

BCA Dispatch

Newsletter of the **September**
Boston-Cambridge Alliance for Democracy 2002

*The terrorism war begins to sag.
The perpetrator we were meant to bag
remains at large, and wartime fervor fades.
Then Bush and all his hawkish White House aides
drop sanctions as the way to tame Iraq
and say, "Without delay, we must attack."
If that war sags, there's still a backup plan,
It's war without delay against Iran.
And when the zest for that war, too, has faded?
That's easy: North Korea gets invaded.
But then it's hard to think of what to do.
Destroy Bahrain? Bomb France? Invade Peru?*
—Calvin Trillin, "War Against Iraq: The Context"
The Nation, 23 Sept 2002

ALLIANCE NEWS

Chapter Calendar (News Continued on page 8)

Note special date: Friday 9/20

☹️😊 **Johannesburg Report** 😊😊

To fit our speaker's heavy schedule, we have moved our next meeting to **Friday, September 20**, from 7:00 to 9:15 p.m. at **Cambridge Friends Meeting**, 5 Longfellow Park (9 minute walk from Harvard Square T station, west on Brattle St.)

- ★ Discuss "Can Corporations Help World Poverty and Save the Environment?" with **Ruth Caplan**, who has just returned from Johannesburg, South Africa, where she was both a delegate to the **World Summit on Sustainable Development** and a critic. Ruth is an environmentalist and co-chair of the Alliance campaign on Corporate Globalization and Positive Alternatives.
- ★ Brief discussion of BCA web site, regional organization, and outlook for the year.

→ **Steering Committee –Wed., Oct 2, 5:30.** 32 Fayette St., Cambridge 02139. *All members invited.* 617-864-3931.

MARCHING TOWARD WAR

Leaders: Hawks or Chickens?

What Values Does Military Service Reflect?

by **Matt Bivens**. *Moscow Times and Nation Institute*, 2 Sept 02

"A **chickenhawk** [describes] public persons—generally male—who (1) tend to advocate, or are fervent supporters of those who advocate, military solutions to political problems, and who have personally (2) declined to take advantage of a significant opportunity to serve in uniform during wartime." —*The New Hampshire Gazette*

WASHINGTON — We are being dragged toward war with Iraq by such chickenhawks. The (Continued on page 2 >>)



 **Massachusetts Water Resources Authority**

PRIVATIZATION FEVER

"Who Owns the Water?"

Alliance Joins New Hampshire Fight

Against Water Privatization

by **Dave Lewit and Jane Lynn**

How did they get the right to start this?" demands a woman who lives seven miles from the site of a proposed giant water bottling plant in Nottingham and Barrington, New Hampshire. After years of sparse rainfall, her well is going dry. The proposed plant of USA Springs, Inc., would draw almost half a million gallons of water a day from the aquifer under nine towns between Portsmouth and Manchester, sucking it dry, hydrologists believe, in about 15 years. Trucks carrying the bottled water would rumble over the narrow highways every four minutes to the port, to be put aboard ships or planes, and sold in Italy, France (Disneyland), or in the USA. When the water level is too low or the purity compromised, the company presumably would pull up stakes. It might take a century for the great underground crannies to recharge, if they will not have collapsed.

Another person in the group answers, in part, by citing international treaties giving corporations rights amounting to corporate rule. Two others of this nine-person discussion group make similar comments interspersed among observations of water levels, drilling of new wells, ineffective state environmental monitoring and reporting, company lawyers and lobbyists, and more esoteric and legalistic concerns (Continued on page 4 >>)

loudest voices demanding war are those of men who once upon a time quietly skipped out on the fun in Vietnam. Men like Dick Cheney, who famously explained, "I had other priorities in the '60s than military service."

Cheney received draft deferments as a college student until he got married in 1964; marriage removed him from the draft. But the next year, the government announced married men would be drafted, unless they were also fathers. Nine months and two days after that announcement, the Cheneys had their first child.

A list of chickenhawks — including many who are eager for war with Iraq, yet who had "other priorities" when Vietnam came a-calling — has been compiled by Steven Fowle, a Vietnam veteran who edits the *New Hampshire Gazette*.

It starts with the president himself. George W. Bush waited out the war from a post with light duties in the Texas Air National Guard. And, apparently, even that cushy deal was too onerous: There's an unexplained one-year gap, from May 1972 to May 1973, in Bush's service record. That year he was supposed to have reported for duty at the Alabama Air National Guard, but apparently never showed. Bush's reply is that he was honorably discharged and is proud of his service — but also that he can't recall the specifics.

Specifics are also in short supply for Defense Department Iraq hawks like Paul Wolfowitz and Richard Perle; for White House adviser Karl Rove; for professional blabbers George Will, William Kristol, Rush Limbaugh and Pat Buchanan; for Republican congressional leaders Trent Lott, Dennis Hastert, Dick Armey and Tom DeLay; and for many others — right down to Rambo himself, Sylvester Stallone.

Some of the explanations offered by those who avoided Vietnam sound hilarious today. Pundit and politician Buchanan got out for "bad knees," but went on to become an avid jogger. DeLay, who was working as a pest exterminator during Vietnam, is reported to have complained that he would have served but all the places were taken up by black people. (Blacks in the 1960s had no "other priorities?")

And then there's rabid radio personality Limbaugh's excuse: "Anal cysts." As Matthew Engel noted in the *Guardian*, "It is not my custom to mock others' ailments, but anyone who has listened to Limbaugh's program can imagine the dripping scorn he would bring to the revelation that a prominent Democrat had skipped a war over something like that."

The poster boy for draft-dodging, to hear the media tell it, has long been Bill Clinton. But Clinton also organized anti-war protests in the late 1960s, and years later, while running for office, was thoroughly grilled by the media and the public for his Vietnam-era conduct.

By contrast, the chickenhawks weaseled out of Vietnam while loudly proclaiming their support for it; they've never once been called to account for doing so; and now, they want to send a new generation of Americans into a Middle Eastern ground war.

The Cost of Invading Iraq Damn the Figures, Full Speed Ahead!

by Anita Dancs, Center for Popular Economics, Amherst MA

For weeks now the Bush Administration has been talking about starting a war with Iraq. There are many good reasons to object to this war and you may believe, like me, that the least important reason is the monetary cost to the US of waging war. But we shouldn't completely ignore it.

Based on the cost of the 1990-91 Gulf War, invading Iraq is estimated to cost \$80-\$100 billion. This only includes what's

called "incremental costs" to the US — the cost of actually waging the war, not destruction to Iraq, loss of human life or the constant preparation for war.

\$100 billion is a lot of money. It is almost twice the GDP of Iraq and is equal to 70% of its external debt. It is twelve times what the US government spends on all of international development and humanitarian assistance programs worldwide, and could pay off 75 poor countries' external debts. In the US, \$100 billion could pay for health care for all the uninsured children for five years, or meet three-quarters of necessary school construction costs nationally.

But, the US taxpayers did not pay out much for the Gulf War — cash and in-kind contributions of allied countries in Europe, the Middle East and Asia covered almost 90% of the cost. So, why worry?

This time, US taxpayers may very well pick up the majority of costs. Compared with the Gulf War, there is a general lack of political consensus that the US has a right to invade. Two of the largest contributors to the Gulf War, Germany and Saudi Arabia, together paid for one-third of total US incremental costs of the Gulf War. Both countries have been vocal about their objections to a US invasion of Iraq, and Germany has said that it will not give any support to a new war.

The lack of Saudi support could also significantly increase the cost of invasion. According to a DOD report about the Gulf War, "Saudi Arabia's geographic position, wealth and political prominence on the Arabian Peninsula meant its decision to grant access to friendly foreign military forces was indispensable to building the Coalition." Saudi Arabia provided a strategic location and hosted large military contingencies. Its leadership brought along other Gulf states to support the war.

The lack of international support outside the Gulf, with notable exceptions, would also suggest a higher cost. About one-fourth of all troops deployed in the Gulf War were non-US. The war's "deployments required a massive transportation effort made possible only by extensive international cooperation," according to the DOD. The Coalition was crucial to shortening the length of the war and easing the demand on US troops. Limited international cooperation means more US troops, higher costs deploying those troops and a longer war.

US policy is also different than it was in 1990. Today's policy is for a change of regime in Iraq and overthrowing the government would require more time and troops. It would also imply a US responsibility for some of the costs of reconstruction, estimated between \$50-\$150 billion.

Clearly rampant destruction of Iraq and hundreds of thousands of Iraqis killed is a much greater cost than a budget consideration to the US people. But \$100 billion is a lot of money.

CORPORATISM

Rethink the Corporate System States Should Take Back Their Rights

by Sean Gonsalves, Cape Cod Times, 16 July 2002

Before Enron, WorldCom and the rest of the Wall Street hustler stories broke, in this most recent wave of corporate criminality, anti-globalization protesters and other factions of what I loosely refer to as the economic justice movement were derided by even the liberal media as being senseless when it comes to economics. But now that the bad apple theory has been exposed as a red herring offered by unregulated free-market worshipers, those so-called idiots who took to the streets of Seattle in 1999 appear to be, well, prophetic.

The muted message coming out of the protests has been: There's something wrong with the global economic system itself — namely, a lack of democratic accountability. And now, with even our business-is-king president conceding the point, we can finally have a discussion about corporate responsibility and social ethics without some F.A. Hayek or Milton Friedman fanatic drowning out opposition voices by using meaningless political epithets like "you're a socialist, Marxist, communist, liberal." Late last week, the *Wall Street Journal* reported, "Ultimately, the proposals Mr. Bush advanced in (his) speech on Wall Street may well serve as the floor rather than the ceiling for Washington action."

Following the president's address, the Senate moved to go beyond Bush's timid proposals, voting 97-0 to establish sweeping new powers to target corporate fraud, creating a new corporate fraud chapter in the federal criminal code. The Senate also voted 96-0 to toughen criminal penalties for white-collar crimes, such as pension fraud, mail fraud and conspiracy — a provision that would, according to the *Journal*, "allow courts to mete out the same punishments to guilty executives as now apply to drug kingpins."

The essence of what the Senate was trying to do was captured by Vermont Democrat Patrick Leahy when he said: "If you steal a \$500 television set, you can go to jail. Apparently if you steal \$500 million from your corporation and your pension holders and everyone else, then nothing happens. This makes sure something will happen." That's an implicit admission that our criminal justice system has long served the interest of the wealthy at the expense of the less affluent.

And not that anyone was expecting it, but the president could have appointed an independent counsel to investigate Vice President Dick Cheney's tenure at Halliburton, amid allegations by the conservative legal watchdog group Judicial Watch that the oil-field services business headed by Cheney engaged in fraudulent accounting practices from 1999 to 2001. It kind of puts the Clinton-Whitewater affair in a whole new perspective.

So now that the momentum has shifted toward greater corporate accountability, maybe the ideas coming out of such organizations as the Program on Corporations, Law and Democracy (POCLAD) will get broader consideration. That will remind us that the sovereignty rights of real people come before so-called corporate rights, as the framers of our Constitution intended (see www.poclad.org).

It was through pro-corporate judicial activism in the early 1900s that the Constitution and concept of private property found therein came to be interpreted as justification for the legal absurdities we have today in which individual rights and liberties meant for flesh-and-blood human beings are extended to corporations.

Check out POCLAD's collection of essays and speeches called "Defying Corporations, Defining Democracy." In that book, I found this gem from an 1890 New York Court of Appeals case, involving the North River Sugar Refining Corp. Writing on behalf of the court, Justice Finch declared:

"The judgment sought against the defendant is one of corporate death ... The life of a corporation is, indeed, less than that of the humblest citizen ... Corporations may, and often do, exceed their authority only where private rights are affected. When these are adjusted, all mischief ends and all harm is averted.

"But where the transgression has a wider scope, and threatens the welfare of the people, they may summon the offender to answer for the abuse of its franchise or the violation of its corporate duty. The (North River Sugar Refining) corporation has violated its charter, and failed in the performance of its corporate duties, and that in respects so material and important to justify a judgment of dissolution ... All concur."

Corporations used to be under the authority of the states in which they were chartered. Where are states' rights advocates on this issue today?

Why are they not echoing the sentiments of our great nation's founders — such people as Thomas Jefferson, who spoke of the need "to crush in its birth the aristocracy of our moneyed corporations, which dare already to challenge our government to a trial of strength, and bid defiance to the laws of our country"?

Games Shareholders Play Marjorie Kelly Blows the Whistle

by Russell Mokhiber and Robert Weissman
Corporate Crime Reporter and Multinational Monitor, 8 Aug 2002

If nothing else, the still-unfolding corporate scandals should free us to think freely and creatively about corporate power, corporate form and the rules governing corporate behavior. A common diagnosis of the current scandals is that they can be traced to company executives' ability to function with little accountability to shareholders.

An alternative view is that the problem was that executives were thinking too much about what shareholders want. Of course, shareholders did not want CEOs to steal from their companies and arrange bogus loans to themselves. But the more serious accounting crimes — projecting inflated profits and revenue streams — were arguably a result of what shareholders did want: short-term profits and other indicators that raise share prices, especially in the short term.

Marjorie Kelly is an adherent to this second interpretation. Kelly is the author of *The Divine Right of Capital: Dethroning the Corporate Aristocracy* and editor of *Business Ethics* magazine. Starting in the late 1980s, she points out, "shareholders got precisely what they wanted. The Enron and attendant scandals hold some interesting lessons. We think of this as a situation where shareholders got harmed, but forget that leading up to it, shareholders got precisely what they wanted. The financial elite got complete alignment between CEOs and shareholders through stock options, they got the removal of a regulatory regime to a large extent, and they got a rising stock market — all the things that they wanted — and yet it imploded."

"People are saying we need to align executives closer to shareholders," she says. "I believe their alignment was too close. We need a corporation that is accountable to someone besides shareholders." Moreover, Kelly says, shareholders do not deserve to exert control of the corporation.

Shareholders contribute very little to the company. But for initial public offerings (IPOs) and other sales of new company stock, none of the back-and-forth trading on the stock exchanges contributes new money to the company. Indeed, Kelly notes, in 15 of the last 20 years, corporations have spent more on stock buybacks than shareholders have invested in new equity. For the one-time contribution to corporations at their founding, or at the placement of shares on the market, shareholders gain perpetual absolute control of the corporation.

Recognizing the minimal contribution of shareholders, says Kelly, leads away from questions about enhancing shareholder power, and instead to, "Is any amount of return ever enough for a one-time hit of money? Or must a company have as its single-minded purpose, forever, that it will move heaven and earth to create return for that one-time gamble?"

Kelly suggests a range of alternatives to the entrenchment of shareholder power and privilege. One of her most provocative suggestions is time-limited shareholding. One approach would

be to dilute shareholder control progressively over time. Residual control could be lodged in employees, or a public entity. Or the for-profit corporation could morph over time into a non-profit enterprise — a reversal of the current trend to convert not-for-profit and mutual insurance companies (such as Blue Cross) to for-profit status.

All of this is far from immediate enactment, of course. But it is nonetheless worth assessing as a conceptual tool, and perhaps as a long-term project, to move business enterprises out of the shareholder-dominated and for-profit paradigms, to a place where new values may govern their operations. One place where such conversions might be contemplated first is at the point of least shareholder power, in bankruptcy — a place where more and more corporations are sure to find themselves in the months ahead. ■

Who Owns the Water? (Continued from page 1)

such as "reparian rights" and "public trust."

"Suddenly the water pressure dropped... What guarantees that we will have water? What will happen to us—our homes?"

Citizens Organize

These folks, and about twenty others, were attending the September 6th monthly meeting of Save Our Groundwater (SOG), a citizen organization formed a year ago to confront a megacorporate takeover of a large pool of underground water created over centuries by rainfall and three rivers, ostensibly purer than most. The meeting was moderated by Mike Moroukian, a college teacher of adults, whose wife, Denise Hart, and nurse Pat Hutchins, a recent resident from New York, were active as speakers and volunteer administrators. The organization has no formal officers, and practically no money except what participants pay out of their own pockets, their telephone bills, mileage, and unreimbursed time and energy.

Informed too late to block USA Springs' acquisition of 100 acres of land, they follow and parse government depositions, rules, hearings, motions, laws, etc., while educating themselves about geology, common law, multilateral agreements, etc., confronting officials who have been influenced by business lobbyists and company lawyers. They know well Greg Smith, the former state attorney general turned company lawyer who, with benign, noble bearing, reassured them of the employment benefits and ecological harmlessness of these water operations until the folks confronted him with facts more recent than his 1981 state environmental records, at which point he turned callous and pronounced that NH municipalities must yield to state laws and regulations.

Not the People's Interests

Several of the group participants cited the laxness of state environmental enforcement and dereliction of state legislators. Some of these folks were here for the first or second time, but others had attended a year's worth of informational meetings. Little but proud New Hampshire has nearly 400 representatives and 24 senators, each receiving \$200 per term or \$250 for officers, the same as in 1889, plus mileage. These token salaries assure control by businessmen and wealthier classes. SOG members complain of their "lackadaisical" attitude toward the domestic and financial concerns of ordinary people, and their ignorance of ecological and historical conditions as well as constraints posed by inadequate data.

Ellen Conklin, a vociferous member of the discussion group, has no beef with business, but insists that these legislators and administrators must not get away with "doing the wrong thing." She and others read the geological and usage reports, complaining that they had been deliberately issued at inconvenient

times such as Christmas and Memorial Day holidays. She asks that legislators and judges define "reasonable [commercial] use", mindful of upstream and downstream conditions and traditional English riparian rights of access by all. Or more simply, to do the environmental impacts studies required by law.

Three groups discussed concerns and how to address them, and reported to all present. Many in all groups shared experience of decreasing yield of water from their wells, probably due to lack of rainfall, increase in local population, and especially increase in water usage by cement plants, golf courses, washing in electronics manufacture, and other commercial purposes. These also create water pollution, contaminating ground water. Participants reported that many citizens including Grange members and even independent business people are cynically inactive, saying that degradation will overtake them and the government won't help.

They then went on to cite aggressive actions for applying pressure such as trucks blocking highways, science teachers giving "your family's well water" assignments after ecological instruction, forming a "Future Groundwater Guardians of America", call-in radio participation, tracking legislator's campaign



SOG-AfD Activists at 9/11 Hearing. (L to R:) Mary White (MA), Dave Lewit (MA), Jane Olivier (NH), Bob Stubbs (MA), Nancy Brown (NH).

contributions, and lobbying legislative leaders. SOG already has induced the Barrington town council to endorse their aims, and is spreading this effort to other towns and to some Chambers of Commerce, which are more credible to additional business groups.

Stop the Pump Test

USA Springs is seeing the necessary permit to conduct a pump test—to extract a large volume of water for a week, probably after next spring's thaw. SOG is opposing the issuance of such a permit, which would halt the company's business, because the spilled water would damage adjacent homes and farms. SOG wants information about net depletion of the aquifer over time, which a short test cannot supply since the water seeps and moves around slowly in the myriad capillaries underground. They want to know the effects of the loss of wetlands and seepage of toxic substances.

SOG has gathered as many as 300 people at town hearings. On August 22 about twelve Alliance activists, many from Massachusetts, along with 60 or 70 local people showed up at a Portsmouth church for a public forum on the water privatization problem, organized and cosponsored by Nancy Brown, a founder of the NH Seacoast AfD chapter. Speakers included Denise Hart and Pat Hutchins of SOG, and Nancy Price, co-

chair of the AfD council.

On September 11, the anniversary of the NY and DC terrorist bombings, the Nottingham planning board under pressure from USA Springs scheduled a meeting on the pump test among other issues. About fifteen Massachusetts Alliance members, organized originally by AfD executive coordinator Nick Biddle, showed up at Nottingham town hall, while about 90 SOG and



At the Portsmouth forum, VFP Paul Brailsford chats with Nancy Brown

other townfolk came, along with Nancy Brown. While chatting avidly in the cool evening air, we held posters like "Stop USA Springs" and "Water—a Gift not a Commodity" along the roadway, receiving hearty toots and thumbs up from almost every motorist and trucker.

As luck would have it, there was a power outage (tree down in the wind), and at 7 p.m. the crowd gathered in a dark hall. The chair of the planning board announced, and the board approved, the re-scheduling of the meeting until September 25, at the

same time and place. This will give citizens an extra two weeks to press for support among officials and business persons. Alliance activists are expected to return, along with a larger townfolk turnout.

A Systemic Issue

"The struggle continues!" The French conglomerate Vivendi (here, US Filter) has its eye on the water distribution system of Lawrence, MA. Water privatization is not only a serious local problem, but is a rapidly growing world problem as evidenced by the Cochabamba, Bolivia, bloody battle against Bechtel's takeover. Water privatization is an emblematic issue also for the Alliance. Nancy Price and Ruth Caplan have been lecturing widely on it in relation to current negotiations between governments on "trade in services" (GATS). Privatization is one of the most lucrative activities of giant corporations, wherein they pick up existing impoverished-state enterprises at bargain prices and then, with some improvements, raise prices and squeeze the public—depriving of basic services those least able to pay. Water privatization entails this, and the depletion and pollution of our local and global commons. Water is increasingly used and used up in huge quantities by new commercial ventures. Water is so basic that it affects everybody and many institutions—without doubt a systemic issue. ♻️

Gallup Poll in 9 Muslim Countries (Jan 2002)

*Q: "Did Arab groups carry out Sept 11 attacks?"

*A: 18% Yes. 61% No.

See www.cnn.com/2002/US/02/26/gallup.muslims/

ACTION ALERT !!

Vote for Ruth Weizenbaum, a North Bridge/BCA member and your Northeast representative to the national council, to become Vice Co-Chair. With this office, Ruth would become a member of AfD Executive Committee. ★★★ You must clip your ballot from page 27 of "Alliance Alerts" for June-July. Mail it to AfD, c/o Steve Chiefetz, 12701 Piscataway Road, Clinton MD 20735. Your ballot may be late, but do it anyway—they may extend time.

Help for Municipal Water Systems?

Your Consultant: Ralph Nader's Public Citizen

Your financier: US Congress – Your Federal Taxes

Your spook: Friendly Global Water Corp

Statement of Public Citizen on the Twenty-First Century Water Policy Commission Establishment Act, H.R.3561, to the U. S. House of Representatives Committee on Resources, Subcommittee on Water and Power

May 22, 2002

Public Citizen, a consumer advocacy organization with over 150,000 members nationwide, is pleased that the authors of H.R.3561, Congressmen John Linder (R-GA), Nathan Deal (R-GA), and Ken Calvert (R-CA) have introduced legislation that would create the

Twenty-First Century Water Policy Commission.

Increasingly, communities across the United States have been dealing with water shortages and deteriorating water infrastructure. This has rekindled interest in water resources, the availability of clean water for consumption and the adequate treatment of wastewater to curb contamination of waterways.

The ominous reality is that the world's available fresh water supply is dwindling. Even though there is an abundance of water on the planet, less than one-half of one percent of it is available for human uses. Meanwhile, global consumption is surging at a rate higher than the population growth. More than one billion people around the globe lack access to safe drinking water; 2.5 billion people lack access to proper sanitation; and more than 5 million die annually from water-borne diseases, according to the United Nations. The United Nations projects that by 2025, two-thirds of the world population will face water shortages or a lack of clean water. The World Bank's vice president predicts that wars of this century will be over this resource.

Many regions in the United States are currently facing water availability problems. In Texas, the shortages are expected to increase from 782 billion gallons per year today to 2.5 trillion gallons per year in 2050. In California, shortages could be as high as 2 trillion gallons per year by the year 2020. The shortages are not confined to the Southwest. In spring 2002, lack of precipitation in Florida necessitated significant restrictions on water use. At the same time severe to extreme drought conditions extended from Georgia to Maine. In many locations drought emergency measures had to be implemented.

At the same time, as an increasingly larger share of water infrastructure approaches the point of replacement, and water quality standards become more stringent, local communities are struggling to find viable means of financing needed capital projects.

Shortages and crumbling water infrastructure have driven private water companies, anticipating significant profits, to enter the water sector.

Alongside the subjects already listed in H.R.3561, the Twenty-First Century Water Policy Commission should study the following:

Private utilities' responsiveness to conservation

objectives. Because private water companies depend on water sales to generate revenues and profit, reduced

water consumption could result in reduced profits.

The commission should evaluate whether private utilities are as willing to implement conservation measures as are public utilities. If it is found that private utilities do not do as much to encourage conservation, the Commission should recommend ways to ensure that private utilities operate in a way that promotes the national water policy objectives, and namely conservation.

Impact of user fees on low-income population. The introduced bill proposes that the Commission be required to suggest implementation of user fees. However, user fees can become burdensome for the low-income population. The phrase "including the implementation of user fees" should be removed from Sec. 3(2)(F). The commission should, however, study the effect user fees have on the low-income population.

Implementation of user fees to help finance water and wastewater infrastructure upgrades can place a significant burden on the low-income ratepayers and create an economic hardship. This hardship will be significantly more acute in small, rural, low-income, and older shrinking urban communities. Municipal bonds provide a less burdensome vehicle to finance such infrastructure.

Risks and benefits of long-term service contracts.

Although the Environmental Protection Agency encourages private operations of water systems, a comprehensive assessment of the service contracts, and especially the long-term service contracts, which have become especially popular over the past four years, has yet to be conducted. And an increasing number of municipalities are experiencing problems with private contractors. The commission should evaluate the risks the service contracts involve.

To this day, the federal government has not made a systematic assessment of water privatization's benefits and liabilities. Privatization of water and wastewater services is a relatively new phenomenon in the United States. Since the early 1900s, water service generally has been regarded as a public responsibility, and public providers have served most of the United States.

Today, public utilities provide reliable water service to 85 percent of the country's population. But a 1997 change in law opened the door for long-term privatization contracts. Consequently, some communities have entered into 10- and 20-year contracts.

Privatization advocates are quick to argue—usually with little solid evidence—that switching from publicly owned enterprises to privately owned firms will lead to greater economic efficiency, and that the positive effects will permeate through the economy by way of stabilized rates, reduced public debt and improved budgetary management.

In reality, privatization involves many risks. Promised savings from private contractors are often neutralized by change orders — reimbursement requests for services not enumerated in the contract. Long-term operation and maintenance contracts are a relatively new phenomenon, and their benefits have yet to be

assessed. Communities already facing financial difficulties with their water infrastructure should not be used to try these unproven contracts.

A municipality that contracts out the operations and maintenance of its utility will no longer maintain its own workforce, making it much more difficult to reclaim those operations if the contractor does not perform. Potential legal disputes over the contract language could leave communities with large legal bills they cannot afford. In the end, a municipality may not get what it paid for.

The risks and benefits of water markets and bulk water exports. Trading in water rights and water resources often create significant environmental risks. The commission should study these risks to determine whether they are justified.

Over the last decade, the idea of water markets and bulk water sales has become increasingly popular. Global Water Corporation, World Water SA, and Aquaroute Inc., for instance, are expanding their water holdings — both in the form of full ownership and easements (rights to limited use).

In California, Cadiz, Inc. wants to sell groundwater to the Metropolitan Water District of Southern California, making a high profit while overdrawing an aquifer that also underlies federal lands. In Texas, oil investor T. Boone Pickens is shopping for a municipal buyer for 65 billion gallons of water per year to which he has secured rights. Enron sought to profit on water sales in Florida.

World Water SA, a Luxembourg company run by Alaska's Ric Davidge, has applied for permits to put water from the Albion and Gualala Rivers in Northern California in large bags and tow them to Southern California to be sold for profit. And at a March 2002 water investor conference, the CEO of a Los Angeles water resource development company touted water rights as an investment offering a triple-A credit with a junk bond yield, "at worst."

In 2001, George W. Bush brought up the topic of bulk water exports from Canada to California when meeting with the Canadian Premier Jean Chrétien. Other countries are also eyeing Canada because it holds the world's largest supplies of fresh water.

Besides allowing private companies to profit from a public resource, water exports create significant environmental risks. Water transfers can deplete aquifers, destroy natural habitats and ecosystems, lower water levels, diminish the source's water quality and the air quality, endanger threatened species, and result in salt water intrusion. Private traders of water are not interested in conservation or sustainability because their revenues and profits increase with the quantity of water sold.

For example, scientists and environmentalists have pointed out that the Cadiz project would deplete the aquifer from which groundwater will be drawn, destroy habitats of desert tortoise, and create dust bowls that are very costly to mitigate.

Water exports are not limited to water companies hauling water in tankers or water bags. Local and regional water markets are another instrument for water sales. Put simply, water markets allow owners of water resources or water rights (which is more common) to transfer, lease, or sell them.

Though the basic premise of water marketing appears simple, it is much more complex in practice.

A farmer who chooses to sell a portion of surface water rights and whose property overlies an aquifer may turn to groundwater to satisfy irrigation needs. Groundwater is generally a shared source that may supply water for others beyond the farmer's property. It may also feed springs that support wildlife habitats. Thus, the farmer's profit would be made at the expense of others.

Under a different scenario, the owner of overlying property could opt to sell groundwater. It is not uncommon for farmers to overexploit groundwater sources when they are selling surface water to municipalities. It is likely that as water markets develop, farmers would rely on groundwater not only to compensate for sold surface water, but also to make a profit by selling it.

The Commission should carefully evaluate all risks associated with water markets and bulk water exports.

...Because the private sector is showing an increasing interest in managing the nation's water supplies, it is important that the public and the decision-makers have a clear understanding of the risks that the private sector's involvement in managing this sensitive resource involves. ■

POEMS

COLLATERAL DAMAGE

Please God help our brave pilots
avoid the embarrassment of eye contact with their enemy
as we eye on millions of television screens
their computer-guided bombs
gracefully gliding down
to blast chosen targets to bloody shreds.

Help them drown for us
with the roar of their jet engines
the shrieks of the wounded
in humble Afghan homes
as we turn their villages to rubble.

We pray Lord, for a quick, cheap air victory
before our planes are hit by defense missiles
and their crews' blood begins

a metaphorical drip, DRIP, D R I P,
slowly earthward like red snow
from the blackened cockpits
of sleek stealth bombers
spiraling down on our televisions.

—VFP Paul Brailsford, Ipswich

Early Morning, Near the Baylands

From: J Fadiman

Date: Thu, 12 Sep 2002 18:14:26 EDT

Subject: 9/11 a reflection

Yesterday 9-11 I was up at 5:00 AM-- not sure why. I decided to go to Denny's for a very early breakfast. On route over the car radio I heard the minute of national silence commemorating the minute the first plane hit the first tower. A few minutes later I heard the governor of New York, at ground Zero, read out Lincoln's Gettysburg Address with its deeply felt caring for humanity and its love of genuine democracy. Then the names of those who died in the two towers began to be read off.

Meanwhile on KPFA an all day truth-telling show with Amy Goodman was under way. The first segment was "from Ground Zero to Ground Zero - New York to Afghanistan." Families of a survivors group-- "Don't Use My brother (sister, father) to wage an unjust war" spoke, but what was most moving was hearing from a Afghan-American woman who'd lost 19 members of her family.

Her relatives died because we had bombed her family's village-- not a single terrorist in it. The Pentagon refused to investigate-- their policy is we will admit to civilian deaths in the abstract, but will not look at individuals. I was chilled by her story-- almost all of the 19 were women and children. She spoke of her current work to aid other women in Afghanistan. She wrote Bush early on-- before her own tragedy-- that war was not the answer, but that should he attack her family's country, please to be very careful not to kill civilians.

Just after listening to her I took a long walk on the Baylands with a woman making a film about Rave drugs. A fired lawyer who wants to have a new career as a film-maker. I saw so many birds - great clump of large white birds (geese? Swans?) and the Baylands itself-- tranquil and without sound. It helped remind me of what keeps my soul from sorrowing.

Love

MINI BOOK REVIEW

Life of Pi. a novel by Yann Martel (India & Montreal). Harcourt, 2001.

Mr. Okamoto: "I'm sorry to say it so bluntly, we don't mean to hurt your feelings, but you don't really expect us to believe you, do you?... These things don't exist."

Pi Patel: "Only because you've never seen them."

O: "That's right, we believe what we see."

P: "So did Columbus. What do you do when you're in the dark?"

O: "Your island is botanically impossible."

P: "Said the fly just before landing in the Venus flytrap."

O: "Why has no one else come upon it?"

P: "It's a big ocean crossed by busy ships. I went slowly, observing much."

O: "No scientist would believe you."

Adrift on the Pacific with a zoo-raised Bengal tiger, Pi penetrates life and death. If you liked *Moby Dick*, *The Old Man and the Sea*, *Rashomon*, or *Candide*, you will relish *Life of Pi*.

ALLIANCE NEWS

GREAT FUN OUTING

Global warming didn't stop 6 intrepid BCAers from enjoying a Saturday in Lowell MA on August 17th. The photos below show us all at the thronged Southeast Asian Water Festival, with our new Cambodian-American friends. There we saw exotic boat races on the Merrimac, sampled succulent meat on a skewer, fancy rice, noodles, and indescribable other goodies; saw giant puppets with labels like "If you love me, pay me"; heard Asian pop music, checked craft booths, etc.

Before the festival we took the National Park Service boat tour of historic mills, humming along the canals and part of the river. We elevated and later settled in the gushing waters of a lock, we passed under a mammoth flood-gate that once prevented disaster (an ax was needed to release it), saw the hydro dam and fish ladder still producing much city electricity, and rode an open-air trolley to and fro. Next time we'll make time to see the insides of fancy Boott Mill.



Facing camera are (L to R) Dave Lewit, Cindy Darrah, Karen O'Donnell, Martha Bartlett, and Chris Herlihy.

MIKE CAPUANO (MA, 8th District) What he thinks of war.

A Somerville citizen delegation visited him on 9/4. They say he believes: There is no reason for war with Iraq; will vote NO. War is Congress' authority. No pre-emptive strike. But we should intervene in cases like Rwanda. We should help Afghans more.

ACTION ALERT (See also page 5 !)

Northeast Regional Conference

REGISTER NOW!

- * Meet your fellow Alliance members from New Hampshire, Maine, Vermont, Massachusetts, Connecticut, Rhode Island, and New York!
- * Hear from chapter activists. Learn of projects in progress.
- * Combine local projects into powerful regional projects.
- * Plan new projects, campaign strategies.
- * Hear vision, challenges of Nick Biddle, AfD exec. coordinator.
- * Expand skills for strong chapters, membership, programs.
- * Begin to link people and chapter, chapter and chapter.
- * Air your topic. Call Ruth Weizenbaum, 978-369-1684.

WHEN: Friday, Sept 27, 5:30-10 and Saturday, Sept 28, 9-6

WHERE: Espousal Center, 554 Lexington St., Waltham MA

COST: \$55 for Fri & Sat. \$45 for Sat only. Lodging available.

MAKE CHECK TO: Mary White, 221 Monsen Rd, Concord MA 01742, Phone 978-369-1181

SAVE OUR GROUNDWATER – Join SOG and AfD activists at the next Town Planning Board hearing Sept 25 in Nottingham NH. See details in article, page 5. Info: Nick at 781-894-1179.

JOIN THE BCA

YOU DON'T HAVE TO LIVE IN BOSTON TO LOVE BCA

Please help us as we fight to make a better future for ourselves and our children – Join the Boston/Cambridge Alliance for Democracy. (Cut out this form and send it to Dave Lewit, 271 Dartmouth St., Boston, MA 02116.)

BOSTON-CAMBRIDGE ALLIANCE for DEMOCRACY PLEDGE

- ___ \$26/Year - "Count me in!"
- ___ \$52/Year - "Sustainer" (We need to average this amount.)
- ___ \$104/Year - "Contributor" (Helping us thrive.)
- ___ \$208/Year - "Community Steward"
- ___ \$500/Year - "Realize the vision"
- ___ What's fair for YOU? _ \$ _____

Name: _____ Date: _____

Street, No./Box/Apt: _____

Town and Zip: _____

Phone: Day _____ Night: _____

E-mail: _____

COLOPHON

Dave Lewit
Editor
dlewit@igc.org
271 Dartmouth St #2H, Boston MA 02116.

Bill King
Ed. Board
617-244-3557

617-266-8687

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