Will U.S. public education survive to the year 2000?

by Michael J. Minnicino

The boys and girls now entering public school as kindergarten students may find, when they are ready for high school in the early twenty-first century, that the public school system no longer exists.

America's 150-year-old commitment to universal public education was born in controversy, and has never been without vocal detractors from every political and religious persuasion. But, despite sometimes-violent disagreement over content and method, few of these critics have ever truly claimed that the concept of universal public education was wrong; they have all agreed with historian Henry Steele Commager, who pointed to that concept in the 1950s as one of the great "bulwarks of the Republic."

Today, for the first time, that concept is about to be abandoned, sacrificed to free enterprise fanatics who see the physical looting of education as, in the words of a Hudson Institute analyst, "the greatest business opportunity since Rockefeller discovered oil."

Already, public schools in Baltimore, the District of Columbia, Miami, and some other smaller cities are under the management of profit-seeking private corporations; similar arrangements are being discussed around the country. Many states have introduced forms of "free enterprise competition" into their school systems, and are investigating the changes in state law necessary to authorize further such competition. Influentials in both the Republican and Democratic parties are investigating how to break popular resistance, and convince citizens to vote for school vouchers which would allow millions of parents to pull their children out of the public system. Individually, none of these developments sounds particularly threatening, but they represent the wedge end of a conspiracy that wants to see the privatization, deregulation, and looting of education in America—and, ultimately, the devolution of education back to a form like the old British imperial system, where 1 or 2% were trained to rule, a few more were tracked as middle management, and the vast majority, if schooled at all, were taught to

Bush administration Secretary of Education Lamar Alexander addresses a press conference of the America 2000 Coalition for Better Schools on Sept. 11, 1992. During the Bush administration, Alexander kicked off the gamut of kookish "outcome-based education" reforms; today, he is one of the leaders of a mafia of radical free enterprisers who want to sell off the public school system to the likes of Alexander's business partner Chris Whittle.

"know their place" as unskilled and semi-skilled labor.

The proponents of this devolution make it no secret that they will use the widespread discontent with the current state of education—including growing hatred of the very outcome-based education (OBE) reforms that they helped implement!—to mobilize what they call "a populist revolt" to finish off the public system. Cynically, they have targeted the poor and inner-city populations, the people who have been most ill-served by the system, to be the shock troops of this revolt.

Milking the sacred cow

Competent economists have always viewed education as part of the overhead that a healthy society willingly pays to ensure that it has a population able to make discoveries and to implement those discoveries in the universities and on the factory production line. In the economic collapse during the 1980s, however, education became viewed as a fiscal annoyance, whose burgeoning costs did not produce corresponding "productivity." As the depression deepened in the nineties, the $600-700 billion which we spend to educate ourselves increasingly became an object of lust by speculators who saw future mental capabilities of our young as merely a new asset to leverage, to strip, and to gamble with.

The speculators' current desperate need for those assets is suggested by Lewis Perelman, a Hudson Institute education theorist who recently shared a podium with Vice President Al Gore. Perelman has advised corporations to view education as a "socialist monopoly" which must be broken up and privatized in the same way the former Soviet Union is being looted by western speculators and local mafiosi; in fact, Perelman even cites the program of Harvard's Jeffrey Sachs, the organizer of eastern Europe's "shock therapy" hell, as the model to follow.

Darwinian competition

The money-making possibilities of education were emphasized by economist Milton Friedman back in the 1970s—about the same time that he called for the legalization and taxation of dangerous drugs—and have been pushed by the members of Friedman's cult with increasing insistence since that time. When the Reagan administration started a new wave of industry deregulation, including trucking, airline, and ultimately banking, many wanted to add education to the list.

The first systematic organizing for deregulation came from Chester Finn, Jr., a Friedmanite neo-conservative and former White House aide under Richard Nixon, who had become, oddly enough, the legislative director for liberal Democrat Sen. Daniel Patrick Moynihan (N.Y.). Starting with his 1978 Brookings Institution report, "Scholars, Dollars, and Bureaucrats," and continuing with a stream of articles through the early 1980s, Finn advised Reaganites to declare war on what he called "the liberal consensus"—a conspiracy of the Ford and Carnegie Foundations, the two national teachers' unions, plus universities like Harvard, Stanford, and Columbia, which had destroyed quality and achievement in education and replaced them with sex ed, permissiveness, and feel-good therapies.

Finn's critique, if imprecise in its details, was hardly inaccurate. However, his solution was not to stop the destructive programs, but was the usual free enterprise cant about deregulation, balancing the budget, and letting the "invisible hand" correct things through competition. To this end, Finn created what is now popularly known as the "excellence movement." With Diane Ravitch, a conservative education writer, he created in 1981 the Education Excellence Network, and quickly received a $375,000 grant from the Reagan Department of Education to publish a national newsletter. He soon recruited White House Chief of Staff Ed Meese, who told a conference of school administrators in 1981 that he was committed to excellence, and "excellence in education demands competition—competition among students and competition among schools."

"Replacing academic classrooms with hyper-learning technology offers a potential commercial market opportunity worth a few hundred billion dollars a year in the U.S. alone—and several times more in the rest of the global economy. This is the greatest business opportunity since Rockefeller discovered oil."
—Lewis Perelman

By "competition," Finn and his followers meant a fundamental break with the once-honored idea that a republican education system must make every effort to give every student the best possible education. People started to talk of education as a Darwinian test-bed that should determine which schools and which students were fit to survive. Finn particularly pointed to 1960s social legislation—War on Poverty programs like Head Start, and various desegregation and equal opportunity plans—as responsible for overall mediocrity. Again, Finn was roughly accurate: These programs are often idiotic, usually wasteful, and sometimes destructive. But again, a real solution was avoided; the mediocrity to which everyone now pointed had its source in the collapse of the United States as an industrial economy, not in a few programs that allowed ghetto students to enter college more easily.

Support for Finn increased, as it became clear that he was providing a very plausible justification for slashing federal education costs. This growing popularity of Darwinian competition in education is also behind the success of the movement to reverse the Bilingual Education Act of 1968. The movement started in Dade County, Florida in 1980, as part of a taxpayer revolt: A citizen group complained that printing county signs and informational pamphlets in Spanish was a waste of money; soon the organizing became racially tinged, and the final referendum included openly hostile gestures like the prohibition of civil marriage in Spanish and the destruction of already-posted public transportation signs in Spanish—all in the guise of making English the "official language" of Dade County. Soon, California, Virginia, and Tennessee passed similar laws, and Conservative Republican Sen. S.I. Hayakawa of California unsuccessfully attempted to introduce an "English Language Amendment" to the Constitution.

In 1983, Hayakawa and Michigan ophthalmologist John Tanton founded "U.S. English," a group to coordinate anti-bilingual efforts, which increasingly came to rely on the simplistic argument that the immigrants were not being forced to "compete" hard enough: Immigrant students should be forced to learn in English, and the best of them will rise to the challenge, just like previous generations of immigrants—the rest can be left by the wayside. In 1985, Reagan administration Education Secretary William Bennett came on board, and demanded huge cuts in bilingual education funds, claiming that the preferred approach should be, in his words, "sink or swim."

The English-only propagandists and Secretary Bennett had to ignore abundant evidence that bilingual programs had only a small effect on assimilation; skilled job availability, based on the health of the economy, is the prime determinant of the speed of assimilation, with parental education levels as a secondary co-factor. By 1988, the English-only movement fell into disrepute, after several newspapers reported evidence that U.S. English co-founder Tanton was connected to racialist organizations and had received funding from a group, the Pioneer Fund, originally created to popularize Adolf Hitler's eugenics policies.

The voucher mafia

After he left Washington in 1981 to become a professor at Vanderbilt University in Tennessee, Finn's rise to national prominence was sponsored by Tennessee's Gov. Lamar Alexander. The Reaganite governor asked Finn to create an education reform plan along free enterprise lines, which became Tennessee's 1983 "Better Schools Program," the first major state reform in the nation. The core of the plan was competition, but carefully watered down and called "consumer sovereignty," so as not to appear a frontal assault on the public system. The plan allowed Alexander to raise state taxes, promising a corresponding rise in "results" as measured by test scores; teacher wages and advancement were effectively indexed to the same tests.

The beauty of the plan, from Finn and Alexander's view, was that they could raise taxes and slow pay increases, but, if the results didn't materialize, they could then blame the teachers for not implementing the plan. The state affiliate of the National Education Association attempted a counterattack, but this fell apart, particularly after Albert Shanker, the president of the rival American Federation of Teachers, publicly supported the Tennessee plan, and announced that the AFT would start a large-scale campaign to organize Tennessee teachers out of the NEA and into his union.

After letting the initial version of the plan sink in for a year, Alexander announced in 1984 his support for public school vouchers, a plan that would allow parents to choose their children's public school, thus forcing schools to compete for voucher dollars. Alexander was the first ranking state or national offical to call for vouchers, and he became widely touted as the "education reform expert" among state governments, a role that was enhanced when he became chairman of the National Governors Conference in 1985.

Several governors used Alexander as the model for reforms in their states: Democrats Michael Dukakis of Massachusetts, Rudy Perpich of Minnesota, Chuck Robb of Virginia, and Bill Clinton of Arkansas; and Republicans Richard Thornburgh of Pennsylvania and Thomas Kean of New Jersey. Each raised taxes, indexed wages, and authorized choice among public schools, to varying degrees. (Governor Clinton so threatened teacher wages in 1985, that the NEA put out bumper stickers reading, "No More Clintons in 1986!" This was scrupulously forgotten by the time of Clinton's presidential campaign in 1992.)

Education writer Thomas Toth has noted with insight that what linked each of these governors was a commitment to the philosophy of a "post-industrial economy" and the belief that education should reflect the end of industry in their state. Indeed, Perpich of Minnesota began his ambitious "competition" efforts in 1983 with a speech which noted that "knowledge will be the steel of this post-industrial society."

The efforts of this gubernatorial mafia of education reformers were further popularized by the National Governors Conference 1986 report, *Time For Results,* a bestseller which was published over the signature of Alexander, and largely written by Finn and by Governor Perpich's education guru, Joe Nathan of the Humphrey Institute at the University of Minnesota.

Chester Finn gained additional clout with his appointment in 1985 as assistant secretary of education to William Bennett. He used the position to organize for "education choice," the political jargon for a full voucher program that could be used by parents to pay for private or parochial schools, as well as public schools. In his first testimony before Congress, the new assistant secretary charted what became the standard populist line: "Education choice would free parents from governmental control," and would give poor parents the same option for private schooling, now limited to the wealthy.

Finn's line was taken up immediately in "A New Agenda for Education," an influential 1985 report by the Heritage Foundation which demanded that "education must be opened to competition through a system of tax credits and vouchers. In this way effective education programs can clearly stand out from ineffective ones." Simultaneously, Stanford University's Institute for Research on Education Finance and Governance released "Politics, Markets, and the Organization of Schools," by Brookings Institution Senior Fellow John Chubb and Stanford Professor Terry Moe, which purported to show that private and parochial schools were more "productive," and offered the first comprehensive voucher plan. The "Chubb-Moe thesis," as it soon became known, got much wider circulation in 1990, when it was published commercially as *Politics, Markets, and America's Schools.* The latter book was uncritically endorsed by almost everyone who might benefit from government subsidy of private education, including most Roman Catholic and evangelical Christian organizations.

Having set the ball rolling, Finn did not stay on with the Bush administration in 1988. However, his protégé Lamar Alexander became George Bush's secretary of education, and Finn is known to have written most of Alexander's important policy material, including Bush's "America 2000" plan.

'Time to take ownership'

The second Reagan administration, with Bennett and Finn discussing "free enterprise competition" at the Department of Education, inspired several large corporations to begin planning to turn public education into a new profit center. At the low end, there was the creation of firms like Cover Marketing Services, which still distributes millions of free book covers and binders, complete with highly paid advertisements. More ambitiously, the nation's fast-food chains, after a long wait, decided that the time was ripe to make a concerted onslaught on the nation's highly regulated $4.8 billion school breakfast and lunch market. Burger King, for instance, was able to set up 14 "Burger King Academies," working with local high schools, and other chains had similar operations, in which students got academic credit for training to sling burgers.

However, the U.S. Congress stymied efforts for further corporate encroachment by refusing to waive the stringent meat inspection requirements of the National School Lunch Program; these inspections were costly, and made the fast food too expensive for competitive bidding. However, in 1992, Congress passed what is jocularly known as the "Pizza Hut exemption." Sponsored by Democrat Rep. Dan Glickman of Kansas (Pizza Hut's home state) and backed by Bush White House Chief of Staff John Sununu, the measure specifies that the toppings on the pizzas will no longer be considered meat—and therefore do not require inspection!

Other corporations openly planned fundamental changes in the education system. The Xerox Corp.'s chief executive officer, David Kearns, who had previously moved his company into investments in certain textbook publishers, set up in 1986 the Institute for Research on Learning, "dedicated to train the so-called untrainable." The IRL was devoted to new forms of computerized learning, and was really a nonprofit offshoot of the artifical intelligence research group at Xerox's nearby R&D facility.

In 1987, Kearns collaborated with Hudson Institute Senior Fellow Dennis Doyle—a former assistant to Secretary Bennett, and an early collaborator of Finn at the Education Excellence Network—to write *Winning the Brain Drain: A Bold Plan to Make Our Schools Competitive*. In 1988, this book netted Kearns an invitation to retire and join Lamar Alexander's Education Department as deputy secretary, where he became the chief fundraiser for President Bush's New American Schools Development Corp. (NASDC), a semi-public corporation set up in 1991 to have corporations help fund new experiments in education that would ultimately result in 535 new schools (one for each U.S. congressman and senator). At one of the initial meetings for NASDC, Kearns told the assembled corporate leaders, "It is time to take ownership of the schools." Kearns now directs NASDC under the Clinton administration.

Also in the mid-1980s, Control Data Corp. began to upgrade its education work significantly. CDC is the marketer of the PLATO program, one of the first and certainly the most widely used software for so-called computer-assisted instruction (CAI). A Minnesota-based corporation, CDC was also influential in the Minnesota Business Partnership, a forum of corporate chief executives which was the crucial sponsor of Governor Perpich's 1983-88 education competition reforms, along with the Humphrey Institute. Anticipating the possibility of vouchers which would vastly increase the market for alternative schooling, CDC began research preparing for a chain of private schools heavily reliant on CAI.

When CDC realized in 1985 that vouchers were still a long way off, it sold its research and planning package to corporate trainer John Golle, who created Education Alternatives, Inc. (EAI). Golle opened one school in 1987 and then another in 1989 on the CDC plan: The principal was called "executive director," and there were no science, art, or physical education teachers; remaining teachers got an average $5,000 less than in the public schools, and had to fit their talents to the computer-assisted "Personal Education Plan" of each student. But, EAI, like CDC, was also losing its gamble; in 1989, vouchers were still not imminent, and without them, the corporation's private operations would not survive. So, in 1990 Golle put his plan for private schools on hold, and sold himself as a private operator of public schools; in that year EAI won the contract to run an experimental school in Dade County (Miami), Florida. In the three years since then, EAI has become a major component in the privatization conspiracy, as we shall see below.

The story is similar for Herbert Christopher "Chris" Whittle, a man who became rich while still a University of Tennessee student in the 1970s, by selling condensations of textbooks. By the eighties, Whittle was the multi-millionaire owner of a conglomerate which produced books, magazines, and various "cribs" used on 300 campuses. In 1989, he launched Channel One, a plan which offered any secondary school in the country $50,000 worth of television equipment and satellite dishes—free! The school could use the equipment for anything they wanted, except for two one-hour periods, wherein Whittle would provide "social studies programming." The catch is that the required two hours includes commercials, which the teachers may not turn off; Whittle can charge advertisers huge rates for this commercial time, because he can deliver a captive audience of teenagers far larger than any television network or combination of networks.

Whittle's move to Channel One was financially backed by what was then Time, Inc., which bought 50% of Whittle; and by Associated Newspapers Holdings, a British corporation controlled by the Viscount Rothemere (owning Britain's leading tabloids, including the *Daily Mail*), which owns 33%.

The Channel One project was opposed by every national education group, including the NEA and the AFT, the National PTA, many consumer and children's advocate groups, and Roman Catholic education activists; legal restraining orders were sought in several states. Whittle countered this with millions of dollars of lobbying, and, so far, he has successfully beaten back all challenges. Channel One is now installed in over 12,000 schools (and growing), and Whittle's commercial messages now must be seen by one-third of all teenagers in America. The poorer schools, which cannot afford electronics, make up the majority of Whittle's installations; for instance, 65% of all Roman Catholic high schools, historically an underfunded segment of the school structure, have been wired to Whittle.

The Edison Project

Riding the wave of his Channel One success, Whittle in late 1990 decided that voucher programs would soon become widespread, and that a chain of private schools, competitive in tuition with parochial schools, would make a killing. He created a new division called the Edison Project, and announced plans to create 200 new, highly modern K-12 "campuses" by 1996, with 1,000 targeted by the end of the century. Why did Whittle think he could win the gamble, when several other players had lost? Whittle had an inside track: He owned the secretary of education!

When Lamar Alexander left the Statehouse in 1987, he went to work for his longtime friend, Chris Whittle, whom, it was said, he was grooming to run for governor of Tennessee. Alexander bought four shares of Whittle Communications for $10,000. Five months later, Alexander was offered the presidency of the University of Tennessee, and to maintain the semblance of probity, he sold the four shares back to Whittle—for $330,000. After a few months at the university, George Bush offered Alexander the Education portfolio, and the Tennessean had to sell his house, which he had bought one year earlier for $570,000. Luckily, he was able to sell it quickly—to the second-in-command of Whittle Communications.

Fallback options

The 18 months since Fall 1992—when things appeared to be riding high for Finn, Whittle, et al.—did not go as planned for the education looters. For one thing, George Bush (or his handlers) refused the demand to make education in general, and voucher "choice" in particular, the focus of his campaign. The Republican President, ever the political animal, correctly perceived that the nation was not yet ready for a full push for voucher/deregulation, and realized that the National Education Association, the largest lobby in the country, would organize opposition to Republican education policy no matter what the party did. The GOP campaign made tentative probes, pushing what Bush called "a GI Bill for America's students," which was a $1,000 per student qualified voucher plan. As soon as Clinton countered this—somewhat cynically, given his own past history—by claiming that Bush was abandoning the public school system, Bush dropped the subject completely. He distanced himself from Whittle's group.

The Bush White House also took a hand in watering down the original conception of NASDC as a scheme for giving corporations a free hand in breaking up and taking control of public education. The free trade fanatics had planned NASDC as a vehicle for controlled revolution (Finn and Alexander's "populist revolt"); it was to open the floodgates to experiments of all types, from highly structured, corporate-centered factories to touchy-feely academies that would delight liberals. The specific experiments in themselves were less important than the general goal of convincing the majority of Americans: 1) that public education was obsolete and needed to be "re-invented"; 2) that this radical tinkering required freedom from "monopolistic" regulations—that is, deregulation; and 3) that the best ideas could come from the full and profitable participation of the nation's corporations in this educational renaissance. As Finn more or less said in his 1992 open letter, the plan would work if the federal government kept its nose out, and just set up rigid national test goals and standards; then, enraged parents, sometimes with corporate sponsorship, could be unleashed locally to tear down the area schools or teachers which were not being "accountable" and falling below national test standards.

This original plan of Finn and Company was designed to make all education in America "outcome-based"—and rigorously so—except the specific "outcomes" will be somewhat deregulated and determined locally, often at the behest of local employers. In this system, the New Age brainwashing programs which now officially go under the name "outcome-based education" will have their place, especially to pacify students who would have no hope of employment, and could be convinced that "self-esteem" was more important than a job. Indeed, many of today's most grotesque OBE plans went into operation during Finn, Alexander, and Bennett's watches at the Department of Education. Predictably, all three men are now *vociferous public opponents* of OBE, sex education, the NEA liberals, etc., and often speak or write on behalf of groups fighting New Age education reform—all the better to get parents enraged, without anyone asking what the real purpose of education should be. Unfortunately, quite a few people devoted to stopping New Age brainwashing, including several well-known religious figures, have fallen for the trick, and are mouthing the privatizers' line that the public system is too corrupt to save and must be abandoned.

But, the White House got cold feet on NASDC too, and thought Finn's plan would appear too pro-business. Over the strenuous objections of neo-conservative think-tankers, it was mandated that any methods, technologies, or test data coming out of NASDC experiments could not be later used for profit. The corporations responded in effect: "Philanthropy is one thing, but you are asking us to give money away!" Despite an unprecedented series of invitations to Camp David and other fundraising, NASDC's Kearns could only garner $50 million of the $200-300 million requested, and only $10 million of that was liquid—much of it was brow-beaten out of Kearns's own Xerox Corp. Up until the end of 1993, in fact, Kearns had only been able to raise $57 million; in December of that year, Walter Annenberg gave NASDC $50 million, doubling the group's funds.

Bush managed to enrage everybody with his timidity. The $1,000 qualified voucher plan was okay, said free enterprise extremists, but unless it is tied to complete deregulation, it will be used to meddle in private schools; so the Cato Institute, the Heritage Foundation, the Ludwig von Mises Institute, and columnist Pat Buchanan all denounced the President on this issue in 1992. Meanwhile, the truncated NASDC managed to fund just 11 projects. The neo-conservatives were disgusted, because this was hardly the desired revolution. The liberals blasted it as a sellout to business anyway. A typical left-liberal response was from *The Nation,* which is an unqualified supporter of the National Education Association, OBE, and other New Age reforms: "True, a minority of the plans could be considered liberal or progressive reform efforts—one proposal for schools controlled by Los Angeles teachers and community leaders, for instance, and another uniting the efforts of longtime reform advocates [and OBE architects] James Comer, Howard Gardner, and Theodore Sizer of Yale, Harvard, and Brown, respectively. But a clear majority of NASDC's grants went to proposals that conform to at least the broad outlines of the private-sector, market-driven philosophy embraced by Bush, Alexander, and their camp followers."

Perhaps the Bush who will be most remembered for helping to destroy education in America will be the ex-President's son, George W. Bush, the managing partner of the Texas Rangers baseball team and pre-candidate for governor of Texas, who is now one of the leaders in the fight to deregulate

A 19th-century view of childhood without public education, from George Cruikshank's illustrations for Hard Times, *by Charles Dickens. This scene is captioned "The Breaking-Up at Dotheboys Hall."*

his state's education, and introduce competition. "I call for the abolition of the regulatory powers of the Texas Education Agency," announced Bush the younger this year, regurgitating the standard Finn-Alexander line. "We must govern locally to encourage new kinds of schools, new kinds of teaching methods, new educational entrepreneurships, and new standards of excellence if our children are to compete in the next century." Young Bush's "new" propopsal actually comes from a 1990 report, "Choice in Education: Opportunities for Texas," published by the Texas Public Policy Foundation, but written by John Chubb, a charter member of the privatization mafia, now with Whittle.

Defeat in California

By early 1993, it was clear that the full-scale looting of the system through competition would only occur quickly, if Proposition 174 passed in California. The ballot initiative called for giving $2,600 (a little over half the current average cost) to the parent of every California student. This money could be used to send that student to any school in the state—with "school" defined as any institution with 25 enrollees meeting certain, but not all, California curriculum and teacher certification requirements. The Whittle group saw this as a make-or-break situation: Although Time-Warner, Inc. had kicked in some more money and Phillips, the Netherlands-based producer of interactive TV equipment, had invested, most high rollers refused deals with Edison until it became clear that government money would somehow be made available to private education. Whittle was nowhere near the $2.5 billion needed to take on the public system.

Lamar Alexander toured California, giving speeches saying, "This is inevitably going to pass. This is the Berlin Wall of American political issues. One day it's going to collapse, and one day in America, low- and middle-income children will have the same choice as rich people." (Alexander's turn of the phrase was borrowed from colleague Finn, who used the Berlin Wall analogy in a 1991 book: "They've torn down one in Berlin. How about demolishing our own?" Whittle also uses it in speeches.) Former Secretray of Housing and Urban Development Jack Kemp, a pre-candidate for the 1996 GOP presidential nomination, as well as ex-Secretary Bennett, and the grand old man of looting, Milton Friedman, joined Alexander on tour.

The measure went down to defeat by a 2 to 1 margin. That defeat has been the cause of an extraordinary public laundry-washing by the GOP. The California Teachers Association (the state affiliate of the NEA) led a $10 million opposition campaign with massive TV advertising. But, the supporters could barely raise $1 million from the state's usually openhanded conservative moneybags. At the last moment, Republican Gov. Pete Wilson announced that he could not support the proposition: If all the students in California private schools—and thus not costing the state anything—were suddenly to queue up for their $2,600 voucher, it would cost the state over $1 billion, and the state didn't have a spare billion. Wilson agreed that the measure would greatly reduce education expenditure in the long term, but there was no way the state could get past the initital $1 billion "nut."

Syndicated columnist Robert Novak called the refusal to get behind the voucher-dereg plan "shameful"; neo-conservative strategist William Kristol was "appalled"; the *Washington Post*'s David Broder also called it "shameful," and reported, as have several commentators, that this and upcoming planned battles for vouchers and deregulation "could be the start of the road back to the White House in 1996." In late 1993, twenty-nine governors said they either had or were working on voucher plans; 19 states have major organizations to promote such changes. This issue, wrote Broder, has "become the central part of the 'new paradigm' aimed at giving conservatism fresh intellectual battle cries powerful enough to replace the vanished anticommunist slogans of the Cold War and less divisive than the crusade against abortion." The fact that Kemp campaigned for Proposition 174, and that Alexander announced for the GOP presidential nomination right after the vote, confirms Broder's analysis.

It is fairly clear that California's business interests did not support Proposition 174 for roughly the same reasons that corporate money did not flow to NASDC. Corporations were sending the message that they are not going to make any investments *until they can be assured of getting a lot more control of curriculum,* enough control to ensure that the schools will provide them with a pool of pre-trained labor. That is, corporations will provide the investment to allow states to get over the initial voucher hurdle, if the states will take up the cost heretofore spent by the corporations on initial employee training. You may not think that training someone to put on a paper hat, punch buttons, and say, "You want fries with that?" costs a lot of money, but it costs a large fast-food chain ten of millions per year. If the school system does it for the chain, then it is worth a contribution of a few million.

The 'public/private partnership'

However, all this Republican self-criticism was too late to help Whittle and Co. In October 1993, as polls were predicting exactly the 2 to 1 defeat which occurred, Whittle announced that the Edison Project would follow the path of Education Alternatives, Inc.: The chain of private schools would be put on hold, and the project would contract itself as the private manager of public schools.

Whittle's announcement, plus a stream of related developments in the four months since, confirm that the privatization mafia had decided to attack the public system through a more piecemeal approach, assuming that the continued collapse of the overall system would eventually assure vouchers nationally:

- Whittle begins negotiations with several large school districts, and is called in for consultation by Gov. William Weld of Massachusetts; Edison Project officials identify their goal as the management of a dozen systems by 1995. Keeping together his old team, Whittle adds former Carter administration staffer Hamilton Jordan and Deborah McGriff, the former superintendent of Detroit's schools.
- EAI, in the second year of managing nine Baltimore schools for $27 million annually, wins an expansion to take over maintenance and security at two additional schools. Shortly after, on Nov. 16, 1993, the Maryland State Board of Education announces that it will take over any of the state's high schools that don't meet certain test standards, and force the local operating body to "reconstitute" that school; elementary schools are to be added to the list in 1995. The Maryland State Teachers Association attacks the order, correctly noting that the State Board is planning to hand its problem schools to private firms. EAI is exultant, expecting what it calls the "public/private partnership" to vastly expand, and suggests that a 10% shift to private management nationally is a feasible, near-term goal.
- The Minneapolis School Board hands the system's entire 75 schools to Public Strategies Group, Inc. for $220 million annually. Although the school board will still set overall policy, PSGI has substantial powers, and the whole system will be "performance-based"—the company will make money in relation to greater test scores and other criteria. PSGI President Peter Hutchinson, a former Minnesota commissioner of finance, is a senior fellow at the Humphrey Institute and worked with Joe Nathan there.
- The District of Columbia school system announces in December 1993 that EAI has won a contract to manage 15 of the district's schools. Superintendent Franklin Smith notes that this will be the first step in a reform that will include the creation of "charter schools" independent of the system; he hopes to get a Fortune 500 company to directly take over at least one district high school.
- California Governor Wilson appoints Sanford C. Sigoloff as interim state superintendent of schools. Sigoloff is not an educator but a "corporate turnaround strategist" who specializes in restructuring corporations that over-invested in junk bonds in the 1980s.

In addition, the last year has seen moves by over two dozen other corporations to take over bits and pieces of various school districts. Ombudsman Educational Services runs programs for students at risk of dropping out for 23 districts around the country, for instance. Berlitz runs the Spanish-language programs for several schools.

What's really going on?

The developments just listed are being widely touted by influentials in both national parties as the wave of the future, especially for bankrupt urban districts, and are getting a suspiciously uncritical reception in the news media. People have forgotten what happened when the free trade fanatics deregulated the airline industry in the early 1980s: At first, there were new carriers popping up, and everybody was offering to take you anywhere for next to nothing. After about two years, this stopped, and fares started going up—way up—and you couldn't even get to certain locations without great difficulty and expense; finally, lines started collapsing so fast that now there are fewer carriers, less infrastructure, and a much older fleet.

EAI's success is almost entirely dependent on its first model school, South Pointe Elementary in Miami. It is here that prospects, including Baltimore officals, are shipped to show them the clean classrooms, and personal computers everywhere. It is a shill. Through various means, South Pointe students each get budgeted $2,000 more than their fellows in the rest of the system; the computers are largely donated by IBM, which is coincidentally negotiating to market some of EAI's software. Similarly, the Baltimore schools that the District of Columbia officials were shown to convince them to go with EAI are well-budgeted at what is suspected to be a massive loss to EAI. In business terms, these are "loss leaders," items sold below cost to "get a foot in the door" or to build up sales volume. The higher costs, the layoffs, and the shutdowns come later.

The only way private companies can make money operating public schools in the long term is by looting wages. Many people know this, and it is openly stated in the financial press. Wages represent 93% of the cost of public education; that is a "labor intensivity" almost double that of any other kind of business in America. Private schools are less labor-intensive—63-75%—and some partisans have used this figure to say that private schooling is more productive; actually, private schools, particularly parochial schools, pay less, use more volunteers, and often just "do without."

When EAI entered the Baltimore school system, it got rid of the full-time positions for music, art, and physical education teachers, as well as for school nurse and school librarian, adding these responsibilities to remaining staff. The firm had wanted to fire all the para-professional teacher's aides, and replace them with cheaper labor, but the Baltimore Teachers Union held a boycott to prevent this. (As it stands, the union's grievances have mounted, and they recently filed suit to remove EAI.) The firm has also replaced the custodial and administrative staff with sub-contractors for maintenance, food, security, and financial management.

Both EAI and Edison plans call for increasing use of low-paid graduate students from university education departments, called "apprentices" by Edison and "instructional interns" by EAI. In their private school plan, at least, Edison also wanted to supplement the custodial and front office staff with unpaid student labor which would have the opportunity of learning the "work ethic." Edison also wanted parents to volunteer two hours per week to the school. While EAI says that they will reduce class size from its current national average of 25 to around 15 students, Edison's Chubb says, "I think that it is frankly a waste of money to push classes down to a dozen-to-one." The more scholarly Benno Schmidt, a former president of Yale, says, "There could be a class of 1, or 100, or even 1,000. Our model is to get away from the highly inflexible instructional group dynamics we have had since the nineteenth century."

Computerizing the teacher

The key to looting wages will be "changing the technology to personnel ratio," in the official jargon, otherwise known as replacing people with machines.

Dennis Doyle, Kearn's collaborator at NASDC who is now with the Hudson Institute, admits that success of Edison, EAI, and the like "will depend on electronic technology—such as interactive computer disks—to increase the rate and depth of learning, so kids will learn twice as fast at half the cost." Edison's original plan, quietly being downplayed for the time being, suggested that *the central position of the teacher in the classroom would ultimately be replaced by a computer center,* with faxes and other communications technology; the new-style teacher would be mobile, checking student progress on computerized, personalized lesson plans. EAI has similar plans and even now assumes that it will make 20% of its revenues from marketing the technology and software to the schools it manages.

Lewis Perelman, a former collegue of Doyle's at Hudson who has become an influential educational "futurologist," is advising corporations to go even further, and accept a scenario in which the physical school building itself will be abandoned as an obsolete concept, and whatever future investment in education there is, will only go to labor-saving technologies—what Perelman calls "hyper-learning." "Replacing academic classrooms with hyper-learning technology," says Perelman, "offers a potential commercial market opportunity worth a few hundred billion dollars a year in the U.S. alone—and several times more in the rest of the global economy. This is the greatest business opportunity since Rockefeller discovered oil. Yet it is being thwarted by a thicket of legal and regulatory barriers, and vested interests, that can only be cleared by forceful, cunning attack by unapologetically ambitious, entrepreneurial business leaders."

Perelman, a Harvard protégé of Jay Forrester, the co-author of *Limits to Growth* (which became the "Bible" of the zero-growth movement in the 1970s), headed "Project Learning 2001," a 1989-91 Hudson Institute program which ultimately included many of the heads of those corporations planning to make money in privatized education. Perelman's conclusion was that, although "Chris Whittle just might be the Henry Ford of learning," private-sector management of public schools must only be seen as a brief phase, leading to complete deregulation—starting with the amendment of those state constitutions which prohibit private profit from education—and ending in total free trade: "Privatization requires eliminating government ownership, operation, and subsidy of education and training institutions—freeing the $400 billion plus in annual education-related spending to become a true market for private, profit-seeking enterprise." Further, says Perelman, privatization is the global trend: Public education should be treated as a "socialist monopoly"; he quotes Harvard economist Jeffrey Sachs to prove that we should not tinker with it as they did in Poland; we should sweep it away, no matter how much pain such "shock therapy" causes.

Hit and run on information superhighway

Such radical changes can be organized, says Perelmen, because, in hard economic times, the primary educational concern of parents becomes: Will this schooling best prepare my child for a job? So, cut out the middleman; let the corporations control the schools and have them achieve the outcomes they want for their new employees; parents will accept this lowered expectation of what their child will become, because at least the child is reasonably assured of a job with the school's corporate "godfather." (For people who wonder what corporate-sponsored schools looked like before the days of public education, a glance at Charles Dickens's 1855 *Hard Times* is instructive. There you will find a great Dickens villain, schoolmaster Thomas Gradgrind, and his corporate master Boundersby; Dickens tells us that Gradgrind named one of his sons after Thomas Malthus and another after Adam Smith, so his polemic against the evils of free trade in education would not be lost.)

For much of the population, in Perelman's view, there will not actually be a need for physical teachers. He gives the example of the recent Civil War series on PBS television: The series reached millions for a few million dollars of production and distribution costs; to get the same "lesson" out via the education system would take thousands of lecturers in classrooms totalling many millions more dollars. Similarly, "Sesame Street" reaches a vast preschool audience at the cost of one penny per viewer, whereas Head Start and other preschool programs cost many times more. If you assume that the "TV version" of knowledge is adequate, and Perelman does, then it is far more productive to replace teachers with TV, letting students study on cheap terminals, or perhaps even at home, and "test" via an interactive system. Most corporate training is susceptible to computer learning, which is why corporations spend 300 times more on computer and televised learning than schools.

If you want creative graduates who will almost definitely ask a lot of questions "outside the lesson plan," you need teachers. If your goals are lower, then interactive TV is fine. There is an ominous preview of this in Whittle's current Channel One operation: Channel One's so-called social studies programming—for which students get academic credit—is modelled on the mind-numbing MTV rock' n' roll cable channel. "News items" average 18 seconds each, and announcers speak at a frenetic 140 words per minute, about double the speed of an average teacher.

Perelman's dystopia is not science fiction; it is being implemented very fast. It is, in fact, a large reason behind the dizzying changes in the telecommunications industry over just the last six months—all moves toward the "information superhighway." The current trend started in early 1991, when the executives of Time-Warner, Inc., the organized crime-linked conglomerate which is Whittle's parent, announced that they were making a major commitment to the new communications technologies which would allow cable TV to expand from today's 50-75 channels, to the 500-600 channel range, including 150 interactive channels that could link a household with the video store, the bank, and vast data libraries, among other things. A pilot project linking several thousand Queens, New York households by fiber optic cable was unveiled. At the time, observers marveled at the size of Time-Warner's gamble: In the past, the market for interactive services had not materialized, and no one knew how strong a fight the telephone companies would make to control certain telecommunications services coveted by the interactive system. Steve Ross, the mafia-linked entrepreneur who put together the Time-Warner combine, surprised everyone with his confident reply: "The greatest role interactive TV will play is in education."

Although Ross may have jumped the gun in 1991 based on overconfident Whittle political analysis, recent developments have vindicated the prediction. In 1993, the Clinton administration made it clear that it would not oppose the deregulation of the telecommunications industry; this meant that phone companies would not have to compete with the cable operators, but could combine with them to dominate a vast range of entertainment and other services. Preparatory to a deregulation announcement—which was made by Vice President Gore on Jan. 10, 1994—huge mergers were announced throughout 1993: Bell Atlantic and TCI, the latter the nation's largest cable operator and a major shareholder in several cable broadcasting companies, merged for $26 billion; Time-Warner, the second-largest cable operator, announced a $2.5 billion deal with U.S. West; Southwest Bell joined cable giant Cox Enterprises of Atlanta for $1.2 billion; and three similar deals of a smaller size were announced between other cable and phone companies. The day before Vice President Gore's announcement of the "information superhighway" deregulation, the Bell Atlantic-TCI combine said that it would give 26,000 schools—one-quarter of the nation's total—free access to the superhighway, and would foot the cost of cabling the schools into TCI's high-speed voice, video, and data links. At his speech the next day, Gore gushed over the move, saying, "That's leadership." Two years ago, as a candidate, Gore had called TCI Chairman John Malone "the leader of the cable Cosa Nostra"; Malone is well known for business practices bordering on the homicidal.

The cost of hard-wiring 26,000 schools is minimal for TCI, as has been the cost of satellite links to 12,000 schools recently completed by Whittle for Time-Warner. It would be nice to think that these schools are being given the technology to enable them to access the data banks and libraries of the world, and all the tools to help their students become the scientists and artists we need to survive. Unfortunately, these linkages are being made on the basis of the brutal calculation that schools will continue to collapse in the coming years—spurred on by escalating drives for privatization—and that these pieces of electronics may well be all that is left of education in America.

An expanded version of this article will appear in a forthcoming EIR *special report.*

For further reading

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