

Furnishing the War

“War is the health of the state,” said Randolph Bourne; it is also a bonanza for political intellectuals and for the mariottes who are put through their paces on FOX and CNN. At the outbreak of World War I, Bourne saw the same phenomenon, though admittedly on a higher scale (Paul Begala and Chris Matthews had not yet been invented):

it has been a bitter experience to see the unanimity with which the American intellectuals have thrown their support to the use of war-technique in the crisis in which America found herself. Socialists, college professors, publicists, new-republicans, practitioners of literature, have vied with each other in confirming with their intellectual faith the collapse of neutrality and the riveting of the war-mind on a hundred million more of the world's people.

News-talk ratings go up during every international crisis, but, despite the thousands of hours devoted to the looming war with Iraq, Americans are no better informed about the goals and prospects of this war than they were in 1898, when William Randolph Hearst told the artist Fredrick Remington, whom he had sent to Cuba, “You furnish the pictures, I’ll furnish the war.” Hearst did not care one way or the other about Cuba, but he did want to beat his rival newspaper, Joseph Pulitzer’s *New York World*, in the 19th-century precursor of the ratings game. In 1898, the yellow press instructed Americans that the evil Spanish Empire had blown up the battleship *Maine* in order to provoke the United States into a war that Spain could not, in fact, hope to win. In 2002, the yellow press is telling Americans that Saddam Hussein wants to provoke the United States into a war that will inevitably destroy his country and, what is more important to him, his regime.

The press, as obedient and uninformed today as they were during previous wars, dutifully repeat the phrases “weapons of mass destruction” and “links with Al Qaeda terrorists.” Instead of citing evidence, they refer to official British reports (as if

Tony Blair did not lie throughout the war against Yugoslavia) and unnamed administration sources. The announcement of links to terrorism is always front-page news above the fold; the retractions, a few months later, are buried and forgotten. Some commentators still refer to the debunked story of a meeting in Prague between Muhammad Atta and Iraqi officials.

In early December, the *Washington Post* headlined the usual story by Barton Gellman “U.S. Suspects Al Qaeda Got Nerve Agent From Iraqis.” Gellman, true to the great traditions of the *Post*’s Bob Woodward and Janet Cooke, simply passed on the official story without checking any details. This goes on every day, on every story.

In earlier times, once the rulers had decided upon a course of action, the peasants had only to obey, supplying food, money, and clothing to the king’s army and their sons as cannon fodder for the campaign. Under self-proclaimed democracies, power supposedly resides with the people, who send their representatives to Washington or to Paris; for the people to have any say in the political process, however, they would have to have access to accurate information, and if such information was ever available in the history of the United States, it is not available now. Ignorant people, subjected to an educational process that now consists exclusively of indoctrination, cannot make informed decisions. In this sense, Americans are less free than the medieval peasant who knew he was not free and might, therefore, when the king’s officers came around, take steps to hide his money in the well or his son in the woods.

In a modern state, democracy (in the loose sense in which we use the word) depends on an honest and free press. Such a press exists nowhere, least of all in the United States. There are, of course, honest specialists who are occasionally allowed to share their expertise in the newspapers, and there are even honest commentators, such as Pat Buchanan and Alex Cockburn, who usually say what they believe. For the most part, however, the gatherers and spinners of news, either from fear and ambition or from laziness

and ignorance, do not do their job, which is to inform the public.

In the case of Iraq, many of the key questions are simply not being asked. What, for example, is the role being played by international oil interests? To what extent is our legitimate concern for the security of Israel taking precedence over the security and interests of the American people? How important is it, in this connection, to shift the balance of power in the Middle East, by eliminating one of Israel’s few obstacles to regional hegemony? It seems strange that the press cannot discuss the fact that the administration’s policies in the Middle East are being set by Richard Perle, who is also a political activist in Israel on behalf of the bellicose Benjamin Netanyahu.

The press tells us every day that Saddam possesses weapons of mass destruction. He probably does, because, during the Iran-Iraq war, he acquired such weapons, with the blessing of the U.S. government, from France, Russia, and the United States itself. A recent report in the German press lists Siemens, along with unnamed American multinationalists, among Saddam’s major suppliers. The fact that the United States is the largest producer and possessor and seller of such weapons cannot be discussed, and if it is mentioned (*e.g.*, on a call-in show like *Talk of the Nation*), the host cuts off discussion by repeating the Bush administration’s highly improbable denial.

A war with Iraq, justified or not, may well accomplish some good things: the overthrow of a regime of thugs, increased U.S. control of the world’s oil supply, enhanced security for Israel (which may then find herself in a stronger position to resolve the question of Palestinian statehood). In the long run, however, the war might turn out to be a disaster. Ideally, it is up to Congress to debate such questions, but Congress follows public opinion as measured by polls, and public opinion is manufactured by the media. We cannot expect the government to share its secrets with us, but we should demand that the press do its job. 



UNITED AIRLINES' December 9 bankruptcy filing came as no surprise to those who understand the airline industry, in which even America's most successful living investor, Warren E. Buffet, could not turn a profit. Buffet once observed, "In a business selling a commodity-type product it's impossible to be a lot smarter than your dumbest competitor." Mr. Buffet's investment company, Berkshire Hathaway Inc., lost money by purchasing convertible preferred stock in U.S. Air in 1989, a decision he later termed "a mistake" in his annual letter to shareholders. At the time of purchase, he told them, "We have no ability to forecast the economics of the investment banking business, the airline industry, or the paper industry." Two years later, he observed, "At the time some of you may have doubted this confession of ignorance. Now, however, even my mother acknowledges its truth." U.S. Air later filed for bankruptcy, one of more than 125 carriers to do so since the 1978 federal deregulation of the industry.

The economics of the airline industry are lousy even when the economy is expanding. Carriers face high capital costs (the purchase of new airplanes) and have difficulty making price increases stick. Pre-deregulation airlines were protected from competition and could pass their high capital structures on to consumers in the form of higher ticket prices. Today, they face intense competition and industry economics made worse by an economy in contraction. Seventeen carriers filed for bankruptcy during two recessions in the 1980-82 period, and 11 more went bankrupt in the 1990-91 recession. UAL, United Airlines' parent company, followed Midway Airlines in filing for bankruptcy during the current recession. In its last quarterly report to the Securities and Exchange Commission (SEC), United's management listed some of the challenges involved in operating an airline: "The airline business is subject to seasonal fluctuations. Additionally, beginning in 2001, the weakening U.S. economy had a significant impact on the airline industry as corporations reduced their business travel budgets and changed their travel behavior. During the first six months of 2001, the industry began experiencing significant revenue declines as a result of the decrease in

business traffic."

The September 11 terrorist attacks, the U.S. war against Afghanistan, and the impending war against Iraq have made operating an airline even more difficult. In a November 26 pre-bankruptcy SEC filing, United's management reported, "Some factors that could significantly impact the company's performance and financial condition include, without limitation: the economy and the demand for air travel; the effects of any hostilities or act of war (in the Middle East or elsewhere) or any terrorist attacks; the higher costs associated with new airline security directives and any other increased regulation of air carriers; the significantly higher costs of aircraft insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, and the extent to which such insurance will continue to be available; the ability to raise and the cost of financing in light of the Sept. 11 events and the possibility of any further credit downgrades to the company; the cost of crude oil and jet fuel." Other carriers in the industry face similar challenges, according to their SEC filings, and still more bankruptcy filings are possible.

United's ultimate fate is yet to be determined, but other carriers filing for bankruptcy have survived with a different corporate structure. U.S. bankruptcy courts have encouraged bankrupt carriers to continue operations. They can charge fares below industry costs because they do not incur the capital costs faced by solvent carriers. Herb Kelleher, CEO of Southwest Airlines, the most successful domestic airline, is reported to have observed that "Bankruptcy court for airlines has become a health spa."

Deregulation in the past quarter-century has made air travel possible for a broader cross section of America's middle class, and, thus, it is unlikely to be repealed. Nor are Americans likely to support government nationalization of the sector. The industry may gradually come to resemble another one with high capital costs and a falling price structure: the automotive industry. Instead of many airlines characterized by product differentiation *à la* Southwest, the industry may become an oligopoly.

—Greg Kaza



CANADIAN OFFICIALS have been badgering the United States for deporting Syrian Maher Arar from New York's John F. Kennedy International Airport in October 2002. The Canadian government, however, is not entitled to display such moral outrage.

Mr. Arar was removed from the United States for alleged terrorist connections. Because he held both Canadian and Syrian citizenship, the U.S. authorities were well within their rights in sending him to Syria. Since Mr. Arar flew to New York from Tunisia, the United States could even have chosen to return him to that country. These are the normal procedures for the deportation of aliens who do not meet a country's entry requirements; indeed, Canada's immigration law has similar provisions. Before his removal, Mr. Arar was seen by a Canadian consular official and was allowed legal representation at his deportation hearing. This incident received considerable attention in Canada, with most stories highlighting outrage that a Canadian citizen should be treated in such a manner. The fact that Mr. Arar was also a citizen of Syria was never taken into account.

Arar's suspected terrorist connections appear to have been ignored by the Canadian media and neglected by government officials. During his recent visit to Canada, U.S. Secretary of State Colin Powell revealed that evidence linking Mr. Arar to Al Qaeda had been given by the FBI to the Royal Canadian Mounted Police (RCMP) soon after his removal from the United States. Obviously, the RCMP had not seen fit to pass this information on to Canadian foreign-affairs officials. The evident lack of information-sharing by security agencies should be a cause for concern for all Canadians, particularly now that Osama bin Laden has placed Canada on Al Qaeda's hit list. More seriously, however, the Arar case points to the indifference that has characterized Canada's response to the War on Terror.

The United States has moved quickly to enact measures designed to help prevent terrorist attacks against her citizens. One such measure has been to require visitors to the United States who were born in Iran, Iraq, Libya, Sudan, and Syria to be photographed, fingerprinted, and registered, regardless of their current citi-