to promote and distribute its products in the Third World without restrictions. Championing the industry's interests was Roger Brooks of the Heritage Foundation. (The Heritage Foundation is an ultra-right-wing pro-industry lobbying organization that advises the White House.) Roger Brooks runs the Foundation's "U.N. Assessment Project," which was a chief actor behind Washington's earlier cut-off of support for UNESCO. Brooks's power greatly increased when, in February 1986, he was appointed to a policy planning position in the office of the assistant secretary for international organizations in the US State Department. In that position, Brooks undertook to "help formulate overall US policy towards the U.N. and [to] coordinate the work of the policy planning office."<sup>52</sup>

At the meeting in Kenya, Roger Brooks surreptitiously slipped a tract of pro-industry propaganda into the folder of WHO papers handed out to participants. In his tract, Brooks accused the consumer activist groups of advocating a marketing code with the secret aim of "redistributing the world's wealth by fiat."

---

<sup>51</sup> Steve Gloyd, talk given to Oxfam Canada, March 1988, distributed by the Hesperian Foundation, p. 10.

<sup>52</sup> Askin, "Pills, Potions and Placebos," *Environmental Action*, Vol. 17, No. 5 (March/April 1986), p. 26.

After the then-Director General of WHO, Halfdan Mahler, threatened to have him arrested, Brooks apologized for slipping his tract into the UN documents. However, the powers that Brooks represented clearly succeeded in intimidating WHO. Mahler himself, on the opening day of the conference, withdrew WHO support for a film it had cosponsored with the Dutch government, titled "The Pill Jungle." Mahler also prevailed on the Kenyan government to cancel a planned showing of the film on local television.

Needless to say, WHO failed once again at the Kenya conference to come up with an effective marketing code. Today, the chances for a strong code are even more remote. In 1988 Mahler -- who believed in such a code even if he lacked the courage to enact it -- was relieved as the head of WHO. WHO's new General Director, Hiroshi Nakajima, is the former head of a major Japanese drug company. And so, as far as WHO is concerned, it looks like the pharmaceutical industry is in for some smooth sailing ahead.

Given these disturbing trends in the late 80s, Jacqueline Orr echoes the conclusion of many observers:

"Currently, consumer critics, international public interest organizations, and grassroots activists offer the greatest hope for protection of people's health against the industry's aggressive pursuit of healthy profits."<sup>53</sup>

---

<sup>53</sup> Orr, "Rexall for Profits," *Dollars and Sense*, No. 128 (July/August 1987), p. 21.

## **Arms and military equipment -- a \$200 billion-a-year industry in the USA alone**

The US government devotes approximately half of its entire budget, directly and indirectly, to what it calls 'Defense.' In the name of 'national security,' it has built up a huge arsenal of nuclear weapons that endanger the security of the entire human race. **The Pentagon today has enough weapons to destroy all life on Earth at least four times.** In terms of either Cold War or nuclear war, surely that much weaponry is overkill. And yet the government continues to contract from the arms industry an additional \$200 billion of weapons and military equipment each year.

The key question regarding such excessive military buildup is this: *Has the huge arms industry been created in the service of national security, or has the 'national security' paranoia been created in the service of the arms industry?*

The military industry is one of the biggest, most profitable, and politically most powerful industries in the United States. Although ten giant military contractors account for one-third of all US weapons contracts, about 35,000 businesses receive Department of Defense contracts and about 150,000 subcontract for these firms. The top military contractors -- IBM, General Motors, Ford, Boeing, Lockheed, Rockwell, and General Electric -- represent the backbone of American Industry. The top ten Fortune 500 industrial corporations are all major petroleum suppliers to the Pentagon.

The arms industry obviously has an enormously powerful lobby. The White House, in turn, pays financial favors to the arms industry in ways far more deserving of an investigation by an ethics committee than the minor, harmless dealings of former Speaker of the House Jim Wright. (Criminal investigations are finally underway into the joint Rockwell Corporation/ US government falsification of reports in order to conceal extensive contamination of the environment and city water supply at the Rocky Flats nuclear plant in Colorado, which processes plutonium for nuclear warheads. The flagrant health-endangering violations there have been going on for years.)<sup>54</sup>

The scandalously big profits that the US government allows on military contracts have soared to new heights in the 80s. During the first three years of the Reagan Administration, annual profits (as percent of investment) for military contracts rose from 18% to 28%, and now average 34%, making the manufacture of arms by far the most lucrative major industry in the US.<sup>55</sup>

In testimony before Congress in 1985, Admiral James D. Watkins, Chief of Naval Operations, declared:

"Today, our big contractors average over four times as much profit ... on their defense contracts as on their commercial contracts. Why is that? What is there in the defense business that would warrant four times the percentage of profit? There is nothing. We are one of the most reliable, prompt-paying customers the world has ever seen. So why do we award that kind of benefit? There is no reason."<sup>56</sup>

---

<sup>54</sup> David Johnston, "U.S. Begins Criminal Investigations at Nuclear Plant," *New York Times*, June 6, 1989, p.1.

<sup>55</sup> Center for Defense Information, *The Defense Monitor*, Vol. 16, No. 3 (1987), p. 5.

<sup>56</sup> Center for Defense Information, *The Defense Monitor*, Vol. 16, No. 3 (1987), p. 7.

To make things worse, the US government heavily subsidizes the arms industry, just as it does the tobacco industry. Government subsidies to top military contractors, mainly through free use of government property, total about \$40 billion.<sup>57</sup>

To further bolster their profits, military contractors vigorously lobby Congress and the Pentagon to buy weapons the US does not need. After all, the primary goal of the big corporations is not 'national security' and certainly not 'world peace'; rather it is to maximize returns on stockholders' investments. Clearly, the achievement of real security or world peace could bring irrevocable reversals in the arms business's 'bull market.'

As with the tobacco and pesticide industries, the arms industry has turned to the Third World as its fastest growing market. Its promotion of arms sales -- often with aid from the US government -- contributes to the high levels of war and violence within and between many of the poorest countries, thus escalating the demand for still more arms, and putting an additional economic and social burden on countries already reeling under suffocating foreign debt.

Clearly, the arms race, the huge expenditures on the machinery of war, and the escalating sales of weaponry to poor countries bring genuine security to no one.

From either a pragmatic or an ethical standpoint, the buildup of weapons to the present high levels is insane. The only people to benefit are the big stockholders and the politicians whose position and power depends in large part on answering to the interests of the military industry. There is no other logical rationale for such disproportionate investment in the machinery of destruction. The greatest danger to survival of millions of people and of humanity as a whole comes from inequality of power -- not between the USA and USSR, but between rich and poor, both within countries and between them.

What earthly good are all our bombs and bombers? Our huge nuclear stockpile? Our "Star Wars" strategic defense plan? The military buildup on its present huge scale protects no one, but instead threatens us all with annihilation. The only conceivable way that the White House can market such a costly and dangerous scam to its citizens is to create a mass hysteria about national security: to keep fanning the embers of the 'red scare.' However, this is no longer so easy for the Bush Administration, now that Gorbachev is making disarmament overtures, pulling troops out of Afghanistan, and democratizing Soviet society. But Bush will be slow to accept any major steps toward disarmament or world peace. Big business --especially the arms business -- put him into office, and he has to pay his dues. And so the arms buildup and the threat of nuclear holocaust seem destined to continue.

The biggest immediate danger to survival, however, is not that the bombs may actually be used. It is the colossal abuse of power inherent in the excessive military buildup, and, above all, the enormous cost. With the military industry, as with the other killer industries, it is the poor who suffer most. Increase in military expenditure is paid for through cutbacks in public services: education, health care, unemployment, disability and old age pensions, low-cost housing, public transportation, etc. This was clearly seen in the US during the Reagan Administration. Today approximately half of the US budget goes to the military. This means that **for every American family, roughly \$3000 in tax dollars goes to the military each year, compared to \$115 tax dollars going to housing and \$126 to education.**<sup>58</sup>

---

<sup>57</sup> Center for Defense Information, *The Defense Monitor*, Vol. 16, No. 3 (1987), p. 3.

<sup>58</sup> 1985 figures, from Lappé and Collins, *World Hunger: Twelve Myths*, p. 117.

The US military was meant to make the nation strong; instead it is making it weaker in several ways. Due in large part to its huge military spending, the US now has the world's biggest national debt, and is fast losing its leadership as the world's strongest economic power. While the US ranks first among the 17 major industrial countries in the percentage of its budget spent on military, it is last in terms of the growth and productivity of manufacturing.<sup>59</sup>

Compared to other nations, the US also ranks 20th in infant mortality (which is considered a good indicator of a population's overall health). Today, 1 out of every 7 Americans, and 1 out of every 5 American children, lives below the poverty line, and the gap between rich and poor is widening.<sup>60</sup> **The arms industry has certainly made some people very wealthy. But it has compromised the present well-being of the less advantaged, and the future well-being of us all.**

People in underdeveloped countries have suffered greatly, directly and indirectly, from high military expenditures. **The world's annual military budget of one trillion dollars equals the income of 2.6 billion people in the 44 poorest nations -- half the world's population.**<sup>61</sup>

Faced with huge foreign debts, many poor countries have been forced (by the IMF) to severely cut their budgets for health and education. **Yet military budgets of Third World governments, on the average, are now 7 times higher than they were in 1960.**<sup>62</sup>

Much of the Third World's purchase of arms is from the US arms industry, and is often expedited by US foreign military aid. Arms sales under US government auspices during the 70s were almost \$100 billion, eight times greater than in the previous two decades combined.<sup>63</sup> During the 80s, military aid has become the largest category of US foreign aid, of which it now comprises 41%.<sup>64</sup> In 1986, three times as much was spent on military aid as on development aid.<sup>65</sup>

**Most shocking of all is the choice of countries to which the US awards the bulk of its military aid.** In 1985, 43 of the 113 countries receiving US military or security aid were under some form of military rule. Over the last 20 years, the US has given over \$27 billion in arms to governments with notorious records of military and paramilitary violence against their own people.<sup>66</sup> El Salvador, in 1970,

---

<sup>59</sup> Lappé and Collins, *World Hunger: Twelve Myths*, p. 118.

<sup>60</sup> Holly Sklar, "My Country 'Tis of Thee," *Zeta Magazine*, April 1989, p. 44.

<sup>61</sup> Ruth Leger Sivard, *World Military and Social Expenditures, 1987-88* (World Priorities, 1987), p. 5.

<sup>62</sup> Sivard, *World Military and Social Expenditures, 1987-88*, p. 5.

<sup>63</sup> Lappé and Collins, *World Hunger: Twelve Myths*, p. 118.

<sup>64</sup> Frances Moore Lappé, Rachel Schurman, and Kevin Danaher, *Betraying the National Interest* (Grove Press, 1987), p. 11.

<sup>65</sup> Institute for Food and Development Policy, "U.S. Foreign Aid: Help that Hurts" (a Food First Action Alert), p. 2.

<sup>66</sup> Lappé, Schurman, and Danaher, *Betraying the National Interest*, p. 31.

received only \$600,000 in military aid. By 1986 it was receiving over 200 times that amount, to reach \$122 million. **Of the \$1.7 billion total aid sent to El Salvador in the first half of the 80s, three quarters went in direct or indirect support of the government's war against a civil uprising.<sup>67</sup> Human rights violations have increased proportionate to the amount of US aid.**

More than two thirds of US foreign aid is in the form of security assistance: military training, weapons, and payments to governments seen as "useful outposts in a global struggle against communism."<sup>68</sup> Almost half of the US military expenditure -- amounting in 1985 to some \$138 billion -- goes to maintaining its military presence around the globe.<sup>69</sup> The US currently has 375 military bases in 35 countries.<sup>70</sup>

The huge investment in arms and militarization has without question put an enormous strain on the world economy, and has consumed limited resources which are desperately needed to overcome poverty and promote real development. **With what is spent every three weeks on the instruments of war, primary health care could be provided to everyone on earth for an entire year.**

The impact on health of militarization and of the massive flow of arms to the Third World is direct as well as indirect. Armed violence is increasing. Since 1980, 45 countries have been involved in 40 wars. In today's wars, more civilians than soldiers are killed or disabled, including many women and children. In World War I, only 5% of persons killed or injured were civilians. Today, 80 to 90% are civilians. At least 3 times as many people are injured as are killed.

The amount of violence, death, displacement, disability, hunger, and human devastation resulting from outright war and low-intensity conflict in the world today is a crime against the very foundations of humanity. Tragically, much of the supply of arms and military aid that has sustained and escalated these wars has come from the superpowers. And in the US it has been promoted to sustain the country's most profitable giant industry.

--0--

In September 1987 the United Nations called a meeting of all the member states to discuss the theme of Disarmament and Development. The US government was the only nation that refused to attend the conference, which it actually boycotted, claiming that disarmament and development are unrelated issues, and that the Soviet Bloc had instigated the conference to attack US policy.<sup>71</sup>

---

<sup>67</sup> Lappé, Schurman, and Danaher, *Betraying the National Interest*, p. 30, p. 40.

<sup>68</sup> Institute for Food and Development Policy, "US Foreign Aid: Help that Hurts" (a Food First Action Alert), p. 2.

<sup>69</sup> Lappé and Collins, *World Hunger: Twelve Myths*, p. 117.

<sup>70</sup> Center for Defense Information, *The Defense Monitor*, Vol. XVIII, No. 2, 1989, p. 1.

<sup>71</sup> Marek Thee, "The Third Special Session of the UN General Assembly Devoted to Disarmament: between Armaments and Disarmament," *Transnational Perspectives*, Vol. 14, No. 3 (1988), pp. 6-11.

In fact, within the last year or so, the Soviet Union has taken a number of initiatives to reduce strategic weapons and to work toward ending the Cold War. But the United States has dragged its heels. The Soviet Union has also done more to withdraw its military assistance to warring Third World countries than has the US.

When confronted with serious offers of far-reaching disarmament, the White House squirms, calls names, and tries to pick fights. But it is clearly not yet prepared to give up the devastating madness of the arms race. After all, a \$200-billion-a-year industry is at stake.

Obviously, if military expenditures were dramatically reduced and a fraction of the money were used to provide greater security (in terms of well-being and survival) for those in the world whose needs are greatest, worldwide progress could be made in health and real development. True, military cutbacks would mean that many people would have to seek different employment. Private US corporations now employ about 3.3 million workers for military contracts.<sup>72</sup> However, studies have shown that **military expenditures create only half as many jobs as equivalent funds spent on such basic needs of society as housing, roads, health facilities, and schools.**<sup>73</sup>

---

<sup>72</sup> Center for Defense Information, *The Defense Monitor*, Vol. 16, No. 3 (1987), p. 4.

<sup>73</sup> Ruth Leger Sivard, *World Military and Social Expenditures 1987-88*, p. 22.

## **International banking -- \$1000 billion in outstanding loans to the Third World**

It is easy to understand why tobacco, narcotics, and weapons have been classified as 'killer industries.' Their products are often lethal, especially for the poor. But international banking? Tragically, its product -- big loans to poor countries -- has just as deadly results.<sup>74</sup>

The 'debt crisis' precipitated by the huge debt burden of poor countries is today probably responsible for more poverty-related illness and death than all the other killer industries combined (with the possible exception of the arms/military industry). In its 1989 State of the World's Children Report, UNICEF blames the reversal in progress in health and development in the 80s on the "financial prison" of "rising debt repayments and falling commodity prices."<sup>75</sup>

The debt crisis of the 80s was the consequence of vast irresponsible lending, during the late 60s and 70s, by many of the top commercial banks of the US, Europe, and Japan to Third World countries. Put very simply, it happened like this:

During the 70s, the Organization of Petroleum Exporting Countries (OPEC) quadrupled the price of oil. Much of the vast new revenue was deposited in Northern banks. Glutted with money, the banks began to look for new ways to invest their petrodollars. So, following the pattern of the tobacco, infant formula, and weapons industries, they turned their marketing skills to the Third World. Riding the new wave of concern in the West for 'development of backward countries,' the banks talked poor nations into accepting giant loans to promote their economic growth.

Most of the lending came from the largest US banks -- banker's Trust, bank of America, Chase Manhattan, Chemical, Citicorp, Continental, Illinois, First Chicago, Manufacturers Hanover, Morgan Guaranty -- and their counterparts in Japan, Germany, France, and the UK.<sup>76</sup>

Growth, largely in the form of big industry and agribusiness (as promoted by the banks), did take place in a number of poor countries -- at least for a while. But the economic gains, rather than trickling down to the poor as was planned, became increasingly concentrated in the hands of the wealthy. For example, during the so-called 'Brazilian Miracle' in which Brazil's Gross National Product increased by more than 20% a year, the real earnings of the poor majority dropped by nearly 40%. Throughout the so-called 'free world,' both within countries and between them, the gap between rich and poor widened. Production rates increased, but so did world hunger.

As long as the banks kept making new loans to help the debtor countries keep pace with the mounting interest rates on the old ones, the huge debt burden was manageable. But with the crash in oil prices at the end of the 70s (which reduced the banks readiness to make new loans), coupled with growing inflation and decreasing returns for exports, poor countries had more and more difficulty servicing their huge debts.

---

<sup>74</sup> For an excellent analysis of the damage caused by Third World debt to the peoples of underdeveloped countries and to the environment, see Susan George, *A Fate Worse Than Debt: The World Financial Crisis and the Poor* (Grove Press, 1988).

<sup>75</sup> *The State of the World's Children 1989*, p. 15.

<sup>76</sup> *New Internationalist*, Nov. 1988, p. 16. Information comes from *A Review of Bank Performance; 1986*.

By the beginning of the 80s, the debt burden of poorer countries began to slow and finally to reverse their economic development. It also reversed any progress in health, education and child survival.

Such reversals are understandable when we realize the full impact of the debt crisis. Today, many countries owe more in debt repayments and interest than they earn from exports. And most of the poor countries spend more in interest payments to rich countries than they receive in foreign aid. **In 1979, there was a net flow of \$40 billion per year from the rich countries to the poor. Today, there is a net flow of \$20 billion from the poor countries to the rich. And, if we take into account the plummeting export earnings of countries struggling to raise dollars for interest payments, the flow from poor countries to rich approaches \$60 billion per year.**<sup>77</sup>

As savagely as in the days of colonialism, the rich are living off the backs of the poor.

To make things worse, in the early 1980s the International Monetary Fund (IMF) and World Bank came to the rescue -- of the banks! In order to rescue the commercial US, European, and Japanese banks from possible widespread default on their loans, the IMF and the World Bank began to make strategic new loans to indebted countries. In exchange for the loans, poor countries had to agree to a set of 'economic adjustment' mandates designed to make sure they could and would keep servicing their debts.

**The adjustment mandates imposed by the banks are in many ways the direct opposite of the changes needed to promote real development and health.** In order to generate capital for servicing their debts, the poor country is required to (1) increase production for export (including cash crops rather than food for local consumption), (2) free prices while freezing wages (which decreases the real earnings of people already devastated by poverty), and (3) reduce public spending (including education and health services).

As usual, those who have been hit hardest by these devastating adjustment policies are the very poor, and especially, as UNICEF points out, the women and children.

In many countries today, especially in Africa and Latin America, more than 50% of children are undernourished. An example is Mexico, which now pays \$30 million in interest every day on its \$110 billion foreign debt.<sup>78</sup> The Mexican National Institute of Nutrition (INN) reports that "...from 80% to 90% of the country's children pass a period of early malnutrition, from which they suffer irremediable losses in mental and physical capacity."<sup>79</sup> According to the INN, it would cost only about \$10.00 of additional food per year to bring the average deficient diet of a child up to a satisfactory level. "This means that **with approximately 23 million dollars -- which signifies less than 24 hours of default on payment of the national debt -- protection against malnutrition could be provided to one and a half million children living in the most marginalized rural areas.**"<sup>80</sup>

---

<sup>77</sup> *State of the World's Children, 1989*, p. 15.

<sup>78</sup> William Stockton, "Hard Hit Mexico Tries to Cope," *New York Times*, October 23, 1986; Pete Hamill, "The Capital of Calamity," *Village Voice*, March 4, 1986.

<sup>79</sup> Andrea Bárcena, "De 80 a 90% de Mexicanos Fue Desnutrido Infantil y Perdió Capacidad Física y Mental," *Proceso*, June 1, 1987, p. 6.

<sup>80</sup> Andrea Bárcena, "De 80 a 90% de Mexicanos Fue Desnutrido," *Proceso*, June 1, 1987, p. 7.

While millions of poor people in debt-burdened countries have hungered and died from the harsh austerity measures imposed by the IMF, the commercial banks have flourished. Between 1982 -- when Mexico threatened default -- and the end of 1985, banking profits shot up, and the nine biggest banks increased their dividends to stockholders by more than a third.<sup>81</sup>

During most of the 80s, UNICEF carefully documented the deterioration in health of the Third World's children resulting from the debt crisis and debilitating adjustment policies imposed by the powers-that-be. But it pretty much accepted the "adverse economic climate" as inevitable. It therefore tried to introduce its own 'adjustment policies' for primary health care, 'streamlining' costs and services in line with the imposed cutbacks in funding. But at last, in 1989, faced with the deteriorating health status of children in dozens of countries, UNICEF dared take a stand, calling urgently for prompt and far-reaching debt reduction as part of a major policy shift toward what it calls 'Real Development'.<sup>82</sup>

---

<sup>81</sup> *New Internationalist*, Nov. 1988, pp. 16-17.

<sup>82</sup> *State of the World's Children, 1989*, p. 34.

## The Economics and Ecology of Inequity

"There is no such thing as 'national security.' Either there is 'world security,' or there is no security at all."

-- John Stockwell, former CIA official in charge of the covert war in Angola, who resigned from the agency in disgust.

Even if the debt of Third World countries were reduced to nothing, it would not solve the plight of the more than one billion human beings living in extreme poverty. Nor would it lead to a healthy people on a healthy and sustainable planet. The debt crisis and the killer industries we have considered are only the spikes on the bludgeon of the overriding global problem. That problem has sometimes been called 'the economics of inequity.' But it has as much to do with power as economics . . . and with the madness that allows those with disproportionate power to greedily serve their selfish, short-sighted interests without regard for the suffering they are inflicting on other human beings, the destruction they are wreaking on the environment, and the way they are jeopardizing the very future survival of life on this planet. The deaths of 14 million children annually are few compared to the seeds of destruction that are being sown by the two-headed dinosaur that rules and devours the globe: big government and big business.

The main hunting grounds of this moribund dinosaur has become the Third World. But the cave that it has furnished with the world's nonrenewable resources, and with the lives and dreams of hungry children, is the United States of America.

At the close of the 20th Century, humankind is in big trouble. We have created so many global time bombs that we grow numb to the risk and keep on creating more. We have enough nuclear bombs and missiles to destroy all life on earth at least four times. And even if the bombs never go off, we have contaminated the environment with enough lethal nuclear waste to plague life on earth for the next 10,000 years -- if some form of life survives.

**But a far more immediate threat than either nuclear holocaust or nuclear disintegration is the destruction of the environment.** Not only are we rapidly using up the planet's non-renewable resources, but through our enormous consumption of fuel and rampant destruction of forests, we are building up a blanket of carbon dioxide in the stratosphere, causing the so-called 'greenhouse effect.' Experts warn that our actions are producing a rapid 'global warming' trend that threatens to destroy many of the plant and animal species on earth, and to severely damage humanity's own health and well-being.

Aggravating the greenhouse effect, and also destroying the ozone layer of the atmosphere, is the worldwide use of chloroflourocarbons -- chemicals used in spray cans, refrigerator coolants, automobile air conditioners, and foam plastic. The ozone layer is essential to life on the planet because it screens out nearly all the lethal ultraviolet rays in sunlight. The little bit of ultraviolet that gets through is what causes sunburn and the commonest form of skin cancer. Already, chloroflourocarbons that have escaped into the atmosphere have caused a huge hole in the ozone layer over the South Pole.

Environmentalists have put a lot of pressure on the US government to place restrictions on chloroflourocarbons, but so far only their use in spray cans has been banned. International meetings of government leaders are planned to try to do something before it is too late (if it is not too late already). But the probability of sufficient action being taken in the near future is remote. The chloroflourocarbon industry is smaller than some of the other killer industries. But at \$2.2 billion a year, it is still big business. And when the short-term interests of big business conflict with the long-term interests of humanity, big business often gets the upper hand.

**Global warming from the 'greenhouse effect' may, in the relatively near future, have a more disastrous and irreversible effect on the 'security' of the biosystem, the health of the world's people, and the survival of its children, than all the current diseases of mankind, including the emerging pandemic of AIDS.** Its end result could be the same as that of nuclear war, but slower and more painful. Considering these issues, the US Congress planned a special hearing to decide what action to take. It asked Dr. James E. Hansen, Director of the National Aeronautics and Space Administration's Goddard Institute for Space Studies, to prepare a detailed testimony on the greenhouse effect and the dangers of global warming.

Amazingly, before the testimony on global warming was presented to the Congressional hearing, the facts were tampered with by a US government agency. On May 6, 1989, a news item appeared in the *New York Times*, titled, "Scientist Says US Agency Altered His Testimony on Global Warming." Excerpts read:

"WASHINGTON, May 7 -- The White House's Office of Management and Budget has changed the text of testimony scheduled to be delivered to Congress by a top US government scientist, over his protests, making his conclusions about the effects of global warming seem less serious and certain than he intended ...

"Senator Albert Gore ... chairman of the subcommittee [on Science, Technology and Space] ... said that White House officials were attempting to change science to conform to their policy rather than base policy on accurate scientific data.

"'They are scared of the truth,' Mr. Gore said. He charged that the testimony was censored to support those in the Office of Management and Budget and other parts of the Administration who are seeking to keep the United States from proposing an international treaty to ameliorate the now widely anticipated global warming trend.

"The United States heads an international panel assigned the task of preparing a policy response to the global warming trend. The panel is scheduled to make recommendations at a meeting sponsored by the United Nations in Geneva this week."<sup>83</sup>

Why would the White House take the extraordinary step of altering scientific data and thereby misleading both Congress and the United Nations in their formulation of a global policy -- especially on an issue so fundamental to the future well-being of humanity?

To answer this question, we need only ask: **What might be the implications for the world's dominant social, political and economic structures of a global policy committed to averting the greenhouse effect and other irreversible environmental destruction?** We need to ask:

*How might a rational, ecologically sound, global policy affect the practices and profits of national and multinational industry?* Big industry consumes an enormous amount of fuel and spews millions of tons of carbon dioxide into the atmosphere. What would be the cost -- and environmental control measures -- required to make industry more energy- and waste-efficient?

---

<sup>83</sup> Philip Shabecoff, "Scientist Says U.S. Agency Altered His Testimony on Global Warming," *New York Times*, May 8, 1989, p. A1.

*What would such a policy imply to the American lifestyle of unbridled consumerism and high energy consumption, on which big industry thrives? The US, with 5% of the world's population, uses 25% of the world's resources and energy.*

*What would it mean to the development model imposed on the Third World by US government and industry, which has promoted growth rather than equity as its goal? This model has aggressively replaced labor-intensive agriculture and production with energy-intensive agribusiness and megaindustry. The result: more degradation of the environment and more carbon dioxide in the atmosphere.*

*What would it mean to the continued destruction of the world's rain forests, at the rate of one football field-sized tract every second, partly to produce cheap beef for the American giant fast-food chains, and partly to grow crops for export to keep paying interest on foreign debt? The world's forests -- especially the rain forests -- are the most important producers of oxygen and consumers of carbon dioxide. Their preservation is essential in combating the greenhouse effect.*

*What would it mean to the huge World Bank-sponsored dams in poor countries? These giant dams have destroyed millions of acres of forests and displaced half a million marginalized people, primarily to produce power for industrial expansion.*

*What would it mean to the enormously profitable military industry? This trillion-dollar-a-year industry not only pours vast amounts of carbon dioxide and toxic waste into the atmosphere, but, by consuming so much of the world's wealth and resources, aggravates worldwide poverty, thus forcing poor countries to destroy their natural resources and upset ecological balances just to subsist.*

*What would it mean to our current trade policies, IMF mandates, debt-servicing strategies, and the resultant flow of wealth from poor countries to rich? These practices do much to perpetuate poverty in the Third World. The combination of poverty and debt forces the poor to turn their pastures and forests into deserts through over-grazing and over timbering.*

*What would it mean in terms of the world's 'population explosion' and our inadequate attempts to control population growth without correcting its underlying causes? The growing world population -- now 5.2 billion -- is unquestionably a major factor in the degradation of the biosphere. The link of population growth to poverty is clear, with 95% of this growth occurring in the Third World. This is not because having many children makes people poor. It is because for poor families, having a lot of children is often an economic necessity. *The only way to halt population growth is through a more equitable social order in which all people's human rights and basic needs are met, so that everyone can afford to have small families.**

**In short, the greenhouse effect is the nemesis of a global order that has wantonly exploited both people and the planet on an unprecedented scale.** Revolutionary changes in social, economic and political structures would be needed to implement a policy for long-term, worldwide security.

Is it any wonder, then, that the White House falsified a scientific report on global warming? After all, the Administration was willing to lie to Congress, to violate rulings of the World Court, and to compromise the health of its own youth through drug trafficking, in order to terrorize and kill the people of a small country struggling for greater economic and political equality (Nicaragua). So it makes perfect sense that the Administration would mislead Congress concerning what may be the biggest threat to health for humanity's future generations?<sup>84</sup>

---

<sup>84</sup> Falsification of facts so as to favor industry at the expense of the environment and the future of humanity, as is now being seen in the Bush Administration, follows a strong precedent set during

Our global leaders may argue that *the end justifies the means*. But we must ask ourselves: *do the means justify the end?* -- especially when the end may be so absolute.

It takes a global crisis to show us how interrelated everything is. **We cannot continue irreparable exploitation of both humanity and the planet without the damage eventually coming home to roost.**

What is most terrifying of all is that the global power structure we have created has become a sort of self-propelling and self-justifying megarobot, beyond control that is visionary or even human. It is a giant whose head is too far from the earth to see the delicate web of life and limb it is trampling. It can no longer stand back and see where its remorseless greed is leading it. Like a dinosaur, it has become too big and too short-sighted to adapt to the world's changing climate and needs. Its own size and strength are its biggest weakness. And its institutionalized dishonesty, cover-ups, and deception -- including its monumental self-deception -- have become its Achilles heel.

The alarm bell for 'National Security' has become a facade for promoting powerful military and corporate interests. But it is a false alarm. For, as many critics of world events have pointed out: **there is no such thing as national security. Either there is world security, or there is no security at all.**

The challenge for humanity at the close of the 20th Century is simply this: Can we sacrifice our unbridled dinosaur of self-seeking social, economic and power structures for the sake of real and lasting security -- for all.

It won't be easy. And it may not even be possible. But it's worth a try. All of us, even businessmen and stockholders -- and the politicians they put in office -- should give serious thought to placing global security above 'national security,' and global well-being above national wealth. The planet may be terminally ill, but euthanasia still seems a bit hasty.

--0--

UNICEF has made a worldwide plea for what it calls 'Real Development.' What 'real development' comes down to (although UNICEF for obvious reasons is cautious to say so too clearly) is *equity-oriented* development rather than *greed-oriented* development.

But is real development even possible under our present power structures and within our present economic order? Will the US government (and its allies) be willing to provide foreign aid that will genuinely help poor nations and poor peoples empower themselves to stand up for their rights?

The answer is probably no. Dinosaurs would rather die than change. This is evident from the White House's cover-up about the dangers of global warming -- which is in fact a global warning.

---

the Reagan Administration. Reagan declared that atmospheric pollution is not caused by automobile exhausts and industrial emissions, but by vegetation. To this complete reversal of scientific fact, he added, "So let's not go overboard about setting and enforcing tough emission standards from man-made sources." Quoted in: Norman Corwin, *Trivializing America* (Lyle Stuart, Inc., 1986), p. 212. That national leaders are able to get away with such boldfaced lies concerning vital global issues is less disturbing than the fact that the Congress, the media, and the public let our leaders get away with it. It seems that the routine dishonesty and disinformation has pervaded every office of federal government.

For a healthy future of the planet and its people, some big changes are needed: changes within government, within the laws that control industry, within the strategies of production, within the world economic order, and -- above all -- within the global concern and value system of people, including ourselves. Attitudinal and behavioral change is important for 'real development.' But we must start at home.

The far-reaching changes that are needed cannot come about solely from the bottom up or from the top down. They will require a global solidarity, involving every threatened and every thoughtful human being. They require a new kind of revolution: a global revolution passionately committed to non-violence, to understanding, to harmony through diversity, to genuine but gentle justice, to equity and equal rights -- for all, at every level.

**We do not need to give the poor countries and peoples of the world more foreign aid.** (They have enough of what is foreign already.) **Rather, we need to return part of what we have taken from them. What we really need to give them is a chance.**