

# As America's Economy Collapses, "New Normal" Police State Takes Shape

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Forget your rights.

As corporate overlords position themselves to seize what little remains of a tattered social net (*adieu* Medicare and Medicaid! Social Security? *Au revoir!*), the Obama administration is moving at break-neck speed to expand police state programs first stood-up by the Bush government.

After all, with world share prices gyrating wildly, employment and wages in a death spiral, and retirement funds and publicly-owned assets swallowed whole by speculators and rentier scum, the state *better* dust-off contingency plans lest the Greek, Spanish or British "contagion" spread beyond the fabled shores of "old Europe" and infect God-fearin' folk here in the *heimat*.

Fear not, they *have* and the lyrically-titled Civil Disturbances: Emergency Employment of Army and Other Resources, otherwise known as Army Regulation 500-50, spells out the "responsibilities, policy, and guidance for the Department of the Army in planning and operations involving the use of Army resources in the control of actual or *anticipated* civil disturbances." (emphasis added)

With British politicians demanding a clampdown on social media in the wake of London riots, and with the Bay Area Rapid Transit (BART) agency having done so last week in San Francisco, switching off underground cell phone service to help squelch a protest against police violence, authoritarian control tactics, aping those deployed in Egypt and Tunisia (that worked out well!) are becoming the norm in so-called "Western democracies."

## Secret Law, Secret Programs

Meanwhile up on Capitol Hill, Congress did their part to defend us from that pesky Bill of Rights; that is, before 81 of them—nearly a fifth of "our" elected representatives—checked-out for AIPAC-funded junkets to Israel.

*Secrecy News* reported that the Senate Intelligence Committee "rejected an amendment that would have required the Attorney General and the Director of National Intelligence to confront the problem of 'secret law,' by which government agencies rely on legal authorities that are unknown or misunderstood by the public."

That amendment, proposed by Senators Ron Wyden (D-OR) and Mark Udall (D-CO) was rejected by voice vote, further entrenching unprecedented surveillance powers of Executive Branch agencies such as the FBI and NSA.

As *Antifascist Calling* previously reported, the Electronic Frontier Foundation filed a Freedom of Information Act lawsuit against the Justice Department “demanding the release of a secret legal memo used to justify FBI access to Americans’ telephone records without any legal process or oversight.”

The DOJ refused and it now appears that the Senate has affirmed that “secret law” should be guiding principles of our former republic.

*Secrecy News* also disclosed that the Committee rejected a second amendment to the authorization bill, one that would have required the Justice Department’s Inspector General “to estimate the number of Americans who have had the contents of their communications reviewed in violation of the FISA Amendments Act of 2008 [FAA].”

As pointed out here many times, FAA is a pernicious piece of Bushist legislative detritus that legalized the previous administration’s secret spy programs since embellished by our current “hope and change” president.

During the run-up to FAA’s passage, congressional Democrats, including then-Senator Barack Obama and his Republican colleagues across the aisle, claimed that the law would “strike a balance” between Americans’ privacy rights and the needs of security agencies to “stop terrorists” attacking the country.

If that’s the case, then *why* can’t the American people learn whether their rights have been compromised?

Perhaps, as recent reports in *Truthout* and other publications suggest, former U.S. counterterrorism “czar” Richard Clarke leveled “explosive allegations against three former top CIA officials—George Tenet, Cofer Black and Richard Blee—accusing them of knowingly withholding intelligence ... about two of the 9/11 hijackers who had entered the United States more than a year before the attacks.”

Clarke’s allegations follow closely on the heels of an investigation by *Truthout* journalists Jeffrey Kaye and Jason Leopold.

“Based on on documents obtained under the Freedom of Information Act and an interview with a former high-ranking counterterrorism official,” Kaye and Leopold learned that “a little-known military intelligence unit, unbeknownst to the various investigative bodies probing the terrorist attacks, was ordered by senior government officials to stop tracking Osama bin Laden and al-Qaeda’s movements prior to 9/11.”

As readers are well aware, the 9/11 provocation was the pretext used by the capitalist state to wage aggressive resource wars abroad while ramming through repressive legislation like the USA Patriot Act and the FISA Amendments Act that targeted the democratic rights of the American people here at home.

But FAA did more than legitimate illegal programs. It also handed retroactive immunity and economic cover to giant telecoms like AT&T and Verizon who profited handily from government surveillance, shielding them from monetary damages which may have resulted from a spate of lawsuits such as *Hepting v. AT&T*.

This raises the question: are *other* U.S. firms similarly shielded from scrutiny by secret annexes in FAA or the privacy-killing USA Patriot Act?

## Echelon Cubed

Last week, *Softpedia* revealed that “Google has admitted complying with requests from US intelligence agencies for data stored in its European data centers, most likely in violation of European Union data protection laws.”

“At the center of this problem,” reporter Lucian Constantin wrote, “is the USA PATRIOT ACT, which states that companies incorporated in the United States must hand over data administered by their foreign subsidiaries if requested.”

“Not only that,” the publication averred, “they can be forced to keep quiet about it in order to avoid exposing active investigations and alert those targeted by the probes.”

In other words, despite strict privacy laws that require companies operating within the EU to protect the personal data of their citizens, reports suggest that U.S. firms, operating under an entirely *different* legal framework, U.S. spy laws with built-in secrecy clauses and gag orders, trump the laws and legal norms of other nations.

Given the widespread corporate espionage carried out by the National Security Agency’s decades-long Echelon communications’ intercept program, American firms such as Google, Microsoft, Apple or Amazon may very well have become witting accomplices of U.S. secret state agencies rummaging about for “actionable intelligence” on EU, or U.S., citizens.

Indeed, a decade ago the European Union issued its final report on the Echelon spying machine and concluded that the program was being used for corporate and industrial espionage and that data filched from EU firms was being turned over to American corporations.

In 2000, the BBC reported that according to European investigators “U.S. Department of Commerce ‘success stories’ could be attributed to the filtering powers of Echelon.”

Duncan Campbell, a British journalist and intelligence expert, who along with New Zealand journalist Nicky Hager, helped blow the lid off Echelon, offered two instances of U.S. corporate spying in the 1990s when the newly-elected Clinton administration followed-up on promises of “aggressive advocacy” on behalf of U.S. firms “bidding for foreign contracts.”

According to Campbell, NSA “lifted all the faxes and phone-calls between Airbus, the Saudi national airline and the Saudi Government” to gain this information. In a second case which came to light, Campbell documented how “Raytheon used information picked up from NSA snooping to secure a \$1.4bn contract to supply a radar system to Brazil instead of France’s Thomson-CSF.”

As *Softpedia* reported, U.S.-based cloud computing services operating overseas have placed “European companies and government agencies that are using their services ... in a tough position.”

With the advent of fiber optic communication platforms, programs like Echelon have a far greater, and more insidious, reach. AT&T whistleblower Mark Klein noted on the widespread deployment by NSA of fiber optic splitters and secret rooms at American telecommunications’ firms:

What screams out at you when examining this physical arrangement is that the NSA was vacuuming up everything flowing in the Internet stream: e-mail, web browsing, Voice-Over-Internet phone calls, pictures, streaming video, you name it. The splitter has no intelligence at all, it just makes a blind copy. There could not possibly be a legal warrant for this, since according to the 4th Amendment warrants have to be specific, “particularly describing the place to be searched, and the persons or things to be seized.” ...

This was a massive blind copying of the communications of millions of people, foreign and domestic, randomly mixed together. From a legal standpoint, it does not matter what they claim to throw away later in their secret rooms, the violation has already occurred at the splitter. (Mark Klein, *Wiring Up the Big Brother Machine... And Fighting It*, Charleston, South Carolina: BookSurge, 2009, pp. 38-39.)

What was Google’s response?

In a statement to the German publication *WirtschaftsWoche* a Google corporate spokesperson said: “As a law abiding company, we comply with valid legal process, and that-as for any U.S. based company-means the data stored outside of the U.S. may be subject to lawful access by the U.S. government. That said, we are committed to protecting user privacy when faced with law enforcement requests. We have a long track record of advocating on behalf of user privacy in the face of such requests and we scrutinize requests carefully to ensure that they adhere to both the letter and the spirit of the law before complying.” (translation courtesy of Public Intelligence)

Is the Senate Intelligence Committee’s steadfast refusal to release documents and secret legal memos that most certainly target American citizens also another blatant example of American exceptionalism meant to protect U.S. firms operating abroad from exposure as corporate spies for the government?

It isn’t as if NSA hasn’t been busy doing just that here at home.

As *The New York Times* reported back in 2009, the “National Security Agency intercepted private e-mail messages and phone calls of Americans in recent months on a scale that went beyond the broad legal limits established by Congress last year.”

Chalking up the problem to “overcollection” and “technical difficulties,” unnamed intelligence officials and administration lawyers told journalists Eric Lichtblau and James Risen that although the practice was “significant and systemic ... it was believed to have been unintentional.”

As “unintentional” as ginned-up intelligence that made the case for waging aggressive war against oil-rich Iraq!

In a follow-up piece, the *Times* revealed that NSA “appears to have tolerated significant collection and examination of domestic e-mail messages without warrants.”

A former NSA analyst “read into” the illegal program told Lichtblau and Risen that he “and other analysts were trained to use a secret database, code-named Pinwale, in 2005 that archived foreign and domestic e-mail messages.”

Email readily handed over by Google, Microsoft or other firms “subject to lawful access” by the Pentagon spy satrapy?

The *Times*' anonymous source said "Pinwale allowed N.S.A. analysts to read large volumes of e-mail messages to and from Americans as long as they fell within certain limits—no more than 30 percent of any database search, he recalled being told—and Americans were not explicitly singled out in the searches."

Nor, were they *excluded* from such illicit practices.

As Jane Mayer revealed in *The New Yorker*, "privacy controls" and "anonymizing features" of a program called ThinThread, which would have complied with the law if Americans' communications were swept into NSA's giant eavesdropping nets, were rejected in favor of the "\$1.2 billion flop" called Trailblazer.

And, as previously reported, when Wyden and Udall sought information from the Office of the Director of National Intelligence on just how many Americans had their communications monitored, the DNI stonewalled claiming "it is not reasonably possible to identify the number of people located in the United States whose communications may have been reviewed under the authority."

Why? Precisely *because* such programs act like a giant electronic sponge and soak-up and data mine huge volumes of our communications.

As former NSA manager and ThinThread creator Bill Binney told *The New Yorker*, that "little program ... got twisted" and was "used to eavesdrop on the whole world."

Three years after Barack Obama promised to curb Bush administration "excesses," illegal surveillance programs continue to expand under his watch.

### **A Permanent "State of Exception"**

Under our current political set-up, "states of exception" and national security "emergencies" have become permanent features of social life.

Entire classes of citizens and non-citizens alike are now suspect; anarchists, communists, immigrants, Muslims, union activists and political dissidents in general are all subject to unprecedented levels of scrutiny and surveillance.

From "enhanced security screenings" at airports to the massive expansion of private and state databases that archive our spending habits, whom we talk to and where we go, increasingly, as the capitalist system implodes and millions face the prospect of economic ruin, the former American republic takes on the characteristics of a corporate police state.

Security researcher and analyst Christopher Soghoian reported on his *Slight Paranoia* blog, that according to "an official DOJ report, the use of 'emergency', warrantless requests to ISPs for customer communications content has skyrocketed over 400% in a single year."

This is no trifling matter.

As CNET News disclosed last month, "Internet providers would be forced to keep logs of their customers' activities for one year—in case police want to review them in the future—under legislation that a U.S. House of Representatives committee approved today."

Declan McCullagh reported that "the 19 to 10 vote represents a victory for conservative

Republicans, who made data retention their first major technology initiative after last fall's elections."

Significantly, CNET noted that this is also a "victory" for Democratic appointees of Barack Obama's Justice Department "who have quietly lobbied for the sweeping new requirements."

According to CNET, a "last-minute rewrite of the bill expands the information that commercial Internet providers are required to store to include customers' names, addresses, phone numbers, credit card numbers, bank account numbers, and temporarily-assigned IP addresses."

However, by "a 7-16 vote, the panel rejected an amendment that would have clarified that only IP addresses must be stored."

Consider the troubling implications of this sweeping bill. While ultra-rightist "Tea Party" Republicans vowed to get "the government off our backs," when it comes to illicit snooping by securocrats whose only loyalty is to a self-perpetuating security bureaucracy and the defense grifters they serve (and whom they rely upon for plum positions after government "retirement"), all our private data is now up for grabs.

The bill, according to Rep. Zoe Lofgren (D-CA), who spearheaded opposition to the measure said that if passed, it would create "a data bank of every digital act by every American" that would "let us find out where every single American visited Web sites."

To make the poison pill legislation difficult to oppose, proponents have dubbed it, wait, the "Protecting Children From Internet Pornographers Act of 2011" even though, as CNET noted, "the mandatory logs would be accessible to police investigating any crime and perhaps attorneys litigating civil disputes in divorce, insurance fraud, and other cases as well."

Soghoian relates that the 2009 two-page Justice Department report to Congress took 11 months (!) to release under a Freedom of Information Act request.

Why the Justice Department stonewall?

Perhaps, as the Electronic Frontier Foundation disclosed last year, *political appointees* at the Department of Homeland Security and presumably other secret state satrapies, ordered "an extra layer of review on its FOIA requests."

EFF revealed that a 2009 policy memo from the Department's Chief FOIA Officer and Chief Privacy Officer, Mary Ellen Callahan, that DHS components "were required to report 'significant FOIA activities' in weekly reports to the Privacy Office, which the Privacy Office then integrated into its weekly report to the White House Liaison."

Included amongst designated "significant FOIA activities" were requests "from any members of 'an activist group, watchdog organization, special interest group, etc.' and 'requested documents [that] will garner media attention or [are] receiving media attention'."

Despite the *appearance* of reporting "emergency" spying requests to congressional committees presumably overseeing secret state activities (a generous assumption at best), "it is quite clear" Soghoian avers, "that the Department of Justice statistics are not



adequately reporting the scale of this form of surveillance” and “underreport these disclosures by several orders of magnitude.”

As such, “the current law is largely useless.” It does not apply to “state and local law enforcement agencies, who make tens of thousands of warrantless requests to ISPs each year,” and is inapplicable to “to federal law enforcement agencies outside DOJ.”

“Finally,” Soghoian relates, “it does not apply to emergency disclosures of non-content information, such as geo-location data, subscriber information (such as name and address), or IP addresses used.”

And with Congress poised to pass sweeping data retention legislation, it should be clear that such “requirements” are mere fig leaves covering-up state-sanctioned lawlessness.

### **War On Terror 2.0.1: Looting the Global Economy**

Criminal behavior by domestic security agencies connect America’s illegal wars of aggression to capitalism’s economic warfare against the working class, who now take their place alongside “Islamic terrorists” as a threat to “national security.”

Despite efforts by the Obama administration and Republican congressional leaders to “balance the books” on the backs of the American people through massive budget cuts, as economist Michael Hudson pointed out in *Global Research*, the manufactured “debt ceiling” crisis is a massive fraud.

The *World Socialist Web Site* averred that “as concerns over a double-dip recession in the US and the European debt crisis sent global markets plunging—including a 512-point sell-off on the Dow Jones Industrial Average Thursday—financial analysts and media pundits developed a new narrative. Concern that Washington lacked the ‘political will’ to slash long-standing entitlement programs was exacerbating ‘market uncertainty’.”

Leftist critic Jerry White noted that “in fact, the new cuts will only intensify the economic crisis, while the slashing of food stamps, unemployment compensation, health care and education will eliminate programs that are more essential for survival than ever.”

Indeed, as Marxist economist Richard Wolff pointed out in *The Guardian*, while the “crisis of the capitalist system in the US that began in 2007,” may have “plunged millions into acute economic pain and suffering,” the “recovery” that began in 2009 “benefited only the minority that was most responsible for the crisis: banks, large corporations and the rich who own the bulk of stocks. That so-called recovery never ‘trickled down’ to the US majority: working people dependent on jobs and wages’.”

And despite mendacious claims by political officials and the media alike, the Pentagon will be sitting pretty even as Americans are forced to shoulder the financial burden of U.S. imperial adventures long into an increasingly bleak future.

Defense Secretary Leon Panetta “warned Thursday of dire consequences if the Pentagon is forced to make cuts to its budget beyond the \$400 billion in savings planned for the next decade,” *The Washington Post* reported.

The *Post* noted that “senior Pentagon officials have launched an offensive over the past two days to convince lawmakers that further reductions in Pentagon spending would imperil the

country's security."

"Instead of slashing defense," Panetta urged lawmakers to "rely on tax increases and cuts to nondiscretionary spending, such as Medicare and Social Security, to provide the necessary savings."

But as Hudson points out, "war has been the major cause of a rising national debt." After all, it was none other than bourgeois icon Adam Smith who argued that "parliamentary checks on government spending were designed to prevent ambitious rulers from waging war."

Hudson writes that "if people felt the economic impact of war immediately-rather than postponing it by borrowing-they would be less likely to support military adventurism."

But therein lies the rub. Since "military adventurism" is the only "growth sector" of an imploding capitalist economy, the public spigot which finances everything from cost-overrun-plagued stealth fighter jets to multibillion dollar spy satellites, along with an out-of-control National Surveillance State, will be kept open indefinitely.

On this score, the hypocrisy of our rulers abound, especially when it comes to the mantra that "we" must "live within our means."

As Wolff avers, "where was that phrase heard when Washington decided to spend on an immense military (even after becoming the world's only nuclear superpower) or to spend on very expensive wars in Iraq, Afghanistan, Pakistan and Libya (now all going on at the same time)? No, then the talk was only about national security needed to save us from attacks."

"Attacks," it should be duly noted, that may very well have been allowed to happen as the *World Socialist Web Site* recently reported.

Driving home the point that war, and not social- and infrastructure investment fuel deficits, Hudson averred that "the present rise in in U.S. Treasury debt results from two forms of warfare. First is the overtly military Oil War in the Near East, from Iraq to Afghanistan (Pipelinistan) to oil-rich Libya. These adventures will end up costing between \$3 and \$5 trillion."

"Second and even more expensive," the economist observed, "is the more covert yet more costly economic war of Wall Street against the rest of the economy, demanding that losses by banks and financial institutions be passed onto the government balance sheet ('taxpayers'). The bailouts and 'free lunch' for Wall Street-by no coincidence, Congress's number one political campaign contributor-cost \$13 trillion."

"Now that finance is the new form of warfare," Hudson wrote, "where is the power to constrain Treasury and Federal Reserve power to commit taxpayers to bail out financial interests at the top of the economic pyramid?"

And since "cutbacks in federal revenue sharing will hit cities and states hard, forcing them to sell off yet more land, roads and other assets in the public domain to cover their budget deficit as the U.S. economy sinks further into depression," Hudson wrote that "Congress has just added fiscal deflation to debt deflation, slowing employment even further."

While the global economy circles the drain, with ever more painful cuts in so-called "entitlement" programs meant to cushion the crash now on the chopping block, the



corporate and political masters who rule the roost are sharpening their knives, fashioning administrative and bureaucratic surveillance tools, the better to conceal the “invisible hand” of that bitch-slaps us all.

And they call it “freedom.”

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