

In which way can you get away with annoying rulers and keep allegedly non-dependent countries and their wealth under your control other than sending in the Marines?

It was an inquiry concerned American strategists during the beginning of the Cold War. Until the 1960s, they found a solution. They would make use of the things named “Economic Hit Men,” or EHMs – private-sector contractors that implemented the filthy work required to make countries stay on the same side with the United States.

In this summary, we’ll get into this gloomy world while we go after the life of John Perkins, a young Peace Corps volunteer enlisted in Ecuador and turned into an EHM in the United States. Throughout the way, we are going to discover the projects he got into and acknowledge how those mirrored changing American foreign policy objectives.

Chapter 1 - A secret operation was done in Iran during the 50s supplied a scheme for American foreign policy, yet it required an adjustment

During history, empires have depended on their military power. Provided that they desired to dominate territory, they sent their soldiers and took it. Enemies may argue about these claims, then this may cause a war, yet that was seldom a disincentive. The quarrel was basically an inescapable outcome of implementing imperial business.

This estimation became different after WW II. And then, as elder European forces diminished, two brand new empires came out, the Soviet Union and its rival the United States. Both of them had the atomic bomb meaning that a war between them had the possibility to bring about nuclear armageddon. This was the disincentive and it made the US implement a new tactic for imperial management.

In 1951, the Iranians chose Mohammad Mosaddegh, a prevailing nationalist promising to bring the control of the nation’s great oil reserves back to the Iranians. In March 1953, he did a good job on this promise and nationalized the British firm which had the control of Iran’s oil – APOC, or the Anglo-Persian Oil Company.

Washington was scared. A trustworthy ally lost the power of a crucial strategic resource, and Mosaddegh was an example for other countries were going to pursue. Eliminating Mosaddegh was not easy, though. The moment the US-occupied Iran, the Soviet Union may fight back that left only one resolution: a covert operation.

That was pioneered by CIA agent Kermit Roosevelt. A professional in the dark arts of subverting, Roosevelt bring about riots and anti-government protests which made Iran basically uncontrollable. That chaos was the perfect reason for a coup. In August 1953, Mosaddegh was removed from the power and replaced with a west supporter government which in a short time brought back the control of Iran’s oil to Britain’s APOC.

American strategists were contented. They had eliminated a bothersome government by not even firing a shot. During that period, they had created a scheme for covert interference which was to be used for that time and also in the following years. There was, yet, one unsolved problem.

Roosevelt was working in the CIA. If he'd been detected, the US would have been incriminated in the coup, which would have to bring Soviet retaliation and risked a disastrous war. The thing strategists became aware of was the fact that they were in need of credible deniability. Like we are going to see later, they became aware, as well, that the best way to get that was to outsource covert operations to the private sector.

Chapter 2 - Dodging the draft guided Perkins down an unforeseen path.

Iran wasn't the only concern making American strategists stay awake at night in the 50s. In Vietnam, an anti-colonial rebellion brought the advocacy of the Soviets. Washington didn't desire to back up France's disintegrating empire, yet the possibility of a Communist takeover left no choice.

Money, guns, and advisors were being sent into Vietnam. That wasn't sufficient; France was beaten. The US upped the ante and located its army in 1965. Instantly, millions of young men from the U.S came across the possibility of being selected for the army. The writer, John Perkins who was a 20-year-old high school graduate member of a conservative family in New Hampshire was one of those men.

An intuitive resistance, he was distressed to deter being sent to Vietnam to attack the enemy whom he thought was right. With great irony, his trials to avoid being drafted were going to make him a committed servant of American force.

There were a few options to evade the draft in the 60s. Radicals basically skipped town and escaped to Canada. When you wanted to stick to the rights of the law, you had other options such as college. That was solely a temporary solution. Students weren't the ones to be drafted, yet graduates under the age of 26 were to be drafted.

Perkins joined a three-year course at Boston University. After being detected suitable for service in 1967, he clambered to get in line for a job that would let him avoid being drafted for Vietnam. Fortunately, he had important relations. Frank, a friend of the family, was an employee of the National Security Agency. Frank tried to get him an interview. He got the job; he got rid of the draft. Other than students, government workers weren't to be drafted, as well.

Yet before he could begin to work at the Agency, he needed to finish his studies. At the time of his final year, he went to a Peace Corps seminar and he learned two fascinating facts. First: volunteers for that program which was run by the government, were exempt from getting drafted for Vietnam. Two: the Corps was in need of some people in the Amazon. Desk job or jungle adventure which was a reasonable choice. He signed up for it.

He called Frank to talk about the news, he expected him to be disheartened. Yet he was not. Frank said that Vietnam was soon to be captured by the Communists. America's interest was going to turn to the Amazon and its untouched oil resources. A bunch of people, he said additionally, were going to be hired if they knew their way around the Amazon.

Chapter 3 - Perkins was recruited as an economic forecaster being headhunted by the consultancy.

Perkins came to Ecuador in September 1968. Bestriding the Andes and a couple of world's most intimidating jungles, Ecuador's Mountain rivers create the headwaters of the Amazon. It was here, on the banks of that vigorous river where Perkins started his job as a Peace Corps volunteer.

For now, he had only got acquaintance with the members of the elites of Latin America – over the top families who were able to send their children to study in the US. Now, he was living with the Shuar, an indigenous person resembling his ancestors from thousands of years ago, who searched for and hunted their own food.

It was a captivating time, yet it was not going to last longer. Just before he might lose himself in the jungle, a person from the modern world came to him and he had a suggestion.

Einar Greve's fresh-looking suit distinguished like a sore thumb the moment Perkins met him in 1969. It was obvious that he hadn't spent even a little time in the jungle, then why was he there? Greve explained to him.

He was the vice-chair of Chas T. Main Inc., or MAIN for abbreviation, a consultancy working with international institutions such as the World Bank. Ecuador's government without any money wanted to build hydroelectric dams. To be able to do that, it had to borrow some money. Before giving a loan of a billion-dollar, the World Bank needed to know whether this was a reasonable and promising investment or not.

Greve was in need of a trustable informant in Ecuador. He knew that Perkins had been suggested an opportunity at the NSA, that's why he was prone to rely on him yet could he supply useful data, as well? Before going, Greve wanted him to send him updates regularly about Ecuador's odds. Perkins accepted the challenge, he sent 15 comprehensive assessments of the country's economic progress in the following year.

His work caught the attention of Greve. MAIN had recruited three economists to supply assessments for its main client, the World Bank, yet they had all troubles with the hardships of compiling data in out-of-the-way places with only a little support from the officials. One of them even had had a mental breakdown in a distant Panamanian village.

The author's time period in rural Ecuador and his letters full of data demonstrated that he was really suited to a work like that. In early 1971, he was recruited at MAIN with the title of an economic forecaster. That was his official title; though, indeed, he was playing a very different role...

Chapter 4 - A secret consultant who takes the lid off of the true nature of MAIN's work.

There were two types of employees working for the MAIN: engineers and men who joined the military before. The weird thing about that was the fact that the institution hadn't been able to construct so much as that storage shed. It wasn't the case for the Department of Defense or the Army. Then what did the MAIN do differently?

That question disturbed Perkins. He'd been working for the company for a couple of months by now and had given a bunch of neatly assembled reports to them. That was solid work, yet it wasn't a pull off. Co-workers began thinking being recruited at MAIN was nothing but gathering the right kind of data.

What did that signify? He was about to learn.

Perkins had spent a lot of time to learn the evasive actors in oil production in Kuwait. He had all yet quit the moment a woman sit down next to him in MAIN's foyer and gave him a folder. She stared at him with thrill as the face of Perkins lit up because it had everything he needed to know.

He had actually met Claudine Martin, the MAIN consultant who was going to complete the training of Perkins.

Martin said she would turn his title into "Economic Hit Man," or EHM, following the coming weeks. After she was done, he was going to make a decision.

EHMs, Martin said, has two things to do. First, they perform economic estimations that justify enormous loans to aid construction projects in countries such as Ecuador. Let alone accuracy – statistics have the potential to be manipulated, at the end. The objective is to make space for opportunities for MAIN to gain its money by being a negotiator between governments and construction companies.

Second, EHMs bankrupt the countries receiving those aids. Indebted states are bounded to the creditors such as institutions named the World Bank which both funded by the US and

an ally of it. This is important when Washington is in need of a favor, such as a vote in the UN or authorization to construct a new base for the military.

As a return for this work, Perkins had a right to demand two things from MAIN. One, enough money to make sure that he will be never in need of money. Two was a life of opulence and fascination.

Then the question was, was he going to accept or not? It was not a hard question for a determined 26 years old Perkins. He accepted.

Chapter 5 - Perkins's first thing to do was to supply misleading data to show that huge loans should be given to Indonesia.

A basic but challenging notion drove American interference in Vietnam – there was something like when one country falls to Communism, the countries around that are also going to fall to Communism, as well. In Asia, China was pursued by North Korea; when Vietnam fell to Communism, there was nothing to talk about who was the next to fall.

By 1971, strategists were sure that they passed the time to help Vietnam. Their direction turned to the next domino – Indonesia, an archipelago with rich oil resources of 17,500 islands. Having Indonesia open for business and a friend to the US wasn't about the military, anyway. This thing would be a mission for the EHMs.

The Indonesian domino had already struggled a couple of times. Having declared independence in 1945, a ferocious anti-imperialist whose name was Sukarno came to chair. He put Indonesia next to the Soviet bloc and preserved the strong Communist Party of Indonesia.

The Army ended this alliance in 1965, putting together and massacring too many thousands of Communists. In 1967, it overthrew Sukarno and replaced it with a general from the same ranks as president. The US took a moment of relief; Indonesia had been saved from Communism. But now, the US had to make sure that the new regime's loyalty would be secured.

With that mission in mind, the World Bank and the US Agency for International Development, or USAID, made their minds up to lend Indonesia billions of dollars for projects of infrastructure. These loans wouldn't just make Indonesia indebted to the US – they would also let American corporations make a fortune out of these projects.

How? Well, the loans were going to be on condition. The Indonesian government was to fulfill two missions. First, it had to accept to recruit American contractors and pay them as much as they wanted. Second, it had to favor the ones facilitating the extraction and exportation of Indonesia's vastly untouched oil resources over the others.

Indonesia's creditors to be required reasonable information demonstrating that those loans are reasonable to go on with before making the decision, though. The author was sent to Indonesia in the summer of 1971. He was part of a group that eleven people asked to evaluate a plan to build an electricity grid that was going to make the oil extraction in Java easy, Indonesia's biggest island.

His job was the same as what Claudine Martin had explained to him it was going to be altering statistical data just until it gives what the employers desired it to give. It was his first mission.

Chapter 6 - In spite of the lack of faith, Perkins manipulated the figures required to second the loans to Indonesia.

The World Bank and USAID would possibly affirm advances to Indonesia provided that it could be indicated the electrification of Java added to the development of the nation's economy. Without a positive forecast, the ventures would be set aside briefly. For the MAIN, that was an unsatisfactory result.

It demanded that growth projections from Perkins – the higher, the better. This was the activity he'd been prepared to do, yet the more he remained in Indonesia, the more he judged what he is doing.

Not many of MAIN's workers considered themselves to be backstabbers. There was a straightforward purpose behind that: they had faith in the thought that defended their work, anyway obscure it may show up.

The thought was that all monetary development benefits mankind and more development makes more advantages. There was only one issue with this thought most definitely: it wasn't correct.

Take Indonesia's capital, Jakarta. Loaded up with rich gardens, bright sarongs, and the smell of cloves, it was frequently a delightful city. Be that as it may, it additionally had a revolting and shocking side. Lepers with bloodied advocates for hands asked in the boulevards. Little youngsters sold their bodies for a wage. The great trenches worked by the Dutch, Indonesia's old colonial masters, were loaded up with waste and fixed with cardboard huts, the homes of Jakarta's lowest income people.

The electrification would bring development, yet that development wasn't going to support these individuals – it would basically add money to the pockets of the elites who controlled the recently productive oil industry.

In spite of this melancholy end, Perkins chose to give his supervisors what they needed. His report reasoned that charging Java would support monetary development by 17 percent every year, a highly misrepresented figure.

He legitimized this to himself by thinking that his projection would be dismissed in any way. His group brought another forecaster, a blunt 70-year-old called Parker who would not tow the organization line. He realized Parker's increasingly precise gauge was only 7 percent and expected MAIN would be compelled to acknowledge this figure – Parker, all things considered, was the more senior financial specialist.

It was a smart justification, however, it didn't play out that way. Primary terminated Parker, elevated Perkins to the main market analyst, and afterward utilized his forecast.

The loans were affirmed.

Chapter 7 - Having seen the 1973 oil embargo, the US took side with Saudi Arabia.

The global economy was not negative when Perkins was promoted to the chief economist at MAIN in 1972. His mission, it looked like, it was going to be the guidance for the company for a period of unremarkable but stable growth.

After, on October 6, 1973, most of the things changed. Egyptian and Syrian armies attacked Israel, starting the October War. The US instantly went to defend Israel. Being angry, Egypt's president, Anwar Sadat, encouraged Arab and Muslim countries close to his nation's mission to utilize the "oil weapon."

On October 16, including Saudi Arabia, six countries declared a 70 percent rise in the price of oil. The moment President Nixon wanted Congress to aid Israel for \$2.2 billion after three days later, they went even more outrageous, making a complete oil embargo on America.

It was something to be added to history books as it shaped America's tactical thinking from then on.

The embargo stayed still till March 8, 1974. Its outcome was vigorous. On January 1, 1970, Saudi oil worth \$1.39 for one barrel. After four years, it was being sold for \$8.32 for one barrel. In the United States of America, this instant price surge intimidated to perform a crucial industrial input all yet too expensive to be afforded. The economy entered a recession then the U.S was forced to the edge of a second Great Depression.

Fortunately, they lifted the embargo before a possible second Great Depression happened, yet it something that American politicians weren't going to forget anytime. Washington and Wall Street were sure to do everything they were capable of to stop that from occurring again. Like we've already seen, securing America's way into oil had been a strategic consideration. Having experienced the embargo, it started to be something more than this it was an obsession.

On the other side of the equation was Saudi Arabia. A little actor in international politics until 1973, it instantly became a milestone of international politics. From then on, the US had to acknowledge the conservative kingdom's significance for both its economy and the way it lives.

The thing, from the point of view of the United States, was Saudi Arabia was not something like Indonesia. The instant increase in oil prices had inundated the U.S's royal coffers. It had the potential to do whatever it wanted, that's why the strategy proposed by EHMs – playing with debts to have the control of the country's leaders – wasn't going to work.

Solving the Saudi Arabia problem would require a new solution.

Chapter 8 - Washington needed to find out the thing the Saudis desired and only after that they were going to make sure its oil supply.

In 1974, a Saudi diplomat handed the author a photo of Riyadh, the country's capital. It demonstrated an official building with a pile of garbage standing in front of that government building. In this pile of garbage was a crowd of goats. The goats, the diplomat said, were implemented as a garbage disposal system. The garbage left to them, he explained later as no "self-respecting Saudi" was ever going to pick up trash.

That was something like a "eureka" moment; the author understood that this photograph was a crucial hint to a mystery the US was at those times trying to figure out.

Deliberations between the US and Saudi Arabia started just after Saudi Arabia lifted the embargo. What could the US put forward? Well, the Saudis were not the ones to have interest in loans – they even had money enough to warm themselves, at the end. This brought other types of support, from military hardware to technical assistance and training. No matter what shape it came in, that was going to be a direct financial infusion.

MAIN was asked in the meantime of those deliberations to look for creative justifications for investing billions of dollars to the Saudi economy. That was the thing Perkins was working on the moment he glanced at the ambassador's photograph of Riyadh.

The oil boom signified that more and more wealthy Saudis were traveling, partying, and living in the West. These jet-setters were cosmopolitan and suave, yet they detested all the things the goats stood for. Saudis hoped that the country to be as developed as they themselves were which was the thing America could provide them.

Throughout the following year, Perkins fleshed out an aspiring plan for Saudi Arabia's future. Petrochemical plants and industrial parks would emerge from the desert. A huge number of miles of thruways, pipelines, and phone links would be structured. New airports would be

constructed and existing seaports would be developed. Skyscrapers and shopping centers would show up in the urban. To put it plainly, Saudi Arabia would be modernized, and glossy new trash compactors would supplant Saudi Arabia's trash garbage-munching quadrupeds.

As a return of this and America's unlimited military help, the Saudis would ensure oil supplies and keep costs at levels that were adequate to the US. The two sides concurred.

The oil in America was safe. Regardless of whether different nations like Iran, Iraq, or Indonesia put an embargo, it wasn't going to work – Saudi Arabia's oil holds were so enormous that it was able to supply by being the only one.

Chapter 9 - Having seen the 1979 Iranian Revolution, Perkins came to the conclusion that he couldn't serve America anymore.

With the Saudi deal, Perkins was reassigned. He spent most of his time overseeing infrastructural projects in Iran.

The country seemed to be rich. Sure, Iran's leader – the Shah, meaning "king" in Persian – was an unelected strongman, yet he was popular. Iran was having an economic boom with the help of the government's modernization plan.

Yet appearances most of the time misleading. Iranians praised the Shah when they spoke English with foreigners like Perkins yet that doesn't mean they fully praised him. In late 1978, Perkins had dinner with an Iranian general who had once jumped in front of the Shah to save him from an assassin's bullet. He expected this old loyalist to sing the Shah's praises, but he was in for a surprise.

Why was this? Well, the Shah was dishonest and insatiable. Worse, he was brutal. SAVAK, his secret police, tormented and murdered dissenters with impunity. His alliance with the US was the only thing supporting him. This alliance served two purposes: it had Iranian oil flowing, and it protected America's best Middle Eastern friend, Israel. The people were against these policies, yet that's the reason he wasn't chosen by society.

Anyway, the general came to the conclusion that you can only suppress people's real feelings for so long. One way or another, they uprise. He was on the right point.

The first protests began in late 1978. Soon, Iran was in the agony of a popular Islamic revolution. Fearing for his life, the Shah escaped in January 1979. It was an eye-opening moment for Perkins. The US oppressed a country to protect its own interests. But now, it had to face the outcomes which were the anti-American rage.

Confessions of an Economic Hit Man by John Perkins Book Review

The Cold War was a cagey issue. Both the US and the Soviet Union, the world's just outstanding domains, needed to extend their capacity while keeping away from a cataclysmic nuclear war. The US found a response to this strategic problem in Iran, where it trialed another covert strategy in the mid-1950s. Afterward, this methodology would be re-appropriated to the private division, which would utilize "Economic Hit Men" like the creator to do Washington's bidding. From Indonesia to Saudi Arabia, these EHMs would start to lead the pack in satisfying America's foreign policy objectives.

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