Drone Assassination
America’s New High-Tech Means of Global Dominance

by Hendrik Van den Berg
UNL Professor of Economics

Even though the U.S. military and the CIA have been using drones for surveillance and bombing for over a decade, the issue of drone assassinations became front-page news this year. In early March of 2013, U.S. Attorney General Eric Holder was called to testify before Congress about targeting U.S. citizens within our borders with drone strikes. Documentation was acquired by various news media suggesting that not only does the U.S. government claim to have a right to launch drone strikes against foreigners on foreign territory, but President Obama has legal memos that justify using drones to kill Americans in an “extraordinary circumstance.” The precise definition of “extraordinary” was classified information, however.

So far, it is difficult to judge Congress’ concern about drone attacks on Americans. Sen. Rand Paul’s brief filibuster focused some attention on the issue, but his action was also used to promote his otherwise destructive libertarian philosophy of dismantling all government programs. More worrisome was the apparent lack of support Paul had from within either party in the Senate or House. Most politicians largely sat by and did nothing in response to Holder’s outrageous claims that President Obama had the power to assassinate Americans. What Constitution are they reading? Surely not ours.

Perhaps we should be encouraged by the media’s thorough coverage of Holder’s continued on page 3
Nebraska Report

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Nebraskans for Peace

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Globalization & Empire

After more than a two-decade-long tenure on the Nebraskans for Peace State Board, 91-year-old retired Mennonite farmer Bob Epp announced this past winter that he was stepping down from a leadership role in the organization, effective immediately. The former State Board President (1993-1997), Treasurer (1998-2003) and At-Large Executive Committee member (2004-2008) said it was time to make room for younger voices in the organization. Amid cries of “Quitter!” from his board colleagues and concerns that the nonagenarians (those aged 90-99) among NFP’s membership were in imminent danger of being disenfranchised, Bob—willful Mennonite that he is—refused to be dissuaded. He left the State Board no choice, accordingly, but to appoint him to the State Board’s “Advisory Committee” where he will remain until his 100th birthday (at which time his status will be reevaluated). In his final official act as a board member, Bob penned the following insights gleaned from a 70-year-long life of working for Peace & Justice which we now share with you.

Just reading the newspapers, it would be difficult to get a grasp on the extent and effort the U.S. is making to project its power throughout the world. And this is not dependent on which political party is currently in the White House. It seems as though there is an institutional presidency that has a life of its own. I was made aware of this in our own hemisphere when in the ’80s a small group of us (about five) had a meeting with the “Deputy Chief of Mission” at the U.S. embassy in Managua, Nicaragua to express our concern over U.S. policy toward Nicaragua during the “Contra War.” We were not allowed to have a recording device, but one of our party was an expert in shorthand, and this is how she recorded the official’s summary to his remarks:

“The only way the U.S. can relate to Central America is from a position of dominance. As a superpower, we have a dominant factor. It is a fact of life. It is our right as a superpower. Our interests are not economic. Our security interests are such that a political openness is a threat to our security. This is not a policy easy to sell to anyone. Right or wrong, we will do all in our power economically, politically and, finally, militarily to ensure our dominance.”

This is hardly what one would call a ‘good neighbor’ policy.

Fast-forward to the present. There seems to be a fear within the current administration of China expanding its interests into the Asia-Pacific region—which is, after all, in its backyard. But to counter this anticipated expansion, President Obama is embarking on a policy of reestablishing a formidable military presence in the Western Pacific. World War II- and Vietnam War-era bases in Australia, the Philippines, Guam, Japan and South Korea are being revived and retrofitted for use in a geo-political strategy to inhibit Chinese expansion and influence. For years, rumors have been rife that upwards to 20,000 Marines are to be redeployed to northern Australia. South Korea is being pressured by China to build a naval base on the island of Jeju on the country’s southwest coast. This beautiful island with its unique eco-system is only 300 miles from the Chinese coast, and although many South Koreans have risen up in protest, construction is proceeding apace. In Eastern Europe as well, the U.S. and its European allies are pushing development of missile defense bases near the Russian border, raising tensions and sparking counter-measures by Russia’s military.

Increasingly, the U.S. is behaving more and more like the empires of history which have come and gone. The fate of many of these empires from the 1500s to the present is traced in author Paul Kennedy’s *The Rise and Fall of the Great Powers*. Kennedy shows how, as they became more and more extended, the resource bases necessary to sustain their imperial reach became progressively strapped, and they invariably declined.

He suggests that the U.S. may now be in that later stage.
Drone Assassination, continued

Testimony. On the other hand, one is left with the uncomfortable feeling that it took an outrageously extreme idea—namely, that the U.S. government had the right to assassinate Americans without a trial and in complete secrecy—for drone killings to get into the mainstream news cycle. There has been very little scrutiny of drone assassinations of foreigners in foreign countries, even though our drones have killed thousands of people in those nations. Is such aggression against foreigners somehow less objectionable?

Those living under drones have to face the constant worry that a deadly strike may be fired at any moment, and the knowledge that they are powerless to protect themselves.

Nearly 5,000 Drone Assassinations

The “Columbia Human Rights Clinic” of Columbia Law School assessed the data compiled by three organizations that have been tracking U.S. drone assassinations overseas: the “Bureau of Investigative Journalism,” the “Long War Journal” and the “New America Foundation.” These organizations compile news reports of drone strikes and use the information provided in those articles to make their estimates. The Bureau of Investigative Journalism of London estimates that about 4,700 people have been killed by drone attacks in Pakistan, Yemen and Somalia between 2004 and 2012—including up to 881 civilians and 176 children. We are now operating drones in many African countries, as well as flying them there routinely as well. By using published information, this report ends up following the U.S. military practice of classifying as a military target anyone even remotely connected to an insurgency or terrorist organization. In fact, the percentage of ‘civilians’ would be much higher if low-level followers and other assorted non-fighting associates of alleged opposition groups were more appropriately classified. The Columbia group did add information from other sources, specifically civilian death reports that included the actual names of people, and it concluded that there were many more civilian deaths than the three organizations listed above had estimated: it verified up to 155 civilian deaths in Pakistan in 2011 alone.

More thorough are the joint estimates by the “International Human Rights and Conflict Resolution Clinic” at Stanford Law School and the “Global Justice Clinic” at the New York University School of Law. This working group conducted investigations in Pakistan that included interviews with 130 victims and witnesses as well as the review of thousands of pages of documentation, death certificates and news reports. Their findings are stunning. Even though the U.S. government does not report civilian deaths, they found ample evidence that U.S. drone strikes routinely kill and injure civilians. Secondly, they largely confirm the reported estimates of civilian deaths by the Bureau of Investigative Journalism mentioned above.

The Broader Consequences of U.S. Drone Assassinations

But the Stanford/NYU investigators also found that the damage from U.S. drone strikes in Pakistan extends far beyond the immediate assassinations. The drone attacks are not the ‘surgical withdrawals’ of key foreign terrorist leaders that the U.S. military likes to describe. Rather, the drones were creating a much more complex and long-lasting effect that will shape U.S. relations with other countries and people for generations. In their words:

Drones hover twenty-four hours a day over communities in northwest Pakistan, striking homes, vehicles and public spaces without warning. Their presence terrorizes men, women, and children, giving rise to anxiety and psychological trauma among civilian communities. Those living under drones have to face the constant worry that a deadly strike may be fired at any moment, and the knowledge that they are powerless to protect themselves. These fears affect behavior. The U.S. practice of striking one area multiple times, and evidence that it has killed rescuers, makes both community members and humanitarian workers afraid or unwilling to assist injured victims. Some community members shy away from gathering in groups, including important tribal dispute-resolution bodies… Some parents choose to keep their children home, and children injured or traumatized by strikes have dropped out of school. Waziris told our researchers that the strikes have undermined cultural and religious practices related to burial, and made family members afraid to attend funerals. In addition, families who lost loved ones or their homes now struggle to support themselves.

The explosive power of a Hellfire Missile fired without warning from a drone.

This growing fear and hatred fostered by drones attacks led the New York Times to report that “drones have replaced Guantanamo as the recruiting tool of choice for militants.” A 2012 Pew Research Center poll found that 74 percent of Pakistanis see the United States as an enemy; virtually none see us an ally.

Drones murders are eroding the United States’ image around the world. It is rather difficult to preach democracy and rule of law, when we openly violate basic legal principles such as innocent until proven guilty, the right for an accused to confront his/her accusers, and fair trials for the accused. The Stanford/NYU study also argues that blatant U.S. violations of human rights and national sovereignty will open the world to many more such violations by many other countries.

Fundamentally, drone strikes in foreign countries constitute a blatant violation of standard international law. Ben Emmerson, the “United Nations Special Rapporteur on Counter-Terrorism and Human Rights,” reported in early March on U.S. drone attacks in Pakistan as follows:
Chuck Hagel’s Talk of “Jewish Lobby” Invites Opposition and Opens Door to Issues of Politics and History

by Wopashitwe Mondo Eyen we Langa

The acrimony directed at former Nebraska Senator Chuck Hagel during his confirmation as Secretary of Defense inspired the following essay by Mondo we Langa, Nebraska’s longest-serving prisoner of conscience who has been incarcerated in the state penitentiary for now 40 years. Designated “political prisoners” by Amnesty International, Mondo and his co-defendant, Ed Poindexter, have steadfastly maintained their innocence in the 1970 death of Omaha Police Officer Larry Minard while members of the Omaha Black Panthers. For decades, Nebraskans for Peace has regarded these two men as icons of moral courage. In this essay written specifically for the Nebraska Report, Mondo methodically and articulately takes on some of the most sensitive issues surrounding the Israeli/Palestinian conflict as only someone of his background and stature can do.

As this is being written, the confirmation hearing on Secretary of Defense nominee, Chuck Hagel, is being held up, though the presumption is that he will be confirmed. Several reasons have been put forward to explain Senate Republicans’ hard-edged, if not downright hateful, opposition to Hagel. Among those are the nominee’s seeming disdain for initiating war when it is other than the last resort and his willingness to operate in a bipartisan fashion. One of the pieces of evidence cited by his opponents as to why he is ‘unfit to serve’ as Defense Secretary is the statement he’d made asserting that some members of Congress were intimidated by the “Jewish lobby.”

While there are those who claim that Hagel’s reference to a “Jewish lobby” is insensitive, one wonders how this is so. Has “Jewish,” “lobby,” or the combination of the two terms become a slur? Maybe some are objecting to Hagel’s failure to be specific in identifying a lobby representing Jews or Jewish interests. Was he speaking about AIPAC (American Israel Public Affairs Committee) in particular or some other specific lobbying group, or was he speaking more in general terms about the influence of individuals and groups attempting to push forward the agendas of the state of Israel and/or the interests of Jewish people—in Israel or here in the U.S.?

I suspect ‘insensitivity’ had nothing to do with this, that Chuck Hagel violated a long-standing taboo against pulling the covers off the reality of the powerful influence on Congress by Jews and their agents. This simply is not supposed to be talked about, at least in public. There is an analogy here. It is commonly believed that Israel has nuclear weapons, and there is no shortage of evidence to support this belief.

But the subject of Israel having nuclear weapons is not to be talked about and its ‘right’ to have them is not to be challenged. Why? Because AIPAC, ADL (Anti-Defamation League) and other Jewish groups have done an effective job of protecting what they see as the interests of the state of Israel and Jewish people. And such groups have intimidated members of Congress and others and used their money and influence to make people ‘act right’ or pay a price for not doing so. When it comes to effectiveness of intimidation and willingness to employ it, AIPAC, along with organizations it is allied with, rival the NRA (National Rifle Association).

It is at this point where things get complicated; and maybe we should remind ourselves of the fact that it was Israel, along with the U.S., that was a major supporter of the apartheid regime in South Africa. Then, as now, the state of Israel is maintaining its own brand of apartheid/“Jim Crow” on the Palestinians. And we must recall that there used to be a place called “Palestine.”

Where did it go?

Shouldn’t we be asking ourselves and others how it is that the government of Israel can routinely commit assassinations; can, in violation of international law, board the ships of other nations and confiscate cargo, abuse and kill passengers, and otherwise commit acts of piracy; can bulldoze the homes of Palestinians to construct settlements for Jews; etc. and not ever be condemned by the government of the U.S.? Shouldn’t we be asking why it is that some nations’
Mondo we Langa

governments can violate the rights of their citizens and elicit talk of outrage and sanctions from the U.S., while the government of Israel can commit equivalent acts against its Palestinian citizens and elicit from the U.S. nothing whatsoever in terms of criticism or objection? Clearly, many of us are not troubled by this double standard.

Are many of us also not troubled by the clear possibility that the Israeli regime’s tendency to threaten other countries in the region and to use offensive and/or over-reactive military actions to ‘defend’ its ‘right to exist’ is based, in part, on its smug confidence that America’s got its back, regardless of the circumstances? Don’t many of us understand that this government’s apparently unconditional support of and allegiance to Israel invites a situation in which the U.S. could be pulled into a war and/or be targeted for an act(s) of violent reprisal?

At least in one sense, what all of this is tied to is the holocaust that certain Jews experienced under Hitler. Why do I stress “certain”? Because it was mainly, if not entirely, European Jews who were victimized. The fact is that, just as there are Asian, African and European (Caucasian) Christians and Muslims, there are Asian, African and European Jews. In a ‘racial’ sense, Jews are no more a people than are, say, Catholics or Buddhists.

Nevertheless, it was European Jews who used the experience of the holocaust to gain support they needed from Western European nations and the United States to impose the state of Israel upon the people of Palestine. However we might characterize the process by which this occurred, the truth is that European Jews ‘justified’ this imposition by exclaiming to the world that they needed a homeland of their own so that they would never again be so vulnerable to a holocaust. Moreover, spokespersons for these Jews claimed an historical connection to Palestine, as if they were returning to their homeland, after a long absence.

But do European Jews (Ashkenazim) have an historical connection to Palestine, or the ‘Holy Land’? According to the historical record as I read it, the Ashkenazim are descended from a people known as the “Khazars.” These folks were traders and lived in a area sandwiched between the essentially Catholic Byzantine Empire and the essentially Muslim Ottoman Empire. Because they depended on successful trade with their neighbors for their livelihood, it is said that they converted to Judaism as a way of quietly declaring neutrality and protecting their economic interests. If this is true, then it is only words or actions perceived to be against European Jews that are characterized as “anti-Semitic”?

There are more questions to be asked and more exploration required of the ones already asked. But I will ask one more. As a human being, I empathize with any people who have suffered great loss, including the Jews in Europe who met death at the hands of Hitler’s henchmen. But as an African, I ask why it is that, when African people speak of the many tens of millions of our ancestors who had their lives snuffed out through the slave trade, colonialism, Jim Crow, and other exercises of the Europeans’ perceived “manifest destiny,” we can be told that we’re too sensitive or that we need to forget the past and move on. The indigenous people of this country, who were very nearly exterminated, sometimes face the same kind of trivializing of their experience.

But the Jews in the U.S., when defending the state of Israel or Jewish persons or groups from criticism, can say ‘never again,’ or utter some other reminder of their holocaust, and everybody is supposed to shut up. Maybe the Republicans’ acerbic opposition to Chuck Hagel is their way of telling him to shut up.

Are many of us also not troubled by the clear possibility that the Israeli regime’s tendency to threaten other countries in the region and to use offensive and/or over-reactive military actions to ‘defend’ its ‘right to exist’ is based, in part, on its smug confidence that America’s got its back, regardless of the circumstances?
Running Out of Oil? We Should Be So Lucky

The New York Times must be the best newspaper in English—maybe in any language. Even a great newspaper lays a rotten egg now and then, however.

Joe Nocera, writing under the headline “How Not to Fix Climate Change,” in the Times, February 19, 2013, laid a gigantic egg of climatic cluelessness as he expended an entire column mocking the decision of James Hansen (director of NASA’s Goddard Institute for Space Studies) and others to get arrested outside the White House in opposition to the Keystone XL Pipeline. Nocera never even mentions the science behind the subject, even after having had lunch with Hansen.

I know from personal experience that no one who is not stupendously dense comes away from a lunch with Jim Hansen without a head full of climate science.

A New Era in Fossil-fuel Extraction

So why should we worry about the climate consequences of the Keystone XL Pipeline? Why is a nearly 70-year-old NASA climate scientist willing to go to the White House to get arrested in opposition to it? What does Jim Hansen know that Joe Nocera does not understand?

Within a few years, the United States will be the world’s largest producer of oil, and the top producing state will be North Dakota—much of it shale oil from the Bakken Formation, an area that has been turned into a massive oilfield within a few years with application of new oil-drilling technology.

The same article continued: “The technology… coupled with shifts in the marketplace that favor exploiting deposits that are harder and more expensive to tap has convinced some experts that the carbon-based economy can continue much longer than they had imagined. Billionaire oilman and Bakken pioneer Harold Hamm argues that the assumption we are running out of oil and gas is false. America, in his view, needs a national policy based on abundance, one that doesn’t favor developing renewable sources of energy…”

Climate change? As far as oil’s new technology is concerned, for the atmosphere it’s ‘Burn, Baby, Burn.' We will have plenty of oil and gas long after much of our world is too hot to inhabit. This is the future that the oil industry does not want us to worry about.

Bruce E. Johansen is Jacob J. Isaacson Professor at the UNO and author of The Encyclopedia of Global Warming Science and Technology (2009).
Nebraska Regional Climate Change

This session, for the first time ever in Nebraska legislative history, state senators heard testimony about climate change from actual climate scientists. A total of five UNL climatologists testified on two bills introduced by Sen. Ken Haar treating the issue of human-influenced climate change. LB 567, dealing with the ‘true cost’ of burning coal for electrical power, is being converted into an interim study that will examine this subject more fully before the Unicameral reconvenes in January 2014. LB 583, which would expand the charge of the “Climate Assessment and Response Committee” to include providing forecasts of the impact of climate change on Nebraska, has been designated as Sen. Haar’s ‘priority bill’ and will be considered by the entire Nebraska Legislature yet this session.

The statements below are excerpted from the testimony of Mark Svoboda, a climatologist with the “National Drought Mitigation Center” located in the School of Natural Resources at the University of Nebraska-Lincoln, and Robert Oglesby, Professor of Climate Modeling with a dual appointment to the Department of Earth and Atmospheric Sciences and the School of Natural Resources. Mark Svoboda provided a detailed chronicle to the Legislature’s Natural Resources Committee of the extreme weather events Nebraskans have been experiencing—particularly over the past two years. In his remarks, Professor Oglesby delivered a sobering overview of the impact climate change is projected to have on our agriculture-based economy in the years ahead. Both men were speaking on their own behalf and not as representatives of the University of Nebraska-Lincoln.

Climatologist Mark Svoboda

The drought of 2012-13 is an eye-opening extreme event and in many respects it provides an important back-drop for potential legislation.

Based on data back to 1895, 2012 was both the warmest and the driest year on record for the state of Nebraska.

- It was also the warmest year on record for the contiguous U.S. as a whole.
- Seven of the top 10 warmest years on record for the contiguous U.S. have come since 1998.
- Early loss estimates on the impacts of the 2012 drought across the U.S. are not final, but have ranged between $35 billion and $77 billion.

For agriculture alone, as of February 19, 2013, crop indemnity payments for 2012 have reached $14.7 billion for the U.S., and $1.44 billion for Nebraska. [These figures do not include livestock.]

Fire was another major impact in our state last year with a record 500,000 acres burned, which was double the previous high. In fact, three of the five highest acres-burned years have occurred since the year 2000, based on data going back to 1964.

A study of the “U.S. Historical Climatological Network” (USHCN) archive by Climate Central released June 2012 shows that since 1970, all states in the Lower 48 have warmed and the rates of warming were double that of the past 100 years. While the degree of increase varies from region to region, the pace of warming in all regions has accelerated dramatically since 1970.

The U.S. Department of Agriculture (USDA) recently released a report on February 5, 2013 entitled “Climate Change and Agriculture: Effects and Adaptation”—which synthesizes the scientific literature on climate change effects and adaptation strategies for U.S. agriculture. While U.S. agriculture and resource management have long histories of successful adaptation to climate variability, the accelerating pace and intensity of climate change presents new challenges to be addressed, as highlighted in the report. For example, the agricultural report indicates increases in atmospheric carbon dioxide, rising temperatures, and altered precipitation patterns will affect agricultural productivity. Climate change will exacerbate the stresses already occurring from weeds, insects and disease. Increases in the incidence of extreme weather events will have an increasing influence on agricultural productivity. Over the next 25 years, the effects of climate change on agricultural production and economic outcomes for both producers and consumers in the United States are expected to be mixed, depending on regional conditions. Beyond 2050, changes are expected to include shifts in crop production areas, increases in pest control expenses, and greater disease prevalence.


- Temperatures have generally been above the 1901-1960 average for the last 20 years, both annually and seasonally;
- Temperature trends are statistically significant (at the 95 percent level) for all seasons in the northern Great Plains;
- Trends in precipitation are not statistically significant for any season;
- There has been a generally increasing trend in freeze-free season length since the early 20th century. The average freeze-free season length during 1991-2010 was about six days longer than during 1961-1990.

Recent years like 2011 (with Missouri River flooding) and 2012 (a year of record heat and drought) provide us with a great opportunity, as a state, to pro-actively investigate our vulnerabilities to climate extremes. I see this dialogue, and any resulting process that results out of such dialogue, as an opportunity to help educate and prepare the state and our citizens for the future and enable us to all better steward the tremendous agricultural, water, ecological and socio-economic resources that exist within Nebraska.

Professor Robert Oglesby

Projections are that, due to increases in greenhouse gas as a result of human emissions, Nebraska will warm by 4-10 degrees F between now and the end of the century (i.e., by 7 degrees plus or minus 3 degrees). The exact amount of warming is uncertain, but it will get warmer (indeed, already is).

Projections for precipitation (rain and snow) are less clear for Nebraska, with little change being most likely. Nonetheless, the same precipitation amount in a warmer world will lead to drier conditions, due to increased evaporation.

Of major concern, however, is the large projected reduction in snow pack in the central and northern Rocky Mountains. This is due to both a reduction in overall snowfall and warmer conditions, meaning more rain and less snow, even in winter. Flow in the Platte and Missouri Rivers during summer critically depends on the slow release of water as the snow pack melts. Such flow could be greatly reduced in coming years.

Extreme events are likely to be more common in summer and, well, more extreme. That is, longer and harsher droughts, and more summertime flooding rains can both be expected. In winter, blizzards are expected to occur less often, but be worse when they do happen.

Besides these global effects, human activities local to Nebraska can also be important. In particular, the advent of large-scale irrigation since the 1960s has kept the summertime climate in Nebraska cooler and wetter than it otherwise would have been. If reduced water availability curtails irrigation in part or in whole, then the warming and drying that result will exacerbate that due to increased greenhouse gases.
An Economic Recovery for the 1 Percent

by Hendrik Van den Berg
UNL Professor of Economics

Following up on the January/February Nebraska Report article on the trillion dollar coin, as expected, the coin was not issued. That would have been too direct a hit to the dominant financial industry. In fact, rather than making the Federal Reserve Bank create money to fund increased government expenditures, since March 1, the federal government has been operating under the so-called “sequester,” which cuts already budgeted government expenditures. Most economists have predicted a slowdown in U.S. production as a result. Note that regardless of the overall macro-economic effects, these cuts in budgeted expenditures will result in cuts in many government services and assistance. Student aid and Medicaid will suffer further cuts. Of course, the Fed continues to create $85 billion of new dollars each month to purchase financial assets. The stock market thus continues to rise despite the recessionary sequester.

The Sequester and the Stock Market

The sequester has gotten a political life because, on the one hand, cuts in government programs fit the conservative mindset that now controls both of the major political parties—and, on the other hand, it is compatible with the interests of the large corporations and the financial industry. Cuts in government expenditures will result in more privatization, more debt, less government and, therefore, less democracy. Whether it causes a new recession may not matter to those who have, apparently, sanctioned the sequester, because an economic downturn also results in, yes, more privatization, more debt, less government and, therefore, less democracy.

So, does this explain why the stock market is rising when we may be headed back into recession? Interestingly, we see the stock markets in London also rising while the British economy has already gone into its third recession in six years. To combat this economic slowdown, the Conservative government of Britain has introduced further cuts in expenditures and corporate taxes. So, with the ‘right’ policies, a rising stock market is perfectly compatible with economic recession.

It has become quite clear that the stock market does not give us an accurate signal about the economic future of the majority of people. First of all, stock market indexes like the “Dow Jones Index” represent a small number of stocks in very large global companies—the great majority of whose shares are held by the 1 percent. At the same time, large business firms have simply done quite well despite the five-year-long recession. Perhaps most important and most troubling is the likelihood that we are seeing the rapid development of yet another asset price ‘bubble.’

Recall the previous two bubbles: the ‘dot.com bubble’ that burst in 2000 and the housing bubble that popped in 2007. This new asset price bubble is again being fueled by massive Federal Reserve Bank purchases of assets. The financial industry has made out very well during the last few bubbles—about doubling its income as a percentage of overall U.S. gross domestic product (GDP). Furthermore, the financial industry and wealthy asset owners received bailouts while the rest of the population suffered the consequences of unemployment, falling housing prices and the loss of government services. But why would an institution like the Fed engineer yet another asset bubble after the problems caused by the previous one?

Many mainstream economists argue that it has become politically impossible to stimulate the U.S. economy by means of increased government spending. The implicit accept- tance by both major political parties of the sequester’s goal of reducing the size and role of government is clear evidence of this political reality. At the same time, the relentless hype about the alleged detrimental economic consequences of growing government debt has provided emotional cover for the ‘small government’ proponents (the financial industry and assorted other corporate interests) to continue to shrink government and privatize government functions. With government no longer able to use fiscal policy—that is, government expenditures—to stimulate economic activity, the only short-run policy remaining is expansionary monetary policy.

To the great delight of the financial industry, many central banks like the Federal Reserve engage in a form of monetary expansion termed quantitative easing (QE).

Our weak recovery seems to be precariously supported by a highly leveraged financial sector whose health depends critically on bloated asset values. Environmental changes and the consequences of unequal distribution virtually guarantee that the new bubble will burst again.

The Sinister Role of Quantitative Easing

Traditionally, central banks like the Federal Reserve have expanded the money supply by using newly created money to buy short-term government bonds in the open market. This new cash then ends up in the banking system, where it is (hopefully) used to make new loans for investment projects that stimulate economic activity. Under QE, the Federal Reserve Bank creates money to acquire all types of assets—including bad assets like the collateralized debt obligations that sank the global economy in 2008—from financial firms and wealthy people and to replace them with good money. QE is a blatant bailout of the financial sector and wealthy investors. Note how QE differs from the trillion dollar coin we discussed in the last issue: such a coin would have given newly created money for government to spend on programs that benefit many people.

Many people fear that the QE activities—now about $85 billion per month—will cause inflation. As long as there is high unemployment and an even larger hidden reserve of workers, product inflation is unlikely. But the QE asset purchases have already pushed asset prices up to record levels. So the stock market soars while government programs are being cut. Similar QE policies in other countries are also causing asset bubbles; Britain is a good case in point. Stock market prices are holding up surprisingly well throughout Europe despite negative economic growth in many countries. Asset prices, however, cannot deviate from reality for too long. A ‘correction’ is inevitable.

Reality Is Not Reassuring

First, with the White House and Congress limiting economic policy to QE policies, the already horribly unequal distribution of economic rewards will become even more unequal. This means there will not be sufficient demand for the increased output that would constitute an economic recovery. Without real growth, there will be nothing to sustain higher asset values. After a brief spurt in household saving during the 2007-2009 recession, household saving rates are again falling to dangerously low levels—just 2 percent at the start of this year. Temporarily, maintaining near-zero interest rates and forcing cash-strapped governments to further privatize the commons can sustain rising private financial asset values.

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ALL THE CHILDREN
by Mondo we Langa

I was a witness to your statement.
i heard the words expressing grief
over the deaths
especially of the children
the slaughtered innocents
who as you said
had their whole lives ahead of them
before they were cut short
you looked so genuinely moved
to me
so deeply touched
but as you did more than once
i too must pause
but not to wipe away a tear
but to ask you something I would ask
if you were here

do not all the children of the world
have their whole lives ahead of them
and if it's true what some people say
that guns don't kill people
people do
then YOU kill children
Obama
and you have no tears
for "collateral damage"
or for their grieving families
in Afghanistan and Pakistan
and those other places
where the drones perform their gruesome deeds
at your command
these cowardly machines that are unmanned
perform your gruesome deeds
of carrying out death sentences
on the untried and unconvicted
whose shattered bodies will take root
to bloom in a vengeful harvest time.

Drone Assassination, conclusion

The position of the Government of Pakistan is quite clear. It does not consent to the use of drones by the United States on its territory and it considers this to be a violation of Pakistan’s sovereignty and territorial integrity. A matter of international law the U.S. drone campaign in Pakistan is therefore being conducted without the consent of the elected representatives of the people, or the legitimate Government of the State. It involves the use of force on the territory of another State without its consent and is therefore a violation of Pakistan’s sovereignty.

Emmerson’s report also confirms that 330 drone strikes have occurred in Pakistan, killing at least 2,200 persons. U.S. State Department spokesperson Victoria Nuland, responding to a journalist’s question about the report, stated, “We’ve seen this press release. I’m obviously not going to speak about classified information here.” Indeed, it appears we will not be informed about any of these violations of international law by our own government.

How Effective Are Drone Strikes?

Many Americans seem to believe that the effectiveness of drones justifies their use despite their unconstitutionality and international illegality. In September 2012, a CNN news team summarized the drone attacks as having become more precise over the past ten years in that civilian casualties have become a smaller percentage of total deaths. At the same time, the ease with which our remote pilots can eliminate suspected bad guys has caused the number of strikes and total deaths to rise substantially. Writes Scott Shane of the New York Times (“The Moral Case for Drones,” August 14, 2012): “With hundreds of terrorist suspects killed under President Obama and just one taken into custody overseas, some question whether drones have become not a more precise alternative to bombing but a convenient substitute for capture. If so, drones may actually be encouraging unnecessary killing.”

Henry A. Crumpton, former deputy chief of the CIA’s counterterrorism center recalls in his memoir, The Art of Intelligence, “We never said, ‘Let’s build a more humane weapon.’ We said, ‘Let’s be as precise as possible, because that’s our mission—to kill bin Laden and the people right around him.’” In practice, however, only a small number of high-level targets have been killed. According to the Stanford/NYU study mentioned above, of the thousands of people killed by U.S. drones, only 49 militant leaders have been killed between 2004 and 2012. That is, less than two percent of all killings have involved people that could legitimately be considered leaders. The other 98 percent have been assorted local fighters, militia, patriots, followers and, of course, women, children, relatives, friends and other people who just happened to be in the wrong place at the wrong time. Thus, even if you are willing to ignore fundamental American constitutional principles and longstanding international law by looking the other way when drones are used to assassinate people who could reasonably be assumed to be threats to the United States, you cannot avoid the fact that our drones are mostly murdering people who are not any immediate threat.

A Defining Moral Issue

Americans must ask them-
**National Priorities Project Examines How Federal Budget Proposals Stack Up**

*by Chris Hellman & Mattea Kramer*

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<td><strong>Job Creation</strong></td>
<td>No new funding for job creation.</td>
<td>$4.2 trillion over 10 years for job creation through infrastructure investment, tax credits, and aid to the 50 states.</td>
<td>$100 billion in near-term spending for job creation, including $50 billion for transportation infrastructure and $10 billion for worker training programs.</td>
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<td><strong>Medicare</strong></td>
<td>Beginning in 2024 seniors would receive a lump sum of money to buy private insurance. The lump sum would keep pace with inflation but not the rate of health care cost growth.</td>
<td>Negotiates for lower prescription drug prices to save $157 billion over 10 years.</td>
<td>Saves $275 billion over 10 years by accelerating health care reforms that reward quality of care rather than pay fee-for-service.</td>
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<td><strong>Social Security</strong></td>
<td>Requires the president and Congress to submit plans for the longterm financial outlook of Social Security.</td>
<td>No proposed changes.</td>
<td>No proposed changes.</td>
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<td><strong>Tax Loopholes</strong></td>
<td>Plans to close tax loopholes but does not specify which ones.</td>
<td>Closes loopholes that favor oil, gas, and coal companies, and that create incentives to move jobs overseas. Eliminates corporate loopholes for stock options, private jets, and meals and entertainment. Also eliminates the home mortgage-interest deduction for vacation homes and yachts.</td>
<td>Plans to close tax loopholes for $975 billion in deficit reduction but does not specify which ones. Plans to target loopholes that currently benefit the wealthy and major corporations.</td>
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<td><strong>SNAP (food stamps)</strong></td>
<td>Makes deep cuts to SNAP funding and converts the program to a block grant administered at the state level.</td>
<td>Increases funding for SNAP as part of an overall increase of $312 billion over 10 years for income security programs.</td>
<td>No proposed changes.</td>
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<td><strong>Education</strong></td>
<td>Freezes the maximum Pell grant award at the same level for the next 10 years, provides financial aid to fewer families, and reduces general discretionary spending for education.</td>
<td>Expands the education budget and provides $25 billion over 10 years to hire back 300,000 laid-off teachers and modernize 35,000 public schools.</td>
<td>Calls for supporting elementary and secondary education and making college more affordable but does not specify how.</td>
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<td><strong>Individual Taxes</strong></td>
<td>Steeply reduces tax rates for top earners by replacing the current tax brackets with just two brackets of 10 percent and 25 percent.</td>
<td>Ends the Bush-era tax cuts for families earning over $250,000, creates five new tax brackets for millionaires and billionaires, and ends special low tax rates for investment income.</td>
<td>Places limits on tax expenditures claimed by the top 2 percent of income earners.</td>
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<td><strong>Corporate Taxes</strong></td>
<td>Reduces the top corporate tax rate from 35 percent to 25 percent and releases overseas profits from U.S. taxation.</td>
<td>In addition to closing tax loopholes (specified above), creates a “Wall Street sales tax” on financial transactions including the sale of stocks and bonds.</td>
<td>Proposes changing corporate tax provisions that allow corporations to avoid taxes with offshore operations.</td>
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<td><strong>War Funding</strong></td>
<td>Provides $47 billion for war funding in 2014, a cut of 53 percent below the 2013 level. Maintains annual war funding of $37 billion or more for the next decade.</td>
<td>Calls for an expedited troop withdrawal from Afghanistan and ends war funding beginning in fiscal 2015.</td>
<td>Based on current plans to end the Afghanistan war in 2014, provides $100 billion in fiscal 2013, $50 billion in fiscal 2014 and $25 billion in fiscal 2015.</td>
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<td><strong>Military Funding</strong></td>
<td>Prevents across-the-board budget cuts known as sequestration from impacting the military budget.</td>
<td>Reduces military spending by $897 billion over 10 years through a smaller force structure and reductions in Cold War-era weapons.</td>
<td>Would gradually reduce military spending beginning in fiscal 2015, for a savings of $240 billion over 10 years.</td>
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<td><strong>Medicaid</strong></td>
<td>Makes deep cuts to Medicaid funding and converts the program to a block grant administered at the state level.</td>
<td>Maintains the expansion of Medicaid under Obamacare and increases funding for Medicaid through supplemental grants to states over the next two years.</td>
<td>Maintains the expansion of Medicaid under Obamacare.</td>
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**BUDGET TOTALS**

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<td><strong>Total Proposed Change in Spending</strong></td>
<td>$5.7 trillion in spending cuts over 10 years.</td>
<td>$3 trillion in spending increases over 10 years.</td>
<td>$837 billion in spending cuts over 10 years.</td>
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<tr>
<td><strong>Total Proposed Change in Tax Revenue</strong></td>
<td>No change in tax revenue.</td>
<td>$5.7 trillion in additional tax revenue over 10 years.</td>
<td>$923 billion in additional tax revenue over 10 years.</td>
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<td><strong>Total Deficit Reduction</strong></td>
<td>Reduces deficits by $5.7 trillion over 10 years.</td>
<td>Reduces deficits by $2.7 trillion over 10 years.</td>
<td>Reduces deficits by $1.8 trillion over 10 years.</td>
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SOURCES: All numbers and analysis drawn directly from budget proposals released by the House Budget Committee, the Congressional Progressive Caucus, and the Senate Budget Committee.
1% Recovery, conclusion

But that implies further impoverishment of the bulk of the population, which means fewer people to purchase any possible rise in output. This turns into a downward spiral.

On top of this, environmental factors may also cause the bubble to burst again. Any reduction in the use of carbon fuels would cause a sharp fall in the stock and bond values of energy companies (nearly ten percent of total equity) because their current prices reflect a continuation of the status quo. To prevent positive environmental policies from depressing economic activity, large programs to employ people in renewable energy production, energy efficiency investments, and supplying alternative services are needed. Such government expenditures, however, are politically ruled out by both major parties for now.

So, there you have it. Our weak recovery is precarious supported by a highly leveraged financial sector whose health depends critically on bloated asset values fueled by a very biased institutional economic policy framework built through years of lobbying and financial influence. The Federal Reserve can use its money-creation power to boost asset values, but more democratic policies of using newly created money to fund government expenditures directly are ruled out. Environmental changes and the consequences of unequal distribution virtually guarantee that the new bubble will burst again. Will this new crisis be followed by further neoliberal privatization of the commons, financial industry bailouts and shrinking government services?

Probably. After all, the top 1 percent control the major corporations and the financial industry, which control the political system that sets our economic policies.

In short, if we spent on jobs in education the $83 billion we are cutting from Defense, we could create over 2 million jobs to educate our children, now egg-crated in the world’s 17th-best educational system.

For our children’s sake, perhaps Mr. Hagel will remember his pledge to himself on the night he suffered that wrenching wound and was medevaced out.

Paul Olson, conclusion

of its children. The cost of one modern heavy bomber is this: a modern brick school in more than 30 cities… two electric power plants… two fine, fully equipped hospitals… some 50 miles of concrete highway… We pay for a single fighter plane with a half million bushels of wheat. This is, I repeat, the best way of life to be found on the road the world has been taking. This is not a way of life at all, in any true sense.

In the 2007 study, “The U.S. Employment Effects of Military and Domestic Spending Priorities,” Robert Pollin and Heidi Garrett-Peltier of the Department of Economics and Political Economy Research Institute of the University of Massachusetts, Amherst, conclude that “[S]pending on personal consumption, health care, education, mass transit, and construction for home weatherization and infrastructure repair all create more jobs per $1 billion in expenditures relative to military spending” and that that “$1 billion in spending on education, on average, generates more than twice the number of jobs as does military spending, and higher-paying jobs” while spending on “health care, mass transit, and home weatherization/infrastructure… create[s] substantially more jobs than military spending, with an overall level of pay, combining all workers’ paychecks and benefits, higher than the military.” A 2011 University of Massachusetts study shows even starker contrasts in the effects of $1 billion dollars spent in each of the sectors:

FIGURE 1. JOB CREATION IN THE U.S. THROUGH $1 BILLION IN SPENDING

In short, if we spent on jobs in education the $83 billion we are cutting from Defense, we could create over 2 million jobs to educate our children, now egg-crated in the world’s 17th-best educational system.

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Carlton B. Paine, Ph.D. • Clinical Psychologist

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Your Foundation Speaks
by Loyal Park, Nebraska Peace Foundation President

Again this year, Nebraska Peace Foundation will be participating in “Give To Lincoln Day,” sponsored by the Lincoln Community Foundation. Last year, we garnered 25 individual donations totaling nearly $4,000 and Lincoln Community Foundation added over $200 to this donation total for the funds to Nebraska Peace Foundation and the educational work of Nebraskans for Peace.

This year ‘Give To Lincoln Day’ is May 16, 2013. On that one day donations will be eligible for a percentage of the $200,000 promotional fund set up by Lincoln Community Foundation. Please consider making your donation that day so Nebraska Peace Foundation can benefit in this extra money. More information on how to donate will be in next month’s “YOUR Foundation Speaks.” Any questions, call me 402-489-6662.

Speaking Our Peace

Let me thank the members of NFP who offered me compassion and love on the death of Fran, my second wife. One cannot ask for more than two beautiful and intelligent wives who cared deeply about peace and justice.

Still all death is a wrenching.

The wrenching caused by the deaths and woundings of our own soldiers and of civilians of all stripes in the Middle East and Central Asia also needs attention. We finally have a Secretary of Defense who has been wounded and who knows the pain; he has said, “The night Tom [Hagel’s brother] and I were medevaced out of that village in April 1968, I told myself: If I ever get out of this and I’m ever in a position to influence policy, I will do everything I can to avoid needless, senseless war.”

Senseless wars derive from senseless weapons systems sustained by corporate bribery and congressional knavery. A recent New Yorker article (“The Force,” January 28, 2013) tells of how Lockheed Martin (our largest military corporation) spends $15 million a year on lobbying—including the largest campaign contributions ever given to Rep. Buck McKeon, head of the House Armed Services Committee, and significant dollars to 51 of the 62 member of the same committee and to 386 of the 435 congress members. It recounts how the company locates parts of itself in the congressional districts that control its fate. In the 2011 Armed Services hearings, McKeon called Social Security and Medicare “drivers of our debt” that should not be bailed out by military reductions, while Tweedledee Defense Secretary Leon Panetta said that we are “ever in more danger” from Pakistan, Somalia, Yemen and North Korea; and General Mark Dempsey told the committee that he did not become “chairman of the joint chiefs” to oversee a decline in America’s military or its global power: “That is not America.” The essence of America in this view is its projection of military power.

Our essence once was the Statue of Liberty’s “Give me your tired, your poor, Your huddled masses yearning to breathe free”—masses who now, apparently, are only drivers of our debt.

For its 15 million dollars a year of lobbying money, Lockheed Martin buys wads of members of Congress and bevies of non-functional weapons systems. For example, Congress has appropriated $396 billion since 2001 for Lockheed’s still non-operational F-35—a chimera of a plane pretending to be stealth bomber, fighter jet, spy plane, and in some iterations, helicopter. (If you tip it well, it will wash your dishes and babysit your children.) Lockheed did not first design the plane and then put it through trials; it built it as we went along to satisfy its appetite for profit, that of its top corporate brass for a plane that would work in all services without regarding the drones that were taking over most F-35 functions. In short, ‘cost-plus’ military socialism produces worthless weapons systems, worthless congressional representatives, and endless debt—without producing the real jobs sustained by an exchange economy.

Ike had it right in 1953:

Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes conclusion on page 11