

Chapter 19

The PacZone

“And for this Friday, March 6, 2037, we bring you a special edition of the Newshour focusing on the newly formed Pacific Trade Zone, or PacZone, as it will be known. I’m Katherine Parks and this evening we’ll shed light on one of the more complex stories in recent memory. We’ll start with our financial correspondent, Lynn Frankenthaler. Lynn, what can you tell our viewers about this new PacZone?”

“Thanks Katherine. It’s certainly a story that has heads spinning. On one level, it’s straightforward. The states of California, Oregon, and Washington have jointly filed paperwork with the Delaware Department of State to form a corporation.”

“What sort of corporation?”

“In the filing, the corporation is described as a trade association. What’s unusual is that the principals are the governors of California, Oregon, and Washington.”

“And this is legal?” asked Parks.

Frankenthaler couldn’t suppress a laugh. “Sorry, Katherine, no one has a clue. And,” she added, “that might not be the issue.”

“What do you mean, Lynn?”

“If no one challenges the scheme, then its legality is moot. The administration doesn’t want to block the incorporation because they’re afraid California governor Elon Musk will make good on his threat to secede. President Ocasio-Cortez has made the calculation that she doesn’t want to do a trade deal with China, but she can live with this PacZone. If the president blocks the proposal, then keeping California in the Union might mean a civil war. Polls show that only 37% of Americans favor fighting to keep California from leaving. For the president, going along with the trade zone proposal might represent the path of least resistance in keeping the states

together. Musk appears to have Ocasio-Cortez in a tight spot.”

"And Lynn, why Delaware?"

“That's easy, Katherine. Delaware has always been a popular state in which to incorporate. State officials there have already indicated that they see no problem with the application filed by the three governors. And there's no constitutional issue. The constitution is entirely silent on the question of corporations, so there's no help on that front. Delaware simply found no reason to disallow the request.”

“But why do these states want to incorporate? What's the advantage?”

“California wants to do the China trade deal, but the Chinese refused to sign an agreement with an individual state, in this case, California, claiming that such a move was forbidden by the Chinese constitution. What they wanted was a deal with the US government, but, as you know, the administration wouldn't go along. After some negotiation, the Chinese suggested that it was perfectly legal for their government to sign a deal with a corporation. But China wanted more than just California. They wanted all of the west coast.”

“Why,” asked Parks.

Frankenthaler smiled. “Because they want Amazon, Microsoft, Boeing, and the west coast ports. We often think of California as the economic powerhouse, but the other west coast states, Oregon and Washington, are also major players,”

“And Ocasio-Cortez is going along?”

“Governor Musk flew to Washington last week. The administration was tight-lipped on the talks, but insiders are saying that Musk read Ocasio-Cortez the riot act. She could let the incorporation happen or Musk would put California's secession up for a referendum. A recent Pew Poll showed 63% support among Californians. Some of that number is thought to be the result of an

ad blitz from Musk himself.”

“But Lynn, help us understand what this means? What exactly is the PacZone? What will it do? Is it a government?”

“No one knows, Katherine. All we can say for sure is that the PacZone isn’t a government. It’s a corporation, but it’s difficult to say what this corporation will do or how it will behave. Privately, many on both sides of the aisle are saying that they don’t see any harm in the scheme, particularly if the alternative is secession. No one wants to go there.”

“And what are the likely ramifications?”

“The most immediate consequence will be the finalization of the trade deal between China and the PacZone. Many see this as a good move for the US economy as a whole, even if it strengthens China’s hand politically. Beyond that, it’s very likely that other states will want to form corporations in order to make trade agreements of their own with foreign nations. Some of the midwestern states are likely to incorporate in the near term. A corn deal between Kansas and Argentina is reportedly in the works as Argentina tries to meet a growing need for cattle feed. Similarly, there’s talk of a wheat deal between Iowa and India. New York has been eyeing a tech agreement with Russia that would allow New York, and likely some surrounding states, to compete with the PacZone.”

“And can we expect that these new ‘zones’ will all contain multiple states like the PacZone?”

“Well, Katherine, in the case of the PacZone, California did it this way, got Washington and Oregon to join, because that’s how China wanted it. I think we can expect to see some zones containing only a single state.”

“So, are you saying that this is likely to be a trend?”

“Almost, certainly,” replied Frankenthaler. “Nearly all the states are unified in their belief that the federal government is not serving their interests when it comes to trade. It’s likely that many will

want to emulate the PacZone scheme. The most vocal opposition within the administration is coming from the state department. Staffers there are convinced that such corporate trade agreements will gut the state department's ability to deal with foreign nations."

"Is that a realistic concern, Lynn?"

"It certainly is, Katherine. We've seen what happened to the Treasury and the Federal Reserve with the growth of private currencies. The government has suffered a substantial loss in its ability to control the money supply. The State Department is worried about a similar loss of control."

"But not worried enough to stop the train?"

"Musk's threat of secession is the winning card."

"And Lynn, you said that the PacZone describes itself as a trade association. Is it possible that it might dip its toes into other activities?"

"Yes, Katherine, and I think we'll likely see that. There's been talk, for example, of the three states involved in the PacZone cooperating on new energy sources like cold fusion in support of manufacturing activities. The PacZone might be a natural vehicle for such cooperation. It's hard to imagine a limit on where this could be taken."

"Well, thank you Lynn for shedding light on the impenetrable. Next, we talk to Harvard economics professor Neil Jamison, author of 'The New American Revolution'. Professor Jamison, welcome to the Newshour."

"Thank you, Katherine. It's a pleasure to be here." Male guests appearing on the Newshour nearly always wore suits but rarely took them seriously. Jamison was buttoned up, hair neatly parted, and ready to plug his book.

"Professor Jamison, I know that you've been following closely the formation of this PacZone on the west coast. What's your view?"

“Yes, Katherine. This action on the part of the west coast states was inevitable. For years we’ve heard complaints about the ‘corporatization of America’ as if this was a bad thing. I find this surprising in a country that prides itself on being thoroughly capitalist. The PacZone is on the vanguard of a movement. For decades now, we’ve lived with national paralysis. Our federal government is mired in inertia. The only movement we see comes from individual states, but these states are limited in their powers by state boundaries. The PacZone provides a new model. A new way of thinking about progress.”

“Then you think that other states will follow?”

“Without question. I agree entirely with your reporter. We’re going to see every state jumping on the bandwagon. Look at the vitality of US corporations during the past few decades, Apple, Amazon, Tesla, Space-X, Meta, Alphabet, Regeneron, just to name a few. We see innovation at the speed of light. There are some who express a distaste for these corporations, but there are few who can argue that these companies haven’t profoundly changed our lives. Now, let’s compare this to government. What innovations have come from our government, say in the past decade, since 2027? I can’t think of a thing. That just isn’t what our government has been about.”

Parks thought for a moment. “So, how should we see these new corporate zones? Will they supplant the states?”

Jamison smiled. Parks had asked exactly the right question and the professor replied enthusiastically. “Our federal government and the individual states are all about keeping things the way they are. The two forces pull against one another, keeping everything in place. The founders were looking for a system that would provide stability for a fledgling nation. Nothing wrong with that, so, let’s not throw it away. Stability is important. But let’s now draw an overlay of corporate zones on the map. These zones bring dynamics to our nation, they bring a forward motion that our federal system wants to suppress. So, the answer to your question, Katherine, is that we

should see these zones as an overlay on our existing map of America. Nothing is lost, but economic dynamics is added. I believe we will look back and see this time as a second American revolution.”

Parks held a copy of Jamison’s book towards the camera. “Professor Jamison’s is the author of ‘The New American Revolution’. Thank you, professor, for providing us with a perspective on the incorporation of west coast. And now, this being Friday, we’ll talk with our stalwart columnists, Ralph Lowry of the Washington Post and Fran Quinn of the New York Times.”

Parks was nervous. She’d gone way out on a limb for Lowry, promising the producer that Lowry was a changed man. As she looked across the table she couldn’t help but worry. She’d just seen him return a small plastic pill bottle to the jacket pocket of his rumpled suit, and lift a hand to his mouth. She could see that his hands were shaking.

“Fran, what do you think about this PacZone?”

“I suppose, Katherine, that my thoughts are conflicting. On the one hand, it appears that this move was necessary to prevent the secession of California. Musk is playing hardball, and he won. On the other hand, Professor Jamison’s description of a corporatized nation is chilling. His overlay model might sound reasonable, the professor is a good salesman, but I can’t help thinking of what it will be like to live in Amazon Land.”

As Quinn spoke, Parks could see Lowry stuff a few more pills into his mouth. Now she was worried.

“Ralph, what do you think?”

Lowry was blank for a moment, and then a broad smile filled his face. “Finally,” he declared, “we’ll see some progress in America. The professor’s right on point. What this country needs is an overlay of change.”

Quinn looked at him, surprised. “You really buy this overlay

nonsense, Ralph?”

“It’s not nonsense, Fran. I’ve haven’t felt so optimistic in years. I know how deeply I’ve been stuck in long-held beliefs, but I’ve freed myself now. This idea of a corporatized America is just the ticket. Jamison is exactly right, it’s corporations that have generated all the change in the US. Our government once gave us great things like Social Security and Medicare, but we haven’t seen anything like that in years. We need to stop expecting government to do anything for us and look towards the corporations. Look at the great things that these companies have delivered, vaccines, moon shots, a fix for spinal cord injuries, AI, it’s an amazing list.”

Quinn was astonished. She hadn’t seen Lowry so enthusiastic about anything for years. But more surprising was his support for corporatism. Lowry had always seen corporations as the enemy. He’d railed against corporations on the Newshour and in his columns.

Her first instinct was to rebut some of these assertions. Corporations had, for example, also brought a skyrocketing wealth gap and a culture in which every American feels spied upon. Then Quinn realized that it was Lowry himself who should be providing the rebuttal. It didn’t make sense. She took a different tack.

“Isn’t this a bit of a turnaround for you, Ralph,” Quinn ventured.

“It’s your doing, Fran. You finally convinced me to let go of those long-held beliefs. And I have to thank you for it. I’ve never been so optimistic.”

That may have been part of it, but Parks guessed that the Xanax helped.

“Think of the innovations. Think of the progress that we can make with all of America participating in these corporate zones. A designer cure for every illness, turning off the genetic aging switch, travel to Jupiter, improvements in education, reductions in the income gap, real progress in cli—”

“Thank you, Ralph and Fran, I’m afraid that’s all the time we have. We look forward to another lively debate next Friday.”

The producer on the other side of the glass was flashing a big ‘thumbs up’.

Parks exhaled.