



# Nebraska Report

*There is no Peace without Justice*

FEBRUARY 2004

VOLUME 32, NUMBER 2

## STRATCOM'S NEW GLOBAL THREAT SUBJECT OF 2004 ANNUAL PEACE CONFERENCE

The man who blew the whistle on last August's secret meeting at StratCom to plan a new generation of nuclear weapons will be the keynote speaker at the 2004 Annual Peace Conference Saturday, February 14. Greg Mello, Executive Director of the Los Alamos Study Group, a disarmament-oriented research and advocacy organization headquartered in Albuquerque, New Mexico, will speak on the topic "StratCom's New Mission: Full Global Strike." As has become traditional, a selection of Peace & Justice Workshops on topics ranging from Fair Trade to Whiteclay to the USA PATRIOT Act will also be featured.

The all-day conference, which is jointly sponsored by Nebraskans for Peace and the UNO School of Social Work, will be held at Trinity United Methodist Church in Grand Island, from 9:30 a.m. till 5:00 p.m. Registration is \$25 per person before February 11; \$30 per person at the door. (A student/low-income rate of \$10 is also available.) Coffee, juice and rolls and lunch catered by Valentino's are included in the registration cost. Child care will be provided, and up to four-and-one-half CEUs will be offered to certified Masters Social Workers and Licensed Mental Health Practitioners who attend.

Greg Mello's talk on StratCom's expanded focus and mission in the aftermath of 9/11 could not be more timely.



**Greg Mello**  
Keynote Speaker

Over the past two years, StratCom has seen its limited role of maintaining America's nuclear deterrent grow to where it now serves as the command center for every conventional military intervention undertaken by the U.S. government. It was the Study Group's disclosure in January 2003 of a secret Stockpile Stewardship Conference at StratCom, however, that ultimately helped draw public attention to this dramatic shift in mission. In discussions that were closed to congressional representatives and the public, laboratory and production-plant contractors, Pentagon staff, and StratCom officers convened last August for a policy discussion on the proposed use of nuclear weapons in conventional conflicts (the so-called "mini-nukes"), and how in turn to sell their proposal to a reluctant Congress.

Greg Mello is uniquely qualified to weigh in on this discussion. Since co-founding the Study Group in 1989, he has led the Study Group in its research on the activities of the U.S. nuclear weapons complex and in environmental review and analysis.

Other Study Group programs led by him include congressional education and lobbying, community organizing, litigation, and advertising (Study Group billboards can be found between the Albuquerque airport and Los Alamos National Laboratory). From time to time, he has also served as a consulting analyst and writer for other nuclear policy organizations as well.

In 2002, Mello was a Visiting Research Fellow at Princeton's Program on Science and Global Security. He is a member of the Governing Council of the worldwide Abolition 2000 nuclear disarmament organization. This year, the *Albuquerque Tribune* recognized Mello as one of its ten

"rising stars" for 2004. He has provided key information to NGOs and diplomats at treaty conferences in New York and Geneva.

Mello's research, analysis, and opinions have been published in the *Washington Post*, *The Bulletin of the Atomic Scientists*, *Issues in Science and Technology*, the New Mexico press and elsewhere.

Over the past decade, he has led the Study Group in bringing to the attention of Congress and the news media a number of clandestine nuclear projects and programs. These include: a new earth-penetrating nuclear bomb; a nuclear glide bomb; the planned upgrade of more than 3,200 submarine warheads into ground-burst, first-strike weapons, significantly affecting U.S./Russian strategic stability; above-ground testing of plutonium cores ("pits") in steel tanks; a laboratory program to "share" nuclear weapons secrets with "friendly" nuclear nations; and others.

Study Group work has delayed and downscaled production of plutonium pits, and has saved hundreds of millions of dollars in a variety of other wasteful and unsafe projects at Los Alamos National Laboratory—projects later found to be unnecessary from any perspective. In the course of his work, Mello and the Study Group have generated hundreds of news articles and segments in the regional, national and international press and in broadcast media.

His education is that of an engineer (B.S. with distinction, Harvey Mudd College, 1971) and regional planner (Harvard, 1975, HUD Fellow in Urban Studies). Greg and his wife Trish (also an activist, formerly with Serious Texans Against Nuclear Dumping [STAND] in Amarillo) live and work in Albuquerque, New Mexico.

### inside:

NFP's Annual Financial Report	p. 2	On Deficits and the Debt	p. 6
Peace Actions at Offutt AFB	p. 3	A Parable of Globalization	p. 7
'Buying Jobs Can Be Expensive'	p. 4	NFP Year In Review	p. 8
The Fairy Tale of Union Pacific's Tax Breaks for Jobs	p. 5	Citizens for Equal Protection To Host Conferences in Grand Island & Omaha	p. 8
		From the Bottom by Sally Herrin	p. 12

Nebraskans for Peace  
941 'O' St., Ste. 1026  
Lincoln, NE 68508

Phone: 402-475-4620/Fax: 475-4624  
E-mail: [nfpstate@redjellyfish.net](mailto:nfpstate@redjellyfish.net)  
[www.nebraskansforpeace.org](http://www.nebraskansforpeace.org)

ADDRESS SERVICE REQUESTED

Nonprofit Org.  
U.S. Postage  
PAID  
Permit No. 310  
Lincoln, NE

## Nebraska Report

The *Nebraska Report* is published nine times annually by Nebraskans for Peace. Opinions stated do not necessarily reflect the views of the directors or staff of Nebraskans for Peace.

*Newspaper Committee: Tim Rinne, Editor*

*Mark Vasina, Sarah Disbrow, Bud Narveson, Charlie Flowerday*

*Typesetting and Layout: Becca Kaiser & Michelle Ashley*

*Printing: Fremont Tribune*

*Circulation: 6,500*

Letters, articles, photographs and graphics are welcomed. Deadline is the first of the month for publication in the following month's issue. Submit to: *Nebraska Report*, c/o Nebraskans for Peace, 941 'O' Street, Suite 1026, Lincoln, NE 68508.

## Nebraskans for Peace

Nebraskans for Peace is a statewide grassroots advocacy organization working nonviolently for peace with justice through community-building, education and political action.

## State Board of Directors

Sayre Andersen, Maureen Connolly, Henry D'Souza, Bob Epp (Treasurer), Marsha Fangmeyer, Michael Gordon, Donna Gould, Christy Hargesheimer, Leah Hunter, John Krejci (Secretary), Rich Maciejewski, Carol McShane (President), Frances Mendenhall, Tara Muir, Patrick Murray, Paul Olson, Byron Peterson, Del Roper, Deirdre Routt, Linda Ruchala, Jay Schmidt, Jeanette Sulzman (Vice President), Mark Vasina, Sue Ellen Wall, Virginia Walsh. Tim Rinne (State Coordinator), Becca Kaiser (Outreach Coordinator & Office Administrator), Susan Alleman (Membership Coordinator), 941 'O' Street, Suite 1026, Lincoln, NE 68508, Phone: 402-475 4620, Fax: 402-475-4624, Email: nfpstate@redjellyfish.net; Cary Vigneri (Omaha Coordinator), P.O. Box 3682, Omaha, NE 68103, Phone: 402-453-0776, Email: nfpomaha@redjellyfish.net.

## Moving? Send us your new Address

Name (print) \_\_\_\_\_

Old Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Old Phone # \_\_\_\_\_

New Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

New Phone # \_\_\_\_\_

## Nebraskans for Peace Membership...

I want to \_\_\_ BEGIN \_\_\_ RENEW MEMBERSHIP

\$35 Individual     \$25 Introductory (new member only)

\$50 Household     \$10 Student/Low income

Peacemaking Covenant pledge of \$ \_\_\_\_\_ per:

month     quarter     year

NEWSPAPER SUBSCRIPTION ONLY: \$10/year

Payment method:  check     cash     credit card

MasterCard/Visa # \_\_\_\_\_

Expires \_\_\_\_\_ Signature \_\_\_\_\_

Name (print) \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

# Nebraskans for Peace Annual Financial Report

	2003 ACTUAL	2004 BUDGET
<b>REVENUES</b>		
Membership Income	18,463.00	20,000.00
Donations	29,809.37	29,100.00
Cat Lovers Against the Bomb	20,194.30	20,000.00
Grants	42,000.00	26,000.00
Peace Conference	4,363.00	3,000.00
Chapter Fundraisers	1,292.15	3,000.00
Special Projects Income	10,091.67	250.00
Subscription Income	125.00	125.00
Advertising Income	50.00	0.00
Interest Income	43.34	25.00
Miscellaneous Income	20.00	0.00
<b>TOTAL REVENUES</b>	<b>126,451.83</b>	<b>101,500.00</b>

<b>EXPENSES</b>		
Personnel	58,097.32	55,620.00
Nebraska Report	17,326.00	17,400.00
Special Projects Expenses	14,179.28	5,000.00
Peace Conference Expenses	6,205.85	3,500.00
Rent	4,997.38	5,400.00
Insurance	864.00	1,000.00
Accounting	5,448.46	7,000.00
Office Expenses	12,727.70	12,750.00
Staff Travel	1,831.44	2,000.00
Copying	2,578.01	3,500.00
Postage	3,608.50	3,500.00
Advertising Expense	475.00	0.00
Merchandise & Sales	521.19	0.00
Miscellaneous Expenses	808.14	1,000.00
<b>TOTAL EXPENSES</b>	<b>129,668.27</b>	<b>117,670.00</b>

<b>REVENUE OVER (UNDER) EXPENSES</b>		
	<b>(3,216.44)</b>	<b>(16,170.00)</b>

<b>CASH ON HAND 12/31/03</b>		
Operating Account	7,016.65	
CLAB Account	18,292.31	

<b>TOTAL CASH ON HAND 12/31/03</b>		
	<b>25,308.96</b>	

*Make a tax-  
deductible gift to the  
Nebraska Peace  
Foundation*

# Standing Up Against World Terrorism in Nebraska

## Peace Actions at Offutt AFB

by John Krejci

On December 28, 2003, 35 people gathered at the Kinney Gate on Offutt Air Force Base to witness for peace. Seven crossed the property line as an act of civil disobedience, were immediately detained by base security, and given letters banning them from the base for a year. They gave reason for their action with the following:

“We cross the line at this nerve center of the United States militarism to nonviolently register our dissent. This simple act of disobedience is taken with the understanding that all the great crimes of history were committed in the name of obedience.

We chose this religious holiday, the Feast of the Holy Innocents, because of the present-day slaughter of innocents being conducted by the United States against the people of Iraq, Afghanistan, and even North Korea. The U.S. bombardment of cities, and the U.S. government’s withholding of famine relief already promised to North Korea, injures, starves and kills the most vulnerable among the civilian population—especially children and the aged.

We consider the work of Strategic Command, the expenditure of \$400 billion this year (\$12,000 per second) for weapons and war planning, to be an unconscionable theft from those who lack basic necessities and a preventable assault on human rights around the world.”

Frank Cordaro, a member of the Des Moines Catholic Worker community and spokesperson for the group, has participated in these annual actions for 25 years. When asked why he continues after having spent three years in Federal prisons for his actions, he recalls the story of A.J. Muste, who almost a half century ago, stood alone protesting nuclear weapons at Offutt. When asked, “Why are you doing that? You’re not going to change them.” He would respond, “I may not change them but, by standing up and speaking out for what I believe, they will certainly not change me.”

At a recent Catholic conference in Milwaukee, Frank pointed out that Offutt AFB (formerly SAC, now of StratCom) is the command center that controls not only the B-52 “killing machine,” various ICBMs, and the Trident submarine arsenal, but most recently the command of space weapons. He went on to harshly criticize the silence

and complacency of the Catholic Church in Omaha. (Of the seven who crossed the line, only one was from Omaha.) Frank even revealed that the Archdiocesan Catholic Charities holds its annual formal fundraising banquet in the Strategic Air Command Museum, near Mahoney State Park. Donors dine amid the weapons of war, the building of which stole from the very poor the donors are professing to help. Hardly a voice is

As I mentioned previously, Frank has gone to prison six times for “crossing the line” at Offutt. Many of his Catholic Worker friends have done the same: elderly nuns, priests, lay people, young and old. He mused that during his latter stays in prison, he was dubbed Fr. Misdemeanor for his repeated incarceration for misdemeanor criminal trespass. (Frank only recently took a leave of absence from the priesthood.) He is

to protect our interests from an imminent threat. This policy violates the United Nations Charter, international treaties and, with the stated intention to build new mini-nukes to strike terrorists, it violates the Non-Proliferation Treaty, which we have signed. This policy for U.S. terrorism makes Offutt the nerve center for planning a nuclear war of aggression.

It is for these reasons that I am convinced that we must speak out and act to show our outrage to this threat to our world. Frank’s moral outrage has cost him three years of his life in prison. Unless we—myself included—are willing to risk severe penalties, even jail time, for peace, our case, our cause is weak. Our service men and women are in Iraq, Afghanistan and elsewhere around the globe. Separated from their loved ones, being shot at, bombed and killed daily. They are disrupting their lives and putting themselves in harm’s way. They are investing “human equity” for what many of them believe in, wrong-headed as it may seem to us. If we peacemakers are to be credible and make an impact, we must balance the scales with our own investment of our lives.

In recent history, real peace advocates have spent time in jail: Gandhi, Nelson Mandela, Martin Luther King, Jr., the Berrigan brothers, and unnamed peace protesters of our day. At the time they seemed to be acting futilely, but their sacrifices became a sign of hope.

Another sign of hope (and a weak link in the “human equity” equation) are the credentials of the war-makers in the Bush Administration. Except for Colin Powell, none of the so-called “chicken hawks” have seen military action. Neither George W. Bush, nor Dick Cheney, nor Donald Rumsfeld, nor Paul Wolfowitz, nor Karl Rove has sacrificed much human equity in defending their country in war. Instead they send the sons and daughters of the poor and working class to make pre-emptive strikes for them. The lie of the “chicken hawks” is the lack of real commitment of their lives. I think this will come back to haunt them.

Meanwhile, we must commit our resources, both financial and human, to the cause of peace. If you want to do something concrete and simple, join us every 9th of the month at 4:00 p.m. by the Kirby Gate at StratCom, the site where 400 of us protested last August. Let’s stand up for peace against this international center of world terrorism here in our own midst.



Photo courtesy of the *Bellevue Leader*

*The seven people huddled in prayer in the picture above crossed the line at StratCom for the December 28 Feast of the Holy Innocents protest.*

raised in protest, because Omaha lusts after the millions of dollars that Offutt pumps into the local economy. Anyone who speaks out risks sanction and reprisal.

Frank raises another—and I think the crucial point—raised by A.J. Muste himself: Why even protest at Offutt AFB and run the risk jail? In response, Frank first recounts the sacrifices being made by military personnel and their families when they are called to leave home and go halfway around the world to put themselves in harm’s way. This is indeed a great sacrifice, albeit for a cause that we would see as perhaps wrongheaded. Secondly, however, there is the vast sum of money (over \$400 billion this year) that taxpayers pay for war-making. This is another significant sacrifice. And he chided peacemakers like myself for not being willing to invest “human equity”—that is, to make major sacrifices of their lives, jobs and reputation for the sake of peace. The military do. The American taxpayer does. Are we as willing to put our lives and our bodies on the line for what we believe in?

convinced that only major sacrifices—human equity, a commitment to suffer the pain and humiliation of prison—will begin to balance the scale for the side of peace and give peacemakers credibility.

I have been a long time supporter of direct action at Offutt, but have only sporadically participated in the actions. What has spurred my increased commitment is the new, deadly and frightful policy of the Bush Administration in waging war. It is in stark contrast to the MAD, Mutually Assured Destruction, policy of the Cold War era, in which neither the U.S. nor the USSR would dare launch a pre-emptive strike for fear of the assured counterattack which would bring mutual destruction. As repulsive and immoral as MAD was, we were spared from the further use of nuclear weapons after World War II. Now with no comparable countervailing superpower to the U.S., the Bush White House has implemented a policy of pre-emptive first strike—even the use of nuclear weapons—

# ‘Buying Jobs Can Be Expensive’

by Richard Perrin, UNL Professor of Agricultural Economics, & F. Gregory Hayden, UNL Professor of Economics

*In this article, which originally appeared in the January 19, 2004 Lincoln Journal Star, Perrin and Hayden discuss the high cost of “buying jobs” with LB 775 tax incentives, and the lack of evidence to support the contention that LB 775 has been a major stimulus for job growth. The two larger charts—depicting Nebraska job growth relative to the nation and relative to neighboring states—accompanied the original article. Four additional smaller charts—showing job growth of some of Nebraska’s neighbors relative to the nation—further illustrate that Nebraska’s spike in job growth relative to national which began at the end of the 1980s was a phenomenon experienced by its neighbors as well—and cannot be credited to LB 775.*

The title of this article is borrowed from a recent article in *The Economist*, which reported that Alabama’s incentive program to obtain a Mercedes-Benz factory has cost Alabamians about \$125,000 per job created to date. Nebraska’s more general plan for buying jobs, referred to as LB 775, began in 1987 and is currently under attack. Under this plan, we “buy jobs” by offering tax incentives to companies that invest in

job-creating projects. This cost is paid by other taxpayers in higher taxes to make up the lost government revenue, or lost government services. Most voters who are interested in this issue want to know how many jobs have been created by the plan, and at what cost.

Unfortunately, we cannot know how many jobs were actually created by LB 775. Reports filed by participating firms indicate that 72,320 new jobs were created as a part of the five-hundred-plus agreements. Not all these jobs should be credited to LB 775, because some of them would have been created even without the subsidy, and some are indirect replacements for other jobs. The Department of Revenue estimates that thirty percent of them (about 22,000) have been created solely because of the LB 775 subsidy, and while this estimate has not been challenged, no one can really know for sure.

We do not know a lot about the tax cost of these jobs, either. From the inception of the program through 2002, tax revenues lost have averaged about \$62 million per year in income, sales and use tax credits actually claimed, plus about \$9 million per year in property taxes. These claims represent only 52 percent of tax credits the companies actually earned, so tax losses due to these projects will continue at

approximately these levels if credits are claimed over the next 13 years.

The new jobs created do create new revenues that partially offset the direct tax revenue losses. The amount of this new revenue is estimated by the Department of Revenue to be equivalent to about 50 percent of credits and refunds claimed (though the Legislative Fiscal Office estimates this number at only 25 percent.) Thus the 22,000 or so new jobs have a net tax cost of about \$70,000 per job, or \$2,500 per job per year if the jobs were to continue for the full 28-year period 1988-2015. (We ignore here additional credits and refunds that existing projects will earn in the future, which might increase net cost per job by as much as another 25 percent.)

Should taxpayers be willing, in effect, to pay a company \$70,000 to create a new job for someone, or \$2,500 per year if the job lasted 28 years? This seems to us to be the crux of the issue of whether to continue the LB 775 program, and if so at what level.

If the economic stimulation effects of LB 775 were significant, beyond the 22,000 jobs directly created, then it would be easier to give the program support. It is hard to find data to support that, though. Some proponents of LB 775 have been promoting a study by UNK economists Ron Konecny and Allan Jenkins as evidence that LB 775 is a valuable tool of economic development.

However, in the context of job creation, the Konecny-Jenkins study did not conclude that LB 775 creates many jobs beyond the 22,000. The accompanying figures demonstrate why Konecny and Jenkins did not, and why others should not, either.

The first figure shows the percentage growth in employment in Nebraska relative to percentage growth in jobs nationally (this is the K-J graph with a minor technical correction.) It appears from this graph that LB 775 stimulated general job growth in Nebraska, relative to other states. However, the second graph shows that relative to our neighbors (Colorado, Wyoming, South Dakota, Iowa, Missouri and Kansas), Nebraska’s job growth performance did *not* improve after LB 775. The truth is that our region did not suffer as much from recession in the early 1990’s as did the rest of the nation, so Nebraska and neighboring states all experienced more rapid job growth during that period—with no evidence of any LB 775 effect.

During the 15 years since LB 775, the state has added about 240,000 jobs. Jobs created by LB 775 represent about ten percent of this total job growth, but there is no evidence yet that the incentive program has had any effect in creating the other 220,000 jobs. Voters will have to decide on the basis of other evidence and their willingness to pay.



OFF THE TRACK

## The Fairy Tale of Union Pacific's Tax Breaks for Jobs

by Mark Vasina, Treasurer  
*Stop Big Business Subsidies—Repeal  
 LB 775*

On January 13, Governor Mike Johanns held a news conference at the State Capitol to announce that Union Pacific will begin the transfer of 1,038 jobs from the company's St. Louis office to the new headquarters building in Omaha. Dick Davidson, U.P.'s chair of the board and chief executive, directly attributed the jobs transfer to LB 775 and the Invest Nebraska Act, two of Nebraska's most expensive tax incentive programs. "As far as bringing people from St. Louis to Omaha, every bit of it is attributable," he was reported as saying. "The incentives programs are what enabled that."

The next day the *Omaha World-Herald's* page one, lead headline proclaimed "Union Pacific credits tax breaks for shift of 1,038 jobs." Gov. Johanns, in a news release, stated that U.P.'s jobs announcement proves the value of the tax incentive programs, which will provide U.P. with \$60,000,000 or more in tax credits and refunds (the exact amount remains top secret). He told the *World-Herald* that the economic benefits of the tax breaks-for-

jobs swap with U.P. are "almost immeasurable."

It was like a fairy tale come true.

Except that much of it is *not* true.

St. Louis will undoubtedly give up one thousand or so jobs to Omaha. And Nebraska will provide U.P. with tens of millions of dollars in tax breaks. But as for the rest of the story...

It is unlikely that LB 775 and the Invest Nebraska Act deserve the credit for bringing these jobs to Nebraska. U.P. chairman Dick Davidson proudly told the *World-Herald* (1/14/04) that the "new office building and the synergy we'll be able to achieve... will make it possible for us to put together a very efficient operation." This statement and other evidence strongly suggest that the jobs shift was integral to U.P.'s consolidation plans from the start.

In an effort to secure passage of the Invest Nebraska Act in 2001, U.P. executives promised to move at least 500 jobs from St. Louis and to modify plans for the company's soon-to-be-constructed new downtown Omaha headquarters, which at that time was planned to have roughly one million square feet of space. Recent news stories indicate that the size of the building—

built after receiving the assurance that the project will receive tax breaks from both LB 775 and the Invest Nebraska Act—is now 1.1 million square feet, only marginally bigger (if at all) than the building as originally designed. (U.P., of course, will receive Invest Nebraska Act tax credits based on the entire amount of investment in the new building.)

St. Louis had tried unsuccessfully to become U.P.'s headquarters long before 2001. The company had rebuffed efforts by Missouri and St. Louis as early as 2000—prior to passage of the *Invest Nebraska Act*—to help preserve the remaining St. Louis jobs (*St. Louis Post-Dispatch*, 1/13/04). Kathryn Blackwell, U.P.'s general director of corporate communications, explained that U.P. had no interest in pitting one community or state against another, suggesting little interest on the part of U.P. to remain in St. Louis.

Although U.P. began cutting Omaha jobs in early 2003, when 300 to 400 job cuts were announced, downsizing in St. Louis began at least one year earlier. Since June 2001 (when nearly 1,800 people

worked at U.P.'s downtown St. Louis operation) about 700 jobs were eliminated through attrition and productivity improvement, according to Blackwell. She told the *St. Louis Business Journal* (1/14/04) that U.P. decided to move the remaining St. Louis workforce to Omaha because "our base IT staff is here and it made sense from a synergy viewpoint and communications and productivity to have the entire function under one roof."

The statements and actions of U.P. management make clear that consolidating the St. Louis jobs with the 3,500 jobs already in Omaha was principally motivated by critical strategic considerations—*not tax incentives*. Since Nebraska legislators could be convinced to provide massive tax breaks anyway, so much the better for the senior management and shareholders of Union Pacific.

But not so for the rest of us. Remove the spin from the fairy tale and the horror story is revealed...

The economic benefits to Nebraska of the U.P. tax breaks-for-jobs swap, despite

*continued on page 10*

# On Deficits and the Debt

by Wallace C. Peterson  
George Holmes Professor of Economics  
Emeritus, University of Nebraska-Lincoln

From plus billions to minus billions—that has been the course of the federal deficit over the past turbulent five years. From a surplus of \$69.2 billion in 1998—the first surplus since 1969—the federal budget swung to a deficit of \$374.2 billion in 2003. During these same years, the total federal debt rose by 25.9 percent to a total of \$6.7 trillion dollars!

Another way to put this matter in perspective is to look at how the level of the federal debt per person has changed in this five-year period. If, for example, the federal government presented a bill to each citizen for his or her share of the government's debt, in 1998 this bill would have been \$20,244.60. However, by 2003, the bill to each citizen would have jumped to \$23,776.00, an increase of 17.5 percent. Back in 1969, the citizen's bill was \$18,993.50.

If one wants to put a political spin on these numbers, the world has turned upside down. Traditionally, the Republicans are supposed to be tight-fisted with the public dollar, while the Democrats allegedly are big spenders—quite happy to borrow money for their spending. But contrary to the conventional political wisdom, during the years of the Clinton presidency, the federal budget went from a deficit of \$255.1 billion in 1993 to a surplus of \$236.4 billion in 2000. President Bush has a surplus of \$127.3 billion in the first year of his presidency (2001), but this has turned into an estimated deficit of \$374.2 billion for 2003.

Politics aside, it is appropriate here to take a close and serious look at how spending—and taxing—by the federal government affects the economy. For better or worse, the Feds are a major player on the economic scene, and there is no reason to see any change in this in the future. Whether we like it or not, what makes the economic wheels go around is *spending*—spending by consumers, spending by business firms and spending by governments. Spending by the rest of the world is a factor, too, but in recent years the United States has spent more abroad than foreigners have spent in this country.

To put some numbers to the above, last year, of total spending by the above entities,

70 percent was by consumers, 15 percent by business firms (primarily for factories and equipment), 19 percent by governments at all levels (federal, state and local) and four percent overseas. In adding up these spending totals, spending overseas is a negative because it does not go for goods or services produced in the U.S. Thus,  $70 + 15 + 19 + 4 = 100\%$ .

Historically, the conventional view was that governments—especially the federal government—ought to balance their books

economy, and, second, that by deliberate changes in either spending or taxation (or both) a national government could powerfully influence the general level of economic activity. Thus, was born a new instrument for economic policy—fiscal policy. Heretofore, the standard economic belief was that the only way a national government could influence the course of economic events was through “monetary policy”—changing the rate of interest, which it could do through the banking

the President's Council on Economic Advisors, a three-person body to advise and recommend policy actions to the president.

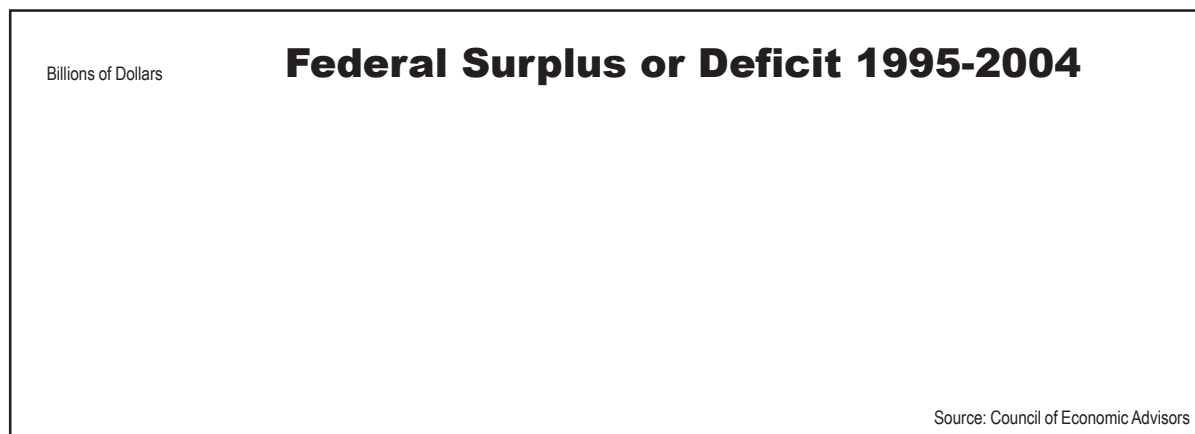
How successful has this act and the Council been? The results are mixed. Perhaps the greatest success came in 1963 when President Kennedy proposed major reductions in the personal and corporate income taxes as a remedy for what he called “fiscal stagnation,” a situation in which the economy was operating well below its full-employment potential. President Kennedy was assassinated before the Congress could act on his proposals, but President Johnson in the following year proposed essentially the same program to Congress. Following the 1964 tax cuts, the gross domestic product grew substantially; by 1965 the gap between the economy's actual output and its potential output was nearly eliminated.

Unhappily, the war in Vietnam and its aftermath put the economy on a path of almost continuous federal deficits. From 1970 until

1998, the federal budget was in a deficit every year, a condition in which the Keynesian formula for managing the economy became impossible. When deficits occur every single year, fiscal policy becomes totally inoperative. With interest rates at historic lows, monetary policy is equally crippled, so the federal government finds that its hands are virtually tied when it comes to using its two major tools—monetary and fiscal policy—for managing the economy.

In the long view, these developments represent but the latest chapter in the struggle between liberals and conservatives over the proper role of the federal government in this country. By eroding the federal government's power to manage the overall economy and pursue the goal of full employment, this round has gone to the conservatives.

So, what can we expect next? Open attacks on America's “welfare state.” Stingy as it is compared to Europe, the social welfare system has long been an object of conservative hatred, and the privatization of Social Security and Medicare will be their first target. But the battle won't be directed at senior citizens, for whom Social Security and Medicare are sacred. No, the target will be the younger, working population, susceptible to the siren call that they—contrary to all historic experience—can better manage their resources for their retirement than can a bloated, impersonal bureaucracy in Washington, D.C. The assault is undoubtedly coming. Be warned.



every year, just as individuals were supposed to do. The only exception to this was war, when, reluctantly, the national government was allowed to borrow money and run a deficit in its accounts. This was the conventional wisdom, deeply embedded in our thinking about governments and what they should do. In Nebraska, this belief is reflected in a constitutional prohibition against borrowing to pay for current spending.

All this changed with the coming of the Great Depression in 1929. This was especially true at the federal level. The collapse in revenues combined with emergency spending increases forced by the depression made large federal deficits inevitable, even though both President Herbert Hoover and presidential candidate Franklin Roosevelt campaigned for balanced budgets in the 1932 election.

It was not until the English economist John Maynard Keynes appeared on the scene in 1936 that thinking about government spending, government deficits and their role in the economy began to change. In his landmark work, *The General Theory of Employment, Interest and Money*, Keynes changed dramatically our understanding of and thinking about the role that government spending and taxation played in the operation of the economy.

In a nutshell, Keynes showed, first, that government spending and taxation were major factors in the overall behavior of the

system. With Keynes' contribution, however, national governments now had two major instruments to manage the economy: monetary policy and fiscal policy.

Here is how fiscal policy works. When the federal government spends more than it collects in taxes, it is, in effect, pouring more money into the economy than it takes out. Since federal spending is a major part of the economy's total demand for goods and services, a federal deficit acts as an economic stimulus. On the other hand, when the federal government collects more in taxes than it spends, it is, in effect, taking more out of the economy than it puts into the economy. Thus, a federal surplus puts a brake on economic activity, slowing the economy down.

There you have it. Keynes gave us an effective formula to manage the overall economy without increasing the portion of the economy owned and operated outright by the government—without, in other words—having to turn to socialism. Conservatives ought to have applauded this, but they never forgive the fact that Keynes opened the way for a larger role for government in the overall management of the economy.

In the United States, Keynesian ideas became embodied into law in the Employment Act of 1946, which stated precisely that the federal government has the responsibility to “promote maximum employment, production, and purchasing power.” To attain this end, the law created

## Contact Congress & Capitol Contacts

**The White House**  
Washington, DC 20500

**Sen. Chuck Hagel**  
346 Senate Russell Office Bldg.  
Washington, DC 20510  
202-224-4224  
202-224-5213 (FAX)  
402-476-1400 (Lincoln)  
402-758-8981 (Omaha)  
308-632-6032 (Scottsbluff)

**Sen. Ben Nelson**  
720 Hart Senate Office Bldg.  
Washington, D.C. 20510  
202-224-6551  
202-228-0012 (FAX)  
402-391-3411 (Omaha)  
402-441-4600 (Lincoln)  
senator@bennelson.senator.gov

**Rep. Doug Bereuter**  
1st Congressional District  
2184 Rayburn Building  
Washington, DC 20515  
202-225-4806  
202-225-5686 (FAX)  
402-438-1598 (Lincoln)

**Rep. Lee Terry**  
1524 Longworth HOB  
Washington, DC 20515  
202-225-4155  
202-226-5452 (FAX)  
402-397-9944 (Omaha)

**Rep. Tom Osborne**  
507 Cannon HOB  
Washington, DC 20515  
202-225-6435  
202-226-1385 (FAX)  
308-381-5555 (Grand Island)

**Capitol Hill Switchboard**  
202-224-3121

**State Capitol Switchboard**  
402-471-2311

**State Senator, District #**  
State Capitol  
PO Box 94604  
Lincoln, NE 68509-4604

**Governor Mike Johanns**  
PO Box 94848  
Lincoln, NE 68509-4848  
402-471-2244

# A Parable of Globalization

## How Sticks and Stones Brought Down the Bolivian Government



*Former Lincoln resident Jeff McClelland, whose parents Jim and Nancy still live in Lincoln, moved to Bolivia in November 2002 to teach English. He was living in that country during the uprising that toppled the Bolivian government last October. His on-the-ground account of this historic chain of events was initially published on Z Magazine's community website. As he explained to his parents in a subsequent communication however, "It seems to me that the American press has mainly shown [Bolivian ex-president] Goni's side of the story, parroting his talk of the protest being the product of drug traffickers, terrorists, and opposition leaders, and financed by gullible NGOs and nefarious international groups. I heard on the radio here that he compared Bolivia to either Pakistan or Afghanistan. This has spurred me to interview some people from El Alto and to try to write about how the neighborhood resistance in the city and the campesino resistance in the countryside evolved—my intention being to show that the uprising was initiated and organized at a local level and not by foreigners, political parties, or national leaders."*

### "La protesta es una mujer de fierro sin partido ni caudillo"

Teeming with tens of thousands of angry protesters and shaking from the resounding blasts of dynamite, the streets of La Paz on October 17 were the scenes of a dramatic climax to the previous 6 weeks of mounting protests. Multiple marches had descended from the neighboring city of El Alto. More than ten thousand miners and campesinos had arrived from rural areas and neighboring states. And that morning, the *amas de casa* (the housewives of La Paz) had come out onto the streets in mass to give their support to the protests. The universal demand was nothing less than the resignation of Bolivia's president, Gonzalo Sanchez de Lozada (nicknamed Goni). Meanwhile,

the president—isolated and trapped inside the presidential residence under heavy military protection in a wealthy suburb of La Paz—was making phone calls to the US. Around 5 o'clock that afternoon, a helicopter provided by the American government rescued President Sanchez, his family, and a few remaining ministers and dropped them off in an airport, where a plane was waiting to take them to the United States.

Once in the United States, Goni (President Sanchez) would claim that the popular uprising that had led to his resignation was actually a plot to overthrow democracy in Bolivia, financed by an international cartel and carried out by drug traffickers, anarcho-syndicalists, and the country's political opposition leaders. His ridiculous story was clearly intended to appeal to Washington's purported political agenda for the Andean countries of South America—the defense of democracy and the eradication of the coca leaf. Not surprisingly, he turned everything upside down. The uprising in Bolivia was actually organized from the bottom up, with autonomous groups primarily made up of poor indigenous people carrying out militant civil disobedience. Over a period of 6 weeks, a few isolated protests turned into a mass uprising that left over 80 people dead (all but one or two killed by the army or the police) and 400 people wounded. Armed with sticks and stones, the protesters resisted tear gas, army tanks, machine gun fire, and even fighter jet planes in slowly bringing the country to a standstill. Their unceasing and mounting pressure succeeded in ousting the president within the legal bounds of the Bolivian democracy.

While the uprising was truly nationwide in scope, transcending ethnicity and class, there were two main groups that instigated the protests and were crucial to its success. The first group consisted of indigenous campesinos living in the rural areas around La Paz, and the second the indigenous habitants living in the city of El Alto.

### The Revolt against Goniism

The United States couldn't have invented a better puppet than Goni to help them secure their interests in South America. A millionaire businessman who was raised in the United States, Goni had just been re-elected in 2003 by a popular vote of 22 percent to a term ending in 2007. Back in 1986 he had helped transform the Bolivian state-supported economy into a neo-liberal one, privatizing key industries such as oil, water, communications,

mining, and train transportation. As president from 1993-1997, he oversaw the selling of gas rights to transnationals for near give-away prices. Then, against heavy opposition from the coca leaf harvesters, who see their only source of livelihood being taken away from them, Goni kowtowed to Washington in implementing an unpopular coca eradication program. Just six months before his ouster, he had introduced very unpopular austerity measures under pressure from the IMF. Consistently, he has worked on behalf of the US and IMF in securing their interests at the expense of the needs of the people. In the past 17 years of privatization, Bolivia has seen its standard of living drop and the gap between rich and poor widen. Approximately two thirds of the country is indigenous and they earn substantially less than the mestizos (mixed race) and whites. Indigenous campesinos (poor farmers who barely subsist on small patches of land) are the poorest, earning roughly 15 cents a day.

The past 17 years of privatization has not passed unchallenged in Bolivia. However, the opposition in Bolivia has long been divided, with the leaders often fighting amongst themselves. This in-house fighting along with the competing demands of the different sectors has historically weakened the left and made it easier for the government to divide it. When the protests started in early September, the demands (though thread together by a popular opposition to the Government's neo-liberal policies) varied among the different groups and touched on multiple issues, ranging from regional to national. However, as the protests gained steam, one demand caught fire and became a lightning rod that helped unite the different sectors. This demand was that Bolivian natural gas not be sold to the US.

The opposition to selling Bolivian gas to the States taps deep into the psyche of Bolivians for historical reasons. Starting with the Spanish conquistadores in the 16th century, Bolivia has seen its abundant natural resources stripped by colonizers, rich countries, and most recently by transnational corporations. Gas is the latest bonanza along a long line of now near-exhausted resources that include silver, tin, copper, uranium, and timber. It's estimated that Bolivia's oil and gas reserves total more than those of any other South American country, with the exception of Venezuela. Yet despite the abundance of its rich natural resources, Bolivia

*continued on page 8*

# A Parable of Globalization, continued

has never been able to develop or profit from them. The most staggering example is the famous and tremendously rich Bolivian silver mine of Potosi, whose silver was carried off by Spanish ships in the early centuries of the American conquest and which almost single-handedly sustained the Spanish Empire for more than two centuries without the people benefiting a bit. Historically, as in most third world countries, Bolivia's economy has been based on selling raw materials to other richer countries rather than developing the resources into finished products themselves, thereby forcing the country to import these very products at high prices. The rallying cry in the recent protests has been "Gas for all Bolivians"; the protesters want to see the gas industrialized in Bolivia and converted into usable and more profitable forms such as gasoline, plastics, and fertilizers—finished products that Bolivia already imports at very high prices.

However, the US also wants this gas in its cheap raw form and Goni had already agreed to this sale, claiming that the country needed an immediate infusion of capital. Not surprisingly, the negotiations between the US and the Bolivian government over the gas had been carried out behind closed doors. In fact, before the protests started in September, there had been very little public discussion or media coverage over this issue. But that was soon to change.

## The Campesinos Take to the Highways

The protests started off with a murmur back in the first week of September, when campesinos started blockading highways outside of La Paz and another two thousand began a hunger strike. Historically, the blockading of highways has been the tool of protest among the campesinos. Because there is often only one possible road connecting two points on the map, it is an effective strategy. By the end of the second week of September the blockades were having a noticeable effect on La Paz. Products weren't reaching their destinations, produce was rotting in the stalled trucks, tourists were complaining, and citizens were stranded away from their homes. Initially, the army avoided confronting the blockaders. The campesinos had stated that they would resist any military aggression and blood had been spilled in similar confrontations in the past. Maybe the campesinos would have tired out if the Bolivian government had tried waiting it out, or even agreed to a dialogue. But instead, Greenlee, the American ambassador, stepped into the picture. And like most cases of American foreign intervention, things just got worse.

Sorata is a sleepy tourist town located 100 miles outside of La Paz. It is surrounded by some of the most militant campesino communities in Bolivia. An annual festival had drawn some one thousand people (among them 200 gringos) for the weekend of September 13th and 14th. By early morning the following Monday, the campesinos in the nearby town of Warisata had blockaded the only road out of Sorata. The people had been trapped there for 5 days when Greenlee ap-

proached Goni and "convinced" him of the need to rescue the "hostages." The following day, September 20th, a military convey of over 20 vehicles, loaded with soldiers, sharpshooters, and supported by helicopters and jet planes, broke through the blockade, loaded up the stranded people in Sorata and turned around to return to La Paz. It's not clear who shot first, but as the convoy drove through the blockade, shooting broke out and six campesinos (apparently none of them armed) were killed, along with an army conscript. Hours later, enraged campesinos stormed into Sorata and burned down both a government municipal building and the fancy hotel of an unpopular foreigner. The Government's violent assault on the blockaders ignited an already simmering rage throughout the campesino communities and further radicalized the campesinos. The demand that Bolivian gas not be exported to the US had now turned into the major demand. In the more militant communities, campesinos were now beginning to talk of a civil war.

By the end of September, food shortages were becoming apparent in La Paz and prices were rising. Blockades were multiplying in the rural areas outside of La Paz. Of the roughly eight highways entering La Paz, half of them were permanently blocked and



Map of Bolivia

*continued on page 10*

## Living Wages: Lincoln City Council Set to Boost Pay of Working Poor

*Milo Mumgaard, Executive Director, Nebraska Appleseed Center for Law in the Public Interest*

"When someone works for less pay than she can live on- when, for example, she goes hungry so that you can eat more cheaply and conveniently- then she has made a great sacrifice for you; she has made you a gift of some part of her abilities, her health, and her life. The 'working poor' as they are approvingly termed, are in fact the major philanthropists of our society." Barbara Ehrenreich, *Nickel and Dimed: On (Not) Getting By in America* (2001).

What do these families, haunted by the realities of low-wage work, need? It's simple. They need a living wage. They need to be able to meet their family's basic needs through work and without reliance on public assistance. Being paid enough to buy their

family's food, provide a decent roof over their heads, insure their children are taken care of, pay for their family's medicines, and regularly pay their taxes. They deserve the ability to more fully participate in their community, their children's schools, their church - because they're not forced to work two, three, even four jobs to pay these basic costs. They deserve to work and live in dignity in today's modern world. The fact we that we CAN make public policy changes to help Nebraska's working poor has seized the imagination of people across the state.

Living wage campaigns have spread like wildfire throughout the country. Since 1994 more than 100 cities and counties have passed living wage laws and 75 other communities are presently considering such legislation. Most recently this phenomenon can be attributed to a desire to promote responsible economic

development and in part a necessary tool to creatively combat the effects of our recent recession.

These campaigns are premised on three simple policies. First, the city as an employer should set an example for other employers in the community in how it pays and treats its workforce. Second, public funds should not be used to subsidize sub-poverty wages. Third, people who work full-time should not be poor and or have to depend on various forms of public assistance like Medicaid or Food Stamps. These policy ideals have energized labor, community groups, churches, and other concerned Nebraskans to ensure the bottom of the pay scale is at least the federal poverty level for a family of four (in 2003 figures, about \$8.85 per hour if health benefits are included or about \$9.73 per hour if health benefits are not included).

The Lincoln City Council, led by Councilman Terry Werner, is readying a Living Wage Ordinance to be heard this spring. The public hearing date is tentatively scheduled for February 23rd. The ordinance will cover city employees, recipients of city service contracts, and recipients of city financial assistance. Research has been completed about the City of Lincoln's wage rates, service contracts, and financial assistance programs. Labor and religious leaders are already in favor of the ordinance and are forming a supportive coalition around this important issue. Mayor Seng, a strong advocate for working families, is expected to support the ordinance. The time is right for our Capital City to tackle this issue and the time is right for us all to support their efforts to lift low-wage workers and families up and out of poverty.

For more information please visit [www.NeAppleseed.org](http://www.NeAppleseed.org).





# NFP Year in Review



## Showed Up. Shows Up. Will Show Up.

by Carol McShane  
President, Nebraskans for Peace

Soon I'll complete my fifth and final term as president of Nebraskans for Peace.

It's a good time for change. In most aspects the organization's in good shape. The State Board is strong and increasingly active. Each year in the fall, the board and staff retreat to define priority issues, sketch out position papers and hammer out realistic action plans for the coming year. These are spirited, thoughtful and challenging interchanges.

Our staff is committed and creative and policies affecting them are now more clearly defined and monitored. State Coordinator Tim Rinne's leadership and experience bring NFP good media coverage, which is essential for an advocacy organization such as ours, particularly given that our issues are often those that no one else wants to deal with—at least initially.

As good as things are, though, there is still work to do. In my view we have to strengthen communication with our local chapters, better utilize volunteers who I'm convinced are "out there," and work out more efficient and productive ways to raise funds. One way to enlarge of funding base is to solicit more volunteer energy for grant writing. Our membership coordinator, Susan Alleman, has written two successful grants for several thousand dollars over the past couple of years, but NFP needs to increasingly 'mine' this funding source in the future. Another fundraising avenue is to establish an endowment by approaching financially secure members about 'win-win' investment and estate options. Successful initiatives such as these require a strong board, capable staff and membership committed to and convinced of the value of the work of the organization. I think all three of these components are in place. It is clear that NFP is maturing—we're 34 years old, for heaven sakes and the oldest statewide Peace & Justice organization in the country. So it's time to graduate to the next level to buttress our organizational security.

### My Take on 2003-2004

As preparation for our Annual Peace Conference (the gathering of the clan) on February 14, I'll give you my take on the major accomplishments of the year, issue by issue.

### Whiteclay

The Ogala Sioux Tribe and NFP persist. For a short while this year, we had hopes that Governor Mike Johanns was sincere in his offer to deputize tribal police, giving them jurisdiction in Whiteclay to monitor compliance with Liquor Control Commission laws and regulations. It seemed a good first step toward establishing law and order in that sorry little Nebraska border town.

NFP laid low, giving the process a chance to work. But, the governor's 2004 budget makes his intent clear: he put no money in for cross-deputization. The governor is expecting Oglala Sioux Tribal Police to do for free what the State Patrol estimates would cost the Nebraska \$250,000 annually. Things are faring no better on the legislative end. Despite the dedicated efforts of Sen. Don Preister, the Legislature still has not made any effort to statutorily halt the licensing of liquor outlets in Whiteclay. So put on your street clothes. With the American Indian Movement's "Year of Atonement for Whiteclay" expiring on Nebraska "Statehood Day" March 1, we're likely to see a serious national focus back on Whiteclay. Expect encampments, marches and blockades of beer trucks.

Once again I cite South African Archbishop Desmond Tutu: where there is chaos and hopelessness, the first task is to establish the rule of law. NFP is in this one for the long haul.

### War

How much easier it is to start a war than stop it. No, we didn't stop it—yet. Thousands of determined Nebraskans were in the streets on January 18, 2003 and consistently thereafter in Omaha, Grand Island and Lincoln.

The protest continues strong. NFP staffer Becca Kaiser represents NFP (actually all of Nebraska) on the national committee of United For Peace & Justice that is calling for massive national and international demonstrations on March 20, 2004—exactly one year after the invasion. So we'll take to the streets again. US OUT. UN IN. Every time we take to the streets our numbers must grow until a palpable groundswell rocks the White House. US OUT. UN IN.

### Coalition to Oppose the USA PATRIOT Act

Becca's also our representative on the Lincoln Bill of Rights Defense Coalition to have the Lincoln City Council adopt a resolution opposing the USA PATRIOT Act. Over 230 cities around the country have passed similar resolutions and Lincoln would be the first in Nebraska.

### StratCom and WMD

Arm-in-arm, coalition members at the SOS—*Speak Out at StratCom: No New Weapons of Mass Destruction* protest marched on August 3, 2003 to publicly expose the secret meeting of administration officials, Pentagon brass, industry representatives and members of the scientific community to plan a whole new generation of nuclear weapons. The production and development of these so-called "mini-nukes" would do nothing less than violate international arms control accords and jump-start a new nuclear arms race. A monthly vigil outside Offutt AFB's gates continues to protest StratCom's very existence as the U.S.'s techno-war brain to hit targets in Afghanistan, Iraq and any other country the U.S. chooses to pound. Omaha Coordinator Cary Vigneri has taken the lead for us in this endeavor.

On February 14, come hear more about StratCom's burgeoning threat when nuclear policy expert Greg Mello speaks at the Annual Peace Conference.

### GLBT Rights

This year we proudly watched Citizens for Equal Protection—the Nebraska organization advocating for the rights of gays, lesbians, bisexuals and transgendered people—dramatically take off on the wings of a generous grant from the Gill Foundation. Led by NFP Board member Michael Gordon, CFEP is now a well-organized, recognized force on the state political scene. This is not only good news for the GLBT community; it's good news for us all. As the bumper sticker says, "When one ain't safe, ain't nobody safe."

### "What Does LB 775 Have To Do With Peace?"

#### E-C-O-N-O-M-I-C J-U-S-T-I-C-E.

The petition drive to repeal LB 775 is full steam ahead.

Hold on to your hats. Big Business is

coming out to get us.

Petition drive sponsor, *Stop Big Business Subsidies—Repeal LB 775* has a dozen organizational supporters, with NFP front and center. It's on rock-solid ground. The facts clearly establish that LB 775 is actually a stealthy Hobin Rood operation. Big Business will predictably refuse to debate the facts, continue to strong-arm the Legislature and indoctrinate communities through their too-cozy ties with the media. Most threatening to LB 775 proponents is the ease with which we are filling up petitions to put the program's repeal on the November ballot.

NFP people are heavily involved. Mark Vasina is treasurer of the coalition; Lynn Moorer and Linda Ruchala are key players; Byron Peterson gathers signatures in western Nebraska dressed as Thomas Jefferson (natch); while Tim Rinne doffs his staff cap to don his sandwich board. Says Tim, "We're going to get this puppy on the ballot and we're going to repeal LB 775. It's robbing us blind and stealing funds from our schools, our small businesses and our social programs."

Take that petition you got in the mail and get it circulated.

### A Closing and a Favorite Quote

The first requirement of successful advocacy is you have to show up. Nebraskans for Peace showed up, shows up and will show up.

*"I am convinced that if we are to get on the right side of the world revolution, we as a nation must undergo a radical revolution of values. We must rapidly begin the shift from a thing-oriented society to a person-oriented society. A nation that continues year after year to spend more on military defense than on programs of social uplift is approaching spiritual death.*

*These are revolutionary times. Our only hope today lies in our ability to recapture the revolutionary spirit and go out into a sometimes hostile world declaring eternal hostility to poverty, racism and militarism."*

**Martin Luther King, Jr., 1967**

While these words stoke my impatience for progress, they also reassure me we're still on the right path.

# The Fairy Tale of Union Pacific's Tax Breaks for Jobs

the remarks of Gov. Johanns to the contrary, *are* measurable. In fact, they *have been measured*—by a state agency—and have been found to fall short of the cost to state taxpayers.

In 2001, the Legislative Fiscal Office, the budget research group that reports to the Nebraska Legislature, analyzed the impact of this swap on the state budget as well as the wider state economy. Fiscal analysts found that only 8.7 percent of tax revenues lost due to tax breaks provided to U.P. will ever return to the state treasury as additional revenues resulting from the transfer of 500 jobs to Omaha. The transfer of 1,000 jobs could be expected to return twice that—but still only 17.4 percent of revenues lost to tax breaks. Of the \$75,000,000 in tax breaks estimated by the Legislative Fiscal Office to be provided to U.P., *nearly \$62,000,000 would never be recovered by the state treasury.*

The LFO also analyzed—under several scenarios—the benefits to the state economy at large as project investment and additional

payroll ripple through it. In all scenarios analyzed, the cost of the tax breaks offered to U.P. exceeded the benefits to the overall economy. U.P. stockholders (both within and beyond the borders of Nebraska) win at the expense of the vast majority of Nebraska residents.

The study by the LFO was done in 2001 with information provided by U.P. at the time. New and more precise details of the tax breaks-for-jobs swap could improve the analysis and lead to even stronger conclusions. But this much is clear: (1) the benefits of this deal *are measurable*; (2) the benefits *have been measured* in an economically sound manner by an impartial body; and (3) the benefits *have fallen short of matching the cost to Nebraska taxpayers.*

Most importantly, the study shows that the deal's impact on the state budget is unmistakably severe. State tax revenues of as much as \$60,000,000 are lost forever. Legislators must justify this cost not only in relation to broader economic benefits to the state economy, but also in relation to cuts in

other essential services provided by the state. The diversion of 60 million dollars from K-12 and higher education, for example, has very serious consequences for the broader economic wellbeing of our state.

One final observation.

On January 22—less than two weeks after the press conference on the jobs

transfer—Union Pacific management announced that net profit for 2003 was the company's *highest annual profit on record*, and that they expect first quarter profit for 2004 to be 40 percent higher than last year's earnings. *World-Herald* reporters concluded last year (2/17/03) that U.P. has paid little or no Nebraska state income tax since the late 1980s.

## Insurer Credits Omaha's Quality Workforce —Not Tax Breaks—for Addition of 110 Jobs

On January 15, the very day after the *Omaha World-Herald*—in a page one, lead headline—had flaunted the purported role of corporate tax breaks in U.P.'s decision to shift a thousand jobs to Omaha, the newspaper reported that insurance company Jefferson Pilot, based in North Carolina, planned to add 110 jobs to the nearly 700 currently at the company's Omaha office.

The company president told the *World-Herald* that Nebraska's tax incentive programs were not a deciding factor in bringing the jobs to Omaha. He was quoted as saying, "We made the decision because we think Omaha is a great place to be, and we have great employees." The president's praise for Omaha workers was reported at the bottom of page D2 in the article's final paragraphs.

# A Parable of Globalization, conclusion

the rest were being intermittingly blocked. Tensions were running high on these roads as the armed forces were challenging certain blockades—yet with little success. In addition to blocking the roads with their bodies, the campesinos were also strewing the road with thousands of rocks and boulders. This strategy was extremely effective because even 4-wheel drive vehicles can't pass over a road full of rocks. The army would send out an army troop with a bulldozer to clean the road; meanwhile, campesinos would gather in other stretches of the road and clog them up with more rocks. Campesinos were also using dynamite to carve out wide trenches in the roads, rendering them impassable.

By mid-October, stores in La Paz were running empty, prices for the scarce goods remaining had doubled and tripled, and restaurants were closing for lack of food and gas. But by this time, the rural area was no longer the battleground. The war had moved to El Alto.

## El Alto Rises Up

El Alto is the sister city of La Paz. With a population of around one million, it is said to be both the fastest growing city of South America and the poorest. Poor campesinos migrating from the surrounding rural areas began settling in on the edge of La Paz in

the 1950s. Today El Alto retains a strong worker and indigenous identity, with many ex-miners having settled there and 80 percent of the people identifying as indigenous. The city grew up quickly, with very little planning, infrastructure, or financial help from the National Government. Many homes lack access to potable water, electricity, and connection to sewers. 45 percent of the people live in poverty and 26 percent live in extreme poverty, meaning they live on less than one dollar a day.

By the first week of October, many campesinos and miners had come to El Alto to directly pressure the Government. El Alto was an obvious choice for the out-of-towners due to the strong ties existing between the many first- and second-generation campesinos and miners in El Alto and their brethren from the countryside. In fact, many neighborhoods in El Alto were settled by campesinos from the same rural communities, further fortifying the ties between the urban and rural. The city also has a strong sense of neighborhood solidarity—a legacy from the past ten years of organizing to demand basic water and sanitary services from the government. El Alto was also an obvious strategic choice for its proximity to La Paz. Most roads that enter La Paz pass through El Alto and the international airport lies in the middle of the city. Already

radicalized by a strong working class consciousness, angered by the army's violence and intimidation against the campesinos in the countryside, and strategically located next to La Paz, the Altéos (name given to the people of El Alto) were ripe to rise up in a big way.

Despite relative calm in La Paz and El Alto through the first week of October, an urban movement was slowly building. After the violence outside of Sorata, a few general strikes were declared in both El Alto and La Paz. The strikes were only partially obeyed and they petered out after a few days. The COB, a huge umbrella workers' union, played a major role in the strikes from the beginning. By the end of September, local unions of butchers, health care workers, bus drivers, teachers and other trades had joined forces and were organizing marches. The universities were suspending classes and students, professors, and administration were joining the protests. Confederations of retired workers and landlords were also organizing marches, and vendors in the huge outdoor markets were beginning to close their stands in solidarity. The marches were becoming more confrontational, the police were using more and more tear gas, and protesters were getting injured by the police. In both cities, a barely concealed rage that seemed close to igniting.

On October 8 a new general strike was declared in El Alto, and this time it was uni-

versally obeyed. On that day, two protesters had been killed when the army broke through a blockade just outside El Alto, and the city was buzzing. Over the next few days, stores that dared open were forced to close, and within a few more days, offending stores were being looted. Groups of striking vendors patrolled the outdoor markets, pouring kerosene over the few open stands and forcing them to close under threat of being torched. Utilizing the same techniques of the campesinos, Altéos congregated at strategic intersections to blockade the streets, reinforcing the blockades with burning tires, rocks, and trashed property. Not a single vehicle circulated the city. The highway between El Alto and La Paz was blockaded and the airport was unreachable. El Alto was completely shut down.

El Alto finally exploded on the night of October 12. A day earlier, neighbors had surrounded the only gasoline distributor for both El Alto and La Paz and prevented the gas trucks from leaving. By the evening, the gas stations in La Paz were running on empty and the Government was desperate to show it was in control. The next night, gas trucks left the plant with a military escort that included tanks and helicopter support. Resisting with only rocks and sticks, protesters succeeded in forcing the convey back, but at the cost of at least 5 dead. As news of the violence spread through the city, protesters and police clashed in other neighborhoods.

Though there was no evidence of protesters firing arms, the police fired live ammunition and tear gas indiscriminately. Of the more than 20 civilians that died that night, some were killed in their homes by stray bullets. The next day, the heavily militarized convey again tried to leave and this time succeeded in reaching La Paz, but only after breaking through at least ten different blockades on its way through El Alto and leaving a bloody wake of 20 corpses.

The two days of military violence left around 50 people dead and over 200 wounded. The next day, Goni declared martial law in El Alto. The deaths had an incredible effect on public opinion. Whereas before there had been a general sympathy for the protesters, they were now being called patriots—fighting so that Bolivian gas would be used to benefit all Bolivia. Throughout La Paz, from the wealthy to the poor neighborhoods, Bolivian flags with black ribbons attached to them were unfurled from houses, honoring those killed. Even the conservative national newspapers were calling the Government guilty of a massacre. Nationwide, the unifying demand was now nothing less than the resignation of Goni.

The violence of those two days further radicalized the Altéos. Local neighborhood assemblies were called throughout El Alto to determine the most effective ways to resist the government and the army. Neighbors went from house to house calling on the residents to take to the streets (sometimes under threat). When the army went on house-to-house searches for union leaders, neighbors hid them or surrounded their houses, forming human barricades to prevent their being arrested. Organized by neighborhood, blockades multiplied throughout the city. Dynamite was used to carve out craters in the streets to prevent tanks from moving through the city. El Alto had turned into a war zone.

It took five more days for Goni to finally give up. But with the unrelenting pressure from El Alto, his defeat was just a matter of time. The following events were nothing more than nails in the coffin. The police and armed forces were beginning to waver. Some police officers living in El Alto deserted, fearing that their families might be harmed by angry neighbors. Witnesses claim that a soldier was executed on the streets of El Alto for refusing to fire at protesters. (The accused officer is being investigated by the current government.) Religious leaders, intellectuals, human rights activists, and more

moderate leaders of the middle classes initiated hunger strikes demanding Goni's resignation. And of course, there were the thousands of miners and campesinos descending on the capital.

I discovered the Spanish quote headlining this article scrawled on a downtown wall in La Paz sometime around the midpoint of the protests. It translates as "The protest is an iron woman without party or leaders." While the protests were not without opposition party leaders, it was the militant civil disobedience carried out by thousands of poor indigenous rebels organized by rural community, neighborhood, or trade union that succeeded in bringing down the government. The iron will of the protesters was truly amazing. In the countryside, grandparents, mothers, fathers, and children camped out on the highways for 6 weeks, manning blockades in the face of army intimidation. Campesinos discovered alone on the highways in the vicinity of blockades were captured and jailed by the army. Dirt-poor campesinos allowed their produce to wilt in the fields, sacrificing the meager profits they could have made from selling it. In the streets of El Alto, protesters armed with only rocks and sticks resisted the advance of tanks and machine guns. And the ultimate sacrifice of blood was paid by the more than 80 people who were killed and the more than 400 who were wounded.

The uprising and ousting of President Sanchez was a stunning triumph for Bolivia's indigenous people over a government totally unsympathetic to their needs. But Goni was only a figurehead. The real target of the uprising was the power behind him—the transnationals, the IMF, and the US, all of whom were using Goni to extract as much as they could from Bolivia. Though a far cry from a revolution (Goni's vice-president, who assumed the presidency, will undoubtedly make only a few minor reforms), the rebellion demonstrated a growing consciousness and collective power on the part of the country's indigenous people. However, with the increasing resistance of many South American countries (such as Brazil, Venezuela, Argentina, and Ecuador) to US aspirations, Bolivia may find itself under stronger pressure to abide by Uncle Sam's wishes. Caught within the growing chasm separating these two opposing sides—the demands of the country's mostly indigenous people and those of the US, Bolivia's leadership will eventually be forced to take sides, with either choice entailing huge, but distinct, repercussions.

## Citizens for Equal Protection To Host Conferences in Grand Island & Omaha

Citizens For Equal Protection is hosting a one-day conference in Grand Island featuring national speakers from the Human Rights Campaign and GLAAD (Gay, Lesbian Alliance Against Defamation).

The conference will be held in Grand Island on March 27 at Trinity United Methodist Church at 511 North Elm Street. Registration for the conference will begin at 7:45 a.m. and start at 9:00 a.m.. There will be a 'Meet and Greet' on Friday night at 7:00 p.m. at the Midtown Holiday Inn, located

sible for ensuring fair, accurate and inclusive representations of the lesbian, gay, bisexual and transgender community in local media. Calvin is headquartered in Los Angeles, California.

Amy Miller, Staff Attorney for the Nebraska Civil Liberties Union. Amy works on a number of issues, including the challenge to Amendment 29 (formerly Initiative 416) and same-sex adoption rights and more. Amy works in the NCLU office in Lincoln, NE.

Bob and Betty Dorr, President and Past President of Parents Family and Friends of Lesbian and Gays (PFLAG-Omaha). PFLAG provides support for friends and families of gay, lesbian, bisexual and transgender individuals. Bob and Betty Dorr reside in Omaha.

Michael Gordon and MJ McBride, Executive Director and Board Chair of CFEP. Citizens for Equal Protection is the leading civil rights organization that advocates equity for the gay, lesbian, bisexual and transgender families of Nebraska. CFEP has an office in Omaha.

Heather and Calvin will be speaking in Omaha at 2:30 p.m. on Sunday, March 28 at the UNO Alumni Center, located at 6705 Dodge Street.

Cost for the Grand Island conference will be \$35. Breakfast and lunch will be provided. The cost for the Omaha conference is \$20. You can RSVP for either event by calling our office at 402-398-3027. Or, you can register on line at [www.cfep-ne.org](http://www.cfep-ne.org)



at 2503 South Locust in Grand Island. You can reserve a room for special conference pricing. Call 308-384-1330 and mention you are with the CFEP group.

The speakers for the event will include: Heather Wellman, Field Organizer from the Human Rights Campaign (HRC). HRC is the largest national organization working for gay, lesbian, bisexual and transgender civil rights. Heather works in Washington, D.C.

Calvin Fleming, Northwestern Regional Media Manager. Calvin is respon-

### Carlton B. Paine, Ph.D.

CLINICAL PSYCHOLOGIST

TELEPHONE:  
402-466-4668

SUITE 110  
US BANK BUILDING  
100 NORTH 56TH STREET  
LINCOLN, NE 68504

**NOW OPEN AND SHOWING FILMS DAILY.**

**MARY RIEPMA ROSS MEDIA ARTS CENTER**

VISIT [WWW.THEROSS.ORG](http://WWW.THEROSS.ORG) FOR SHOWTIMES.

NEW LOCATION: 343 N. 13TH ST. TEL: 402-472-5353

UNIVERSITY OF NEBRASKA  
Lincoln  
NATIONAL COLLEGE OF THE PERFORMING ARTS

## BULLETIN BOARD

*Office Hours for the Nebraskans for Peace State Office in Lincoln, at 941 'O' Street, Suite 1026, are 9:00 a.m. to 12:00 p.m. on weekdays.*

### **March 12-14 2nd Annual Midwest Catholic Worker Resistance Retreat and Witness in Omaha.**

Retreat Leaders: Bill and Susan Frankel-Streit of the Little Flower Catholic Worker, Louisa Virginia.

Bill and Sue Frankel-Streit live with their three children in community at the Little Flower Catholic Worker Farm outside of Charlottesville, Virginia. They have been part of the Catholic Worker movement for over 15 years. (Before that Bill was a Catholic priest and Sue was a college student). They lived at the Dorothy Day House in Washington, D.C. for ten years, living with homeless families and practicing nonviolent direct action in the belly at the beast. Both have been arrested at the Pentagon numerous times. In 1991 they were part of a Plowshares action at an air force base outside of Syracuse New York and served a year in jail for beginning the disarmament of a nuclear-armed B-52. Collectively, they have served over four years of jail time. Currently, they are home schooling, preparing to build a straw bale cabin, researching bio-diesel, awaiting trial for a Pentagon action and continuing the Catholic Worker experiment in community.

The Retreat will be hosted at Holy Family Parish in Omaha, 1715 IZard Street. The local focus for the retreat will be the Strategic Nuclear Weapons and Space Command Headquarters stationed at Offutt Air Force Base in Bellevue, just south of Omaha.

All are welcome, open to anyone, not just Catholic Workers.

For more information contact: Frank Cordaro, Berrigan Catholic Worker House, 713 Indiana St, Des Moines, Iowa 50314, Ph (515) 282-4781

*To list an event, submit in writing by the tenth of the month preceding the event. Send to: Nebraskans for Peace, 941 "O" Street, Suite 1026, Lincoln, NE 68508 [nfpweb@redjellyfish.net](mailto:nfpweb@redjellyfish.net) Announcements published on a space available basis.*

# What is Nebraska Known For?

What is Nebraska known for? To begin, there are our glorious sunsets, the sweeping beauty of our Sandhills, our mountains of groundwater reserves, the majestic Platte River that runs the length of our state and provides a resting spot along the North American flyway for bird migration, some of the richest farm ground in the world, rolling hills, and a real live cornucopia of diverse agricultural production.

On the political side, we are known as the home of former U.S. Senator George Norris and populist presidential candidate William Jennings Bryan. We are also the only state in the nation to use the Unicameral form of government, the Natural Resource District system of integrated, watershed-based and locally elected natural resource management, and the only 100 percent public power state in our nation. We are also nationally known as the home of Initiative 300, the citizen-initiated, strongest and most effective constitutional ban on corporate farming in the country.

Thanks to the power of money, two

of Nebraska's best known political leaders are trying to destroy two of the best features of what makes Nebraska not just unique, but better. State Sen. Kermit Brashear of Omaha is fronting the idea of selling off our public power system to the allegedly more enlightened and efficient private sector power companies, and then putting the proceeds of the sale into a trust to earn interest to serve the public, who by the way, Sen. Brashear, would be then paying through the nose on the monthly utility payment plan. In the post-Enron world of electric power distribution, you have to simply marvel at the lack of political insight of political operative extraordinaire Brashear. The very reason the Nebraska public power system would earn a pretty penny on the market is because private sector companies would recognize and seize the opportunity to cherry-pick the best parts of the public power system, then jack up rates and milk consumers.

The non-cherry-picked parts of the state, Cherry County for example, could once again find itself in the dark. Rural Nebraska could either go without power or pay through the nose for electrical service. Sen. Kermit Brashear, former head of the Nebraska Republican Party and unsuccessful candidate for governor, is the proud owner of the "I got mine, you get yours, sucker"

perspective. Some might say the Omaha lawyer from Legislative District 4 knows the price of everything, and the value of nothing. I think that remark less than accurate. I know for a fact that Senator Brashear does not know the price of everything.

The value and benefits of public power in Nebraska are not only that we own it together as citizens of the state, benefit from its low rates and dependable service, and control it as voters, but that we use this remarkable tool to work together as a state to make the state better for everyone from Harrison to Falls City, and from Bushnell to South Sioux City. Public power in Nebraska brings our state together as a community of interest.

As foolish and inappropriate as is Sen. Brashear's effort to sell off public power in Nebraska in the post-Enron era, you'd think he would win the prize for worst idea of the 2004 Legislative session. Wrong. Governor Mike Johanns has leaped ahead of Sen. Brashear with his legislative agenda to destroy I-300. At a time when family farm agriculture is being pilloried by too much corporate power in the market place, in farm policy, and in trade policy, Johanns wants to dismantle I-300 and open up Nebraska to even more corporate control and influence.

In addition to being dead wrong on this

issue, Governor Mike Johanns is being less than honest. Governor Johanns is doing his best to come up with a defensible rationale for using the Legislature to undo the hard work of the citizens initiative process by using the Legislature to put Constitutional amendments on the ballot. Johanns, a lawyer, knows that if he can amend I-300, he can weaken it and make it more, not less, vulnerable to legal challenge.

I-300 does provide a level economic playing field in Nebraska. Rich folks can raise livestock and grow crops. They can do it as individuals or as partners. Corporate Omaha and big money players are using Governor Johanns to dismantle I-300, so they can use the corporate shield to protect their assets from liability when bills come due or environmental damage is incurred. Where's that Republican personal responsibility lecture now, Governor Johanns?

The hearing for LB1086 will be February 17 at 1:30 p.m. at the Capitol. Be there. The control of Nebraska agriculture is an issue that impacts everyone in our state, not just farmers and ranchers. The relationship between our people and our land defines us as a state. Governor Johanns and Sen. Brashear must be challenged, and stopped, for all our sakes.



## **From the Bottom by Sally Herrin**

**The real political spectrum isn't right to left... it's top to bottom.**