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The Conquest Continues

Noam Chomsky

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# PART I

## *Old Wine, New Bottles*

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### Chapter One

## The Great Work of Subjugation and Conquest

The year 1992 poses a critical moral and cultural challenge for the more privileged sectors of the world-dominant societies. The challenge is heightened by the fact that within these societies, notably the first European colony liberated from imperial rule, popular struggle over many centuries has achieved a large measure of freedom, opening many opportunities for independent thought and committed action. How this challenge is addressed in the years to come will have fateful consequences.

October 11, 1992 brings to an end the 500th year of the Old World Order, sometimes called the Colombian era of world history, or the Vasco da Gama era, depending on which adventurers bent on plunder got there first. Or "the 500-year Reich," to borrow the title of a commemorative volume that compares the methods and ideology of the Nazis with those of the European invaders who subjugated most of the world.<sup>1</sup> The major theme of this Old World Order was a confrontation between the conquerors and the conquered on a global scale. It has taken various forms, and been given different names: imperialism, neocolonialism, the North-South conflict, core versus periphery, G-7 (the 7 leading state capitalist industrial societies) and their satellites versus the rest. Or, more simply, Europe's conquest of the world.

By the term "Europe," we include the European-settled colonies, one of which now leads the crusade; in accord with South African conventions, the Japanese are admitted as "honorary whites," rich enough to (almost) qualify. Japan was one of the few parts of the South to escape conquest and, perhaps not coincidentally, to join the core, with some of its former colonies in its wake. That there may be more than coincidence in the correlation of independence and development is suggested further by a look at

Western Europe, where parts that were colonized followed something like the Third World path. One notable example is Ireland, violently conquered, then barred from development by the "free trade" doctrines selectively applied to ensure subordination of the South -- today called "structural adjustment," "neoliberalism," or "our noble ideals," from which we, to be sure, are exempt.<sup>2</sup>

"The discovery of America, and that of a passage to the East Indies by the Cape of Good Hope, are the two greatest and most important events recorded in the history of mankind," Adam Smith wrote in 1776: "What benefits, or what misfortunes to mankind may hereafter result from those great events, no human wisdom can foresee." But it was possible for an honest eye to see what had taken place. "The discovery of America...certainly made a most essential" contribution to the "state of Europe," Smith wrote, "opening up a new and inexhaustible market" that led to vast expansion of "productive powers" and "real revenue and wealth." In theory, the "new set of exchanges...should naturally have proved as advantageous to the new, as it certainly did to the old continent." That was not to be, however.

"The savage injustice of the Europeans rendered an event, which ought to have been beneficial to all, ruinous and destructive to several of those unfortunate countries," Smith wrote, revealing himself to be an early practitioner of the crime of "political correctness," to borrow some rhetoric of contemporary cultural management. "To the natives...both of the East and West Indies," Smith continued, "all the commercial benefits, which can have resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned." With "the superiority of force" the Europeans commanded, "they were enabled to commit with impunity every sort of injustice in those remote countries."

Smith does not mention the indigenous inhabitants of North America: "There were but two nations in America, in any respect superior to savages [Peru, Mexico], and these were destroyed almost as soon as discovered. The rest were mere savages" -- a convenient idea for the British conquerors, hence one that was to persist, even in scholarship, until the cultural awakening of the 1960s finally opened many eyes.

Over half a century later, Hegel discoursed authoritatively on the same topics in his lectures on philosophy of history, brimming with confidence as we approach the final "phase of World-History," when Spirit reaches "its full maturity and *strength*" in "the *German* world." Speaking from that lofty peak, he relates that native America was "physically and psychically powerless," its culture so limited that it "must expire as soon as Spirit approached it." Hence "the aborigines...gradually vanished at the breath of European activity." "A mild and passionless disposition, want of spirit, and a crouching submissiveness...are the chief characteristics of the native Americans," so "slothful" that, under the kind "authority of the Friars," "at midnight a bell had to remind them even of their matrimonial duties." They were inferior even to the Negro, "the natural man in his completely wild and untamed state," who is beyond any "thought of reverence and morality -- all that we call feeling"; there is "nothing harmonious with humanity...in this type of character." "Among the Negroes moral sentiments are quite weak, or more strictly speaking non-existent." "Parents sell their children, and conversely children their parents, as either has the opportunity," and "The polygamy of the Negroes has frequently for its object the having many children, to be sold, every one of them, into slavery." Creatures at the level of "a mere Thing -- an object of no value," they treat "as enemies" those who seek to abolish slavery, which has "been the

occasion of the increase of human feeling among the Negroes," enabling them to become "participant in a higher morality and the culture connected with it."

The conquest of the New World set off two vast demographic catastrophes, unparalleled in history: the virtual destruction of the indigenous population of the Western hemisphere, and the devastation of Africa as the slave trade rapidly expanded to serve the needs of the conquerors, and the continent itself was subjugated. Much of Asia too suffered "dreadful misfortunes." While modalities have changed, the fundamental themes of the conquest retain their vitality and resilience, and will continue to do so until the reality and causes of the "savage injustice" are honestly addressed.<sup>3</sup>

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<sup>1</sup> Höfer, *Fünfhundert-jährige Reich*. See Stannard, *American Holocaust*.

<sup>2</sup> Stavrianos, *Global Rift*, 276.

<sup>3</sup> Smith, *Wealth of Nations*, Bk. IV, Ch. VII, Pt. III (ii, 141); Bk. IV, Ch. I (i, 470). Hegel, *Philosophy*, 108-9, 81-2, 93-6; "the German world" presumably takes in Northwest Europe. On the fate of the mere savages lacking in Spirit, and the evasion of it, see Jennings, *Invasion*; Lenore Stiffarm with Phil Lane in Jaimes, *State*; Stannard, *American Holocaust*.

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## 1. "The Savage Injustice of the Europeans"

The Spanish-Portuguese conquests had their domestic counterpart. In 1492, the Jewish community of Spain was expelled or forced to convert. Millions of Moors suffered the same fate. The fall of Granada in 1492, ending eight centuries of Moorish sovereignty, allowed the Spanish Inquisition to extend its barbaric sway. The conquerors destroyed priceless books and manuscripts with their rich record of classical learning, and demolished the civilization that had flourished under the far more tolerant and cultured Moorish rule. The stage was set for the decline of Spain, and also for the racism and savagery of the world conquest -- "the curse of Columbus," in the words of Africa historian Basil Davidson.<sup>4</sup>

Spain and Portugal were soon displaced from their leading role. The first major competitor was Holland, with more capital than its rivals thanks in large part to the control of the Baltic trade that it had won in the 16th century and was able to maintain by force. The Dutch East India Company (VOC), formed in 1602, was granted virtually the powers of a state, including the right to make war and treaties. Technically, it was an independent enterprise, but that was an illusion. "The apparent autonomy from metropolitan political control that the VOC enjoyed," M.N. Pearson writes, resulted from the fact that "the VOC was identical with the state," itself controlled by Dutch merchants and financiers. In highly simplified form, we see already something of the structure of the modern political economy, dominated by a network of transnational financial and industrial institutions with internally managed investment and trade, their wealth and influence established and maintained by the state power that they mobilize and largely control.

"The VOC integrated the functions of a sovereign power with the functions of a business partnership," a historian of Dutch capitalism writes: "Political decisions and business decisions were made within the same hierarchy of company managers and officials, and failure or success was always in the last instance measured in terms of profit." The Dutch established positions of strength in Indonesia (to remain a Dutch colony until the 1940s), India, Brazil and the Caribbean, took Sri Lanka from Portugal, and reached to the fringes of Japan and China. The Netherlands, however, fell victim to what was later called "the Dutch disease": inadequate central state power, which left the people "rich perhaps, as individuals; but weak, as a State," as Britain's Lord Sheffield observed in the 18th century, warning the British against the same error.<sup>5</sup>

The Iberian empires suffered further blows as English pirates, marauders and slave traders swept the seas, perhaps the most notorious, Sir Francis Drake. The booty that Drake brought home "may fairly be considered the fountain and origin of British foreign investments," John Maynard Keynes wrote:

"Elizabeth paid out of the proceeds the whole of her foreign debt and invested a part of the balance...in the Levant Company; largely out of the profits of the Levant Company there formed the East India Company, the profits of which...were the main foundations of England's foreign connections." In the Atlantic, the entire English operation prior to 1630 was a "predatory drive of armed traders and marauders to win by fair means or foul a share of the Atlantic wealth of the Iberian nations" (Kenneth Andrews). The adventurers who laid the basis for the merchant empires of the 17th-18th centuries "continued a long European tradition of the union of warfare and trade," Thomas Brady adds, as "the European state's growth as a military enterprise" gave rise to "the quintessentially European figure of the warrior-merchant." Later, the newly consolidated English state took over the task of "wars for markets" from "the plunder raids of Elizabethan sea-dogs" (Christopher Hill). The British East India Company was granted its charter in 1600, extended indefinitely in 1609, providing the Company with a monopoly over trade with the East on the authority of the British Crown. There followed brutal wars, frequently conducted with unspeakable barbarism, among the European rivals, drawing in native populations that were often caught up in their own internal struggles. In 1622, Britain drove the Portuguese from the straits of Hormuz, "the key of all India," and ultimately won that great prize. Much of the rest of the world was ultimately parcelled out in a manner that is well known.

Rising state power had enabled England to subdue its own Celtic periphery, then to apply the newly honed techniques with even greater savagery to new victims across the Atlantic. Their contempt for "the dirty, cowkeeping Celts on [England's] fringes" also eased the way for "civilised and prosperous Englishmen" to take a commanding position in the slave trade as "the gradient of contempt...spread its shadow from nearby hearts of darkness to those far over the sea," Thomas Brady writes.

From mid-17th century, England was powerful enough to impose the Navigation Acts (1651, 1662), barring foreign traders from its colonies and giving British shipping "the monopoly of the trade of their own country" (imports), either "by absolute prohibitions" or "heavy burdens" on others (Adam Smith, who reviews these measures with mixed reservations and approval). The "twin goals" of these initiatives were "strategic power and economic wealth through shipping and colonial monopoly," the *Cambridge Economic History of Europe* relates. Britain's goal in the Anglo-Dutch wars from 1652 to 1674 was to restrict or destroy Dutch trade and shipping and gain control over the lucrative slave trade. The focus was the Atlantic, where the colonies of the New World offered enormous riches. The Acts and wars expanded the trading areas dominated by English merchants, who were able to enrich themselves through the slave trade and their "plunder-trade with America, Africa and Asia" (Hill), assisted by "state-sponsored colonial wars" and the various devices of economic management by which state power has forged the way to private wealth and a particular form of development shaped by its requirements.<sup>6</sup>

As Adam Smith observed, European success was a tribute to its mastery of the means and immersion in the culture of violence. "Warfare in India was still a sport," John Key observes: "in Europe it had become a science." From a European perspective, the global conquests were "small wars," and were so considered by military authorities, Geoffrey Parker writes, pointing out that "Cortés conquered Mexico with perhaps 500 Spaniards; Pizarro overthrew the Inca empire with less than 200; and the entire Portuguese empire [from Japan to southern Africa] was administered and defended by less than 10,000 Europeans." Robert Clive was outnumbered 10 to 1 at the crucial battle of Plassey in 1757, which opened

the way to the takeover of Bengal by the East India Company, then to British rule over India. A few years later the British were able to reduce the numerical odds against them by mobilizing native mercenaries, who constituted 90 percent of the British forces that held India and also formed the core of the British armies that invaded China in the mid-19th century. The failure of the North American colonies to provide "military force towards the support of Empire" was one of Adam Smith's main reasons for advocating that Britain should "free herself" from them.

Europeans "fought to kill," and they had the means to satisfy their blood lust. In the American colonies, the natives were astonished by the savagery of the Spanish and British. "Meanwhile, on the other side of the world, the peoples of Indonesia were equally appalled by the all-destructive fury of European warfare," Parker adds. Europeans had put far behind them the days described by a 12th century Spanish pilgrim to Mecca, when "The warriors are engaged in their wars, while the people are at ease." The Europeans may have come to trade, but they stayed to conquer: "trade cannot be maintained without war, nor war without trade," one of the Dutch conquerors of the East Indies wrote in 1614. Only China and Japan were able to keep the West out at the time, because "they already knew the rules of the game." European domination of the world "relied critically upon the constant use of force," Parker writes: "It was thanks to their military superiority, rather than to any social, moral or natural advantage, that the white peoples of the world managed to create and control, however briefly, the first global hegemony in History."<sup>7</sup> The temporal qualification is open to question.

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<sup>4</sup> Jan Carew, Davidson, *Race & Class*, Jan.-March 1992.

<sup>5</sup> Pearson, in Tracy, *Merchant Empires*, citing Niels Steensgaard. Brewer, *Sinews*, xv, 64.

<sup>6</sup> Keynes, *A Treatise on Money*, cited by Hewlett, *Cruel Dilemmas*. Pearson, Brady, in Tracy, *Merchant Empires* (Andrews and Angus Calder (on Celts) cited by Brady); Brewer, *Sinews*, 11, 169 (Anglo-Dutch wars). Hill, *Nation*. Smith, *Wealth*, Bk. IV, Ch. II (i, 484f.); Bk. IV, Ch. VII, Pt. III (ii, 110ff.). On the transfer to North America of skills developed in the Celtic fringe, see Jennings, *Invasion, Empire*. For a graphic account of the British-Dutch-Portuguese wars, see Keay, *Honorable Company*.

<sup>7</sup> *Ibid.*, 281; Parker, K.N. Chaudhuri (quoting Ibn Jubayr), in Tracy, *Merchant Empires*. Smith, *Wealth*, Bk. V, Ch. III (ii, 486). See ch. 1.2.

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"Twentieth-century historians can agree that it was usually the Europeans who broke violently into Asian trading systems that had been relatively peaceful before their arrival," James Tracy writes, summarizing the scholarly study of merchant empires that he edited. They brought state trading to a region of relatively free markets, "open to all who came in peace, under terms that were widely known and generally accepted." Their violent entry into this world brought a "combination, characteristically if not uniquely European, of state power and trading interest, whether in the form of an arm of the state that conducts trade, or a trading company that behaves like a state." "The principal feature that differentiates European enterprises from indigenous trade networks in various parts of the globe," he concludes, is that the Europeans "organized their major commercial ventures either as an extension of the state...or as autonomous trading companies...which were endowed with many of the characteristics of a state," and were backed by the centralized power of the home country.

Portugal paved the way by extracting a tribute from Asian trade, "first creating a threat of violence to Asian shipping," then selling protection from the threat they posed while providing no further service in return: "in modern terms," Pearson notes, "this was precisely a protection racket." Portugal's more powerful European adversaries took over, with more effective use of violence and more sophisticated measures of management and control. The Portuguese had not "radically altered the structure of [the] traditional system of trade," but it was "smashed to pieces" by the Dutch. The English and Dutch companies "used force in a much more selective, in fact rational way" than their Portuguese predecessors: "it was used only for commercial ends...the bottom line was always the balance sheet." The force at their command, and its domestic base, was far superior as well. The British, not succumbing to the "Dutch disease," largely displaced their major rivals. The leading role of state power and violence is a notable feature in the "essential" contribution of the colonies to "the state of Europe" that Adam Smith described, as in its internal development.<sup>8</sup>

Britain has been considered an exception to the crucial role of state power and violence in economic development; the British liberal tradition held this to be the secret of its success. The assumptions are challenged in a valuable reinterpretation of Britain's rise to power by John Brewer. Britain's emergence "as the military *Wunderkind* of the age" in the late 17th and early 18th centuries, exercising its authority "often brutally and barbarously" over subject peoples in distant lands, he concludes, coincided with an "astonishing transformation in British government, one which put muscle on the bones of the British body politic." Contrary to the liberal tradition, Britain in this period became a "strong state," "a fiscal-military state," thanks to "a radical increase in taxation" and "a sizable public administration devoted to organizing the fiscal and military activities of the state." The state became "the largest single actor in the economy," one of Europe's most powerful states "judged by the criteria of the ability to take pounds out of people's pockets and to put soldiers in the field and sailors on the high seas." "Lobbies, trade

organizations, groups of merchants and financiers, fought or combined with one another to take advantage of the protection afforded by the greatest of economic creatures, the state."

During this period, the British tax rate reached a level twice as high as France (traditionally considered the over-centralized all-powerful state), and the discrepancy was widening. Public debt grew rapidly as well. By the end of the 18th century, taxes absorbed almost a quarter of per capita income, rising to over a third during the Napoleonic wars. "Judged both absolutely and comparatively, Britain was heavily taxed." The growth of tax receipts was over five times as high as economic growth in the period when the military *Wunderkind* emerged. Part of the reason was efficiency; to an extent unusual in Europe, tax collection was a central government function. Another factor was the greater legitimacy of the more democratic state. The role of "the largest economic actor in eighteenth-century Britain, namely the state," was not merely to conquer: rather, it acted to promote exports, limit imports, and in general pursue the protectionist import-substitution policies that have opened the way to industrial "take-off" from England to South Korea.<sup>9</sup>

Excessive liberalism apparently contributed to the collapse of the Spanish imperial system. It was too open, permitting "merchants, often non-Spanish, to operate in the entrails of its empire" and allowing "the benefits to pass through and out of Spain." The Dutch, in contrast, kept the benefits "very firmly in the country," while "indigenous merchants were the empire and were the state," Pearson concludes. Britain pursued similar policies of economic nationalism, assigning rights to state-chartered monopolies, first (1581) for Turkey and the entire Middle East, then the rest of Asia and North America. In return for the grant of rights, the quasi-state companies provided regular payments to the Crown, an arrangement that would be replaced by more direct engagement of state power. As British trade and profit rapidly increased in the 18th century, government regulation remained important: "Less restrictions in the nineteenth century were a result of English dominance, not its cause," Pearson observes.

Adam Smith may have eloquently enumerated the harmful impact on the people of England of "the wretched spirit of monopoly," in his bitter condemnations of the East India Company. But his theoretical analysis was not the cause of its decline. The "honorable Company" fell victim to the confidence of British industrialists, particularly the textile manufacturers who had been protected from the "unfair" competition of Indian textiles, but called for deregulation once they convinced themselves that they could win a "fair competition," having undermined their rivals in the colonies by recourse to state power and violence, and used their new wealth and power for mechanization and improved supply of cotton. In contemporary terms, once they had established a "level playing field" to their incontestable advantage, nothing seemed more high-minded than an "open world" with no irrational and arbitrary interference with the honest entrepreneur, seeking the welfare of all.<sup>10</sup>

Those who expect to win the game can be counted on to laud the rules of "free competition" -- which, however, they never fail to bend to their interests. To mention only the most obvious lapse, the apostles of economic liberalism have never contemplated permitting the "free circulation of labor...from place to place," one of the foundations of freedom of trade, as Adam Smith stressed.

There is little historical basis for much of the reigning belief on the impact of Adam Smith's doctrines; for example, Chicago economist George Stigler's assertion that Smith "convinced England" from 1850 to 1930 "of the merits of free international trade." What "convinced England" -- more accurately, Englishmen who held the reins -- was the perception that "free international trade" (within limits) would serve their interests; "it was not until 1846, by which time the British manufacturing interests were sufficiently powerful, that Parliament was prepared for the revolution" of free trade, Richard Morris notes. What convinced England of the contrary by 1930 was the realization that those days had passed. Unable to compete with Japan, Britain effectively barred it from trade with the Commonwealth, including India; the United States followed suit in its lesser empire, as did the Dutch. These were significant factors leading to the Pacific war, as Japan set forth to emulate its powerful predecessors, having naively adopted their liberal doctrines only to discover that they were a fraud, imposed upon the weak, accepted by the strong only when they are useful. So it has always been.<sup>11</sup>

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<sup>8</sup> Tracy, Pearson, in Tracy, *Merchant Empires*.

<sup>9</sup> Brewer, *Sinews*, xiiiif., 186, 89f. 100, 127, 167.

<sup>10</sup> Pearson, *op. cit.* Smith, *Wealth*, Ch. VII, Pt. III (ii, 110ff.); Bk. IV, Ch. II (i, 483).

<sup>11</sup> *Ibid.*, Bk. I, Ch. X, Pt. II (i, 150). Stigler, preface. Morris, *American Revolution*, 34. On the Pacific War, see ch. 10, below.

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Stigler may well be right, however, that Smith "certainly convinced all subsequent economists." If so, that is a comment on the dangers of illegitimate idealization that isolates some inquiry from factors that crucially affect its subject matter, a problem familiar in the sciences; in this case, separation of abstract inquiry into the wealth of nations from questions of power: Who decides, and for whom? We return to the point as Adam Smith himself understood it.

The wealth of the colonies returned to Britain, creating huge fortunes. By 1700, the East India Company accounted for "above half the trade of the nation," one contemporary critic commented. Through the following half-century, Keay writes, its shares became the "equivalent of a gilt-edged security, much sought after by trustees, charities and foreign investors." The rapid growth of wealth and power set the stage for outright conquest and imperial rule. British officials, merchants, and investors "amassed vast fortunes," gaining "wealth beyond the dreams of avarice" (Parker). That was particularly true in Bengal, which, Keay continues, "was destabilized and impoverished by a disastrous experiment in sponsored government" -- one of the many "experiments" in the Third World that have not exactly redounded to the benefit of the experimental subjects. Two English historians of India, Edward Thompson and G.T. Garrett, described the early history of British India as "perhaps the world's high-water mark of graft": "a gold-lust unequalled since the hysteria that took hold of the Spaniards of Cortes' and Pizarro's age filled the English mind. Bengal in particular was not to know peace again until she has been bled white." It is significant, they remark, that one of the Hindustani words that has become part of the English language is "loot."<sup>12</sup>

The fate of Bengal brings out essential elements of the global conquest. Calcutta and Bangladesh are now the very symbols of misery and despair. In contrast, European warrior-merchants saw Bengal as one of the richest prizes in the world. An early English visitor described it as "a wonderful land, whose richness and abundance neither war, pestilence, nor oppression could destroy." Well before, the Moroccan traveller Ibn Battuta had described Bengal as "a country of great extent, and one in which rice is extremely abundant. Indeed, I have seen no region of the earth in which provisions are so plentiful." In 1757, the same year as Plassey, Clive described the textile center of Dacca as "extensive, populous, and rich as the city of London"; by 1840 its population had fallen from 150,000 to 30,000, Sir Charles Trevelyan testified before the Select Committee of the House of Lords, "and the jungle and malaria are fast encroaching... Dacca, the Manchester of India, has fallen from a very flourishing town to a very poor and small town." It is now the capital of Bangladesh.

Bengal was known for its fine cotton, now extinct, and for the excellence of its textiles, now imported. After the British takeover, British traders, using "every conceivable form of roguery," "acquired the weavers' cloth for a fraction of its value," English merchant William Bolts wrote in 1772: "Various and

innumerable are the methods of oppressing the poor weavers...such as by fines, imprisonments, floggings, forcing bonds from them, etc." "The oppression and monopolies" imposed by the English "have been the causes of the decline of trade, the decrease of the revenues, and the present ruinous condition of affairs in Bengal."

Perhaps relying on Bolts, whose book was in his library, Adam Smith wrote four years later that in the underpopulated and "fertile country" of Bengal, "three or four hundred thousand people die of hunger in one year." These are consequences of the "improper regulations" and "injudicious restraints" imposed by the ruling Company upon the rice trade, which turn "dearth into a famine." "It has not been uncommon" for Company officials, "when the chief foresaw that extraordinary profit was likely to be made by opium," to plough up "a rich field of rice or other grain...in order to make room for a plantation of poppies." The miserable state of Bengal "and of some other of the English settlements" is the fault of the policies of "the mercantile company which oppresses and domineers in the East Indies." These should be contrasted, Smith urges, with "the genius of the British constitution which protects and governs North America" -- protects, that is, the English colonists, not the "mere savages," he fails to add.

The protection of the English colonists was actually a rather devious instrument. As Smith notes elsewhere, Britain "imposes an absolute prohibition upon the erection of slit-mills in any of her American plantations," and closely regulates internal commerce "of the produce of America; a regulation which effectually prevents the establishment of any manufacture of [hats, wools, woollen goods] for distant sale, and confines the industry of her colonists in this way to such coarse and household manufactures, as a private family commonly makes for its own use" or for its close neighbors. This is "a manifest violation of the most sacred rights of mankind," standard in the colonial domains.

Under Britain's Permanent Settlement of 1793 in India, land was privatized, yielding wealth to local clients and taxes for the British rulers, while "The settlement fashioned with great care and deliberation has to our painful knowledge subjected almost the whole of the lower classes to most grievous oppression," a British enquiry commission concluded in 1832, commenting on yet another facet of the experiment. Three years later, the director of the Company reported that "The misery hardly finds a parallel in the history of commerce. The bones of the cotton-weavers are bleaching the plains of India." The experiment was not a total failure, however. "If security was wanting against extensive popular tumult or revolution," the Governor-General of India, Lord Bentinck, observed, "I should say that the 'Permanent Settlement,' though a failure in many other respects and in most important essentials, has this great advantage, at least, of having created a vast body of rich landed proprietors deeply interested in the continuance of the British Dominion and having complete command over the mass of the people," whose growing misery is therefore less of a problem than it might have been. As local industry declined, Bengal was converted to export agriculture, first indigo, then jute; Bangladesh produced over half the world's crop by 1900, but not a single mill for processing was ever built there under British rule.<sup>13</sup>

While Bengal was despoiled, Britain's textile industry was protected from Indian competition; a matter of importance, because Indian producers enjoyed a comparative advantage in printed cotton textile fabrics for the expanding market in England. A British Royal Industrial Commission of 1916-1918 recalled that

Indian industrial development was "not inferior to that of the more advanced European nations" when "merchant adventurers from the West" arrived; it may even be "that the industries of India were far more advanced than those of the West up to the advent of the industrial revolution," Frederick Clairmonte observes," citing British studies. Parliamentary Acts of 1700 and 1720 forbade the import of printed fabrics from India, Persia, and China; all goods seized in contravention of this edict were to be confiscated, sold by auction, and re-exported. Indian calicoes were barred, including "any garment or apparel whatsoever...in or about any bed, chair cushion, window curtain, or any other sort of household stuff or furniture." Later, British taxes also discriminated against local cloth within India, which was forced to take inferior British textiles.

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<sup>12</sup> Keay, *Honorable Company*, 170, 220-1, 321; Parker, *op. cit.* Thompson and Garrett, *Rise and Fulfillment of British Rule in India*, 1935, cited by Nehru, *Discovery*, 297.

<sup>13</sup> Hartman and Boyce, *Quiet Violence*, ch. 1. Bolts, *Considerations on Indian Affairs*, 1772, cited by Hartman and Boyce and by the editor of Smith, *Wealth*, ii, 156n. *Ibid.*, Bk. I, Ch. VIII (i, 82); Bk. IV, Ch. V (ii, 33); Bk. IV, Ch. VII, Pt. III (ii, 153); Bk. IV, Ch. VII, Pt. II (ii, 94-5). Trevelyan, Bentinck, cited by Clairmonte, *Economic Liberalism*, 86n., 98. Nehru, *Discovery*, 285, 299, 304.

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Such measures were unavoidable, Horace Wilson wrote in his *History of British India* in 1826: "Had this not been the case, the mills of Paisley and Manchester would have been stopped in their outset, and could scarcely have been again set in motion, even by the power of steam. They were created by the sacrifice of Indian manufacturers." Economic historian J.H. Clapham concluded that "this restrictive act gave an important, and it may be argued a useful, stimulus to textile printing in Britain," a leading sector of the industrial revolution. By the 19th century, India was financing more than two-fifths of Britain's trade deficit, providing a market for British manufactures as well as troops for its colonial conquests and the opium that was the staple of its trade with China.<sup>14</sup>

"A significant fact which stands out is that those parts of India which have been longest under British rule are the poorest today," Jawaharlal Nehru wrote: "Indeed some kind of chart might be drawn up to indicate the close connection between length of British rule and progressive growth of poverty." In the mid-18th century, India was developed by comparative standards, not only in textiles. "The ship building industry was flourishing and one of the flagships of an English admiral during the Napoleonic wars had been built by an Indian firm in India." Not only textiles, but other well-established industries such as "ship-building, metal working, glass, paper, and many crafts," declined under British rule, as India's development was arrested and the growth of new industry blocked, and India became "an agricultural colony of industrial England." While Europe urbanized, India "became progressively ruralized," with a rapid increase in the proportion of the population dependent on agriculture, "the real, the fundamental cause of the appalling poverty of the Indian people," Nehru writes. In 1840, a British historian testifying before a Parliamentary Inquiry Committee could still say: "India is as much a manufacturing country as an agriculturalist; and he who would seek to reduce her to the position of an agricultural country, seeks to lower her in the scale of civilization," exactly what happened under Britain's "despotic sway," Nehru observes.<sup>15</sup>

Discussing "colonies as mercantile investments," Brazilian economic historian José J. de A. Arruda, concludes that the investments were indeed highly profitable, for some: the Dutch, French, and particularly the British, who also gained the advantages of Portugal's colonial assets; the slave traders, the merchants, the manufacturers; and the New England colonies whose development was spurred by triangular trade with Britain and the sugar colonies of the West Indies. "The colonial world...fulfilled its chief function as a link providing growth for the early accumulation of capital." It promoted "a transfer of colonial riches to the metropolises, which then fought for the appropriation of colonial surplus," contributing substantially to the economic growth of Europe. "THESE COLONIES DID PAY," he concludes. But, he adds, the calculations miss the main point: "profits went to individuals and costs were socialized." The "essence of the system" is "social losses" along with "the possibility of constant advance for capitalism" and for "the private coffers of the mercantilist bourgeoisie." In short, public subsidy,

private profit; the expected thrust of policy when its architects are those who can expect to gain the profit.

As for those who lapsed into underdevelopment, Pearson raises but does not pursue the question whether there was "an alternative path to a status that could meet the European challenge," so that China, India, and others subjected to the European conquest might have been able to avoid "being incorporated as peripheries in the world economy, avoid being underdeveloped, avoid suffering as merchant empires turned into much more ominous territorial empires backed by an economically dominant Western Europe."<sup>16</sup>

In his classic condemnation of monopoly power and colonization, Adam Smith has useful commentary on Britain's policies, making some of the same points as Arruda. He describes these policies with some ambivalence, arguing finally that despite the great advantages that England gained from the colonies and its monopoly of their trade, in the long run the practices did not pay, either in Asia or North America. The argument is largely theoretical; adequate data were not available.

But however convincing the argument may be, Smith's discussion also explains why it is not to the point. Abandoning the colonies would be "more advantageous to the great body of the people" of England, he concludes, "though less so to the merchants, than the monopoly which she at present enjoys." The monopoly, "though a very grievous tax upon the colonies, and though it may increase the revenue of a particular order of men in Great Britain, diminishes instead of increasing that of the great body of the people." The military costs alone are a severe burden, apart from the distortions of investment and trade.

For the great body of people of England, the East India monopoly and the North American colonies may indeed have been the "absurdity" Smith claims, and "grievous" as well in their impact on the English colonists. But for "the contrivers of this whole mercantile system," they were not absurd at all. "Our merchants and manufacturers have been by far the principal architects," and their interests have "been most peculiarly attended to" by the system, though not the interests of consumers and working people. The interests of the owners of the gilt-edged securities of the Company, and others who gained wealth beyond the dreams of avarice, were also "most peculiarly attended to." The costs were socialized, the profits poured into the coffers of the "principal architects." The policies they contrived were reasonable enough in terms of narrow self-interest, however others may have been harmed, including the general population of England.<sup>17</sup>

Smith's conclusion that "Under the present system of management, therefore, Great Britain derives nothing but loss from the dominion which she assumes over her colonies" is highly misleading. From the point of view of policy choices, Great Britain was not an entity. "The wealth of nations" is no concern of the "architects of policy," who, as Smith insists, seek private gain. The fate of the common people is no more their concern than that of the "mere savages" who stand in the way. If an "invisible hand" sometimes provided others with benefits, that is merely incidental. The basic focus on "wealth of nations" and what "Great Britain derives" is faulty from the start, undermined by illegitimate idealization, though at least it is qualified and corrected in Smith's fuller discussion.

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[14](#) De Schweinitz, *Rise and Fall*, 120-1, citing economic historian Paul Mantoux (on the Acts) and Clapham's "cautious" economic history of Britain. Clairmonte, *Economic Liberalism*, 73, 87 (Wilson). Jeremy Seabrook, *Race & Class*, July-Sept. 1992. Hewlett, *Cruel Dilemmas*, 7.

[15](#) Nehru, *Discovery*, 296-9, 284. See Clairmonte, *Economic Liberalism*, ch. 2, for much confirming evidence.

[16](#) Arruda, Pearson, in Tracy, *Merchant Empires*.

[17](#) Smith, *Wealth*, Bk. IV, Ch. VII, Pt. III (ii, 131-3, 147); Bk. IV, Ch. VIII (ii, 180-1).

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The crucial qualifications have commonly been dropped, however, as they enter contemporary ideology in the hands of Smith's latter-day disciples. Thus in introducing the Chicago bicentennial edition of Smith's classic, George Stigler writes that "Americans will find his views on the American colonies especially instructive. He believed that there was, indeed, exploitation -- but of the English by the colonists." What he actually believed was that there was exploitation of the English by the "particular order of men" in England who were the architects of policy in their own interest, and a "grievous tax" upon the colonies as well. By removing Smith's emphasis on the basic class conflict, and its crucial impact on policy, we falsify his views, and grossly misrepresent the facts, though constructing a useful instrument to mislead in the service of wealth and power. These are common features of contemporary discussion of international affairs. And of much else: condemnation of the harmful effects of the Pentagon system on the economy, for example, is at best extremely misleading if it does not emphasize that for the architects of policy and the interests they represent (notably, advanced sectors of industry), the effects have hardly been harmful.

Not surprisingly, social policy regularly turns out to be a welfare project for the rich and powerful. Imperial systems, in particular, are one of the many devices by which the poor at home subsidize their masters. And while studies of the cost effectiveness of empire and domination for "the nation" may have academic interest, they are only marginally relevant to the study of policy formation in societies in which the general public is expected to stand aside -- that is, all existing societies.

The conclusions, however, are far more general. As indicated by the example of the Pentagon system, the same considerations apply to domestic as to international policy. State power has not only been exercised to enable some to reap wealth beyond the dreams of avarice while devastating subject societies abroad, but has also played a critical role in entrenching private privilege at home. In early modern Holland and England, the government provided the infrastructure for capitalist development, protected vulnerable and crucial production (wool, fisheries) and subjected them to close regulation, and used its monopoly of violence to impose wage labor conditions on formerly independent farmers. Centuries ago, "European societies were also colonized and plundered, less catastrophically than the Americas but more so than most of Asia" (Thomas Brady): "The rapid economic development yielded by the English path proved extremely destructive, both of traditional property rights at home and of institutions and cultures throughout the world." A process of "rural pacification" took place in the developing countries of Europe. "The massive expropriation of the peasantry, which happened in the fullest sense only in England," may well have been the basis for its more rapid economic development as peasants were deprived of property rights they managed to retain in France, and forced into the labor market; "it was precisely the absence of [freedom and property rights] that facilitated the onset of real economic development" in England, Robert Brenner argues in his penetrating inquiry into the origins of European

capitalism. The common people had ample reasons to resist "the march of progress," or to seek to deflect it to a different path that sought to preserve and extend other values: "ideas of community, of togetherness, of the whole superseding the parts, and of the common good that transcends ever particular good" (Brady).

Such ideas animated the "vast communal movements" of pre-capitalist Europe, Brady writes, and "brought elements of self-government into the hands of the Common Man," arousing "contempt and sometimes fear in the traditional elites." The common people who sought freedom and the common good were "craftsmen of shit," "rabble" ("canaille") who should "die of starvation." They were condemned by the Emperor Maximilian as "wicked, crude, stupid peasants, in whom there is neither virtue, noble blood, nor proper moderation, but only immoderate display, disloyalty, and hatred for the German nation" -- the "anti-Americans" of their day. The democratic upsurge in 17th century England evoked harsh denunciation of the "rascal multitude," "beasts in men's shapes," "depraved and corrupt." Twentieth century democratic theorists advise that "The public must be put in its place," so that the "responsible men" may "live free of the trampling and the roar of a bewildered herd," "ignorant and meddlesome outsiders" whose "function" is to be "interested spectators of action," not participants, lending their weight periodically to one or another member of the leadership class (elections), then returning to their private concerns (Walter Lippmann). The great mass of the population, "ignorant and mentally deficient," must be kept in their place for the common good, fed with "necessary illusion" and "emotionally potent oversimplifications" (Wilson's Secretary of State Robert Lansing, Reinhold Niebuhr). Their "conservative" counterparts are only more extreme in their adulation of the Wise Men who are the rightful rulers -- in the service of the rich and powerful, a minor footnote regularly forgotten.<sup>18</sup>

The rabble must be instructed in the values of subordination and a narrow quest for personal gain within the parameters set by the institutions of the masters; meaningful democracy, with popular association and action, is a threat to be overcome. These too are persistent themes, that only take new forms.

Adam Smith's nuanced interpretation of state interference with international trade extended to the domestic scene as well. The praise in his opening remarks for "the division of labor" is well-known: it is the source of "the greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied," and the foundation of "the wealth of nations." The great merit of free trade, he argued, is that it contributes to these tendencies. Less familiar is his denunciation of the inhuman consequences of the division of labor as it approaches its natural limits. "The understandings of the greater part of men are necessarily formed by their ordinary employments," he wrote. That being so, "the man whose life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding...and generally becomes as stupid and ignorant as it is possible for a human creature to be... But in every improved and civilized society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it." Society must find some way to overcome the devilish impact of the "invisible hand."

Other major contributors to the classical liberal canon go much further. Wilhelm von Humboldt, who inspired John Stuart Mill, described the "leading principle" of his thought as "the absolute and essential importance of human development in its richest diversity," a principle that is not only undermined by the narrow search for efficiency through division of labor, but by wage labor itself: "Whatever does not spring from a man's free choice, or is only the result of instruction and guidance, does not enter into his very nature; he does not perform it with truly human energies, but merely with mechanical exactness"; when the laborer works under external control, "we may admire what he does, but we despise what he is."<sup>19</sup>

Smith's admiration for individual enterprise was tempered still further by his contempt for "the vile maxim of the masters of mankind": "All for ourselves, and nothing for other people." While the "mean" and "sordid" pursuits of the masters might yield incidental benefit, faith in this consequence is mere mysticism, quite apart from the more fundamental failure to comprehend the "leading principle" of classical liberal thought that Humboldt stressed. What survives of these doctrines in contemporary ideology is an ugly and distorted image, contrived in the interests of the masters.<sup>20</sup>

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<sup>18</sup> Brady, in Tracy, *Merchant Empires*. Brenner, in Aston and Philpin, *Brenner Debate*, 62; see particularly ch. 10. *DD*, ch. 12.

<sup>19</sup> Smith, *Wealth*, Bk. I, Ch. I (i, 7); Bk. V, Ch. I, Pt. III, Art. II (ii, 302-3). In the detailed index, the entry for "division of labor" does not list Smith's condemnation of its consequences. Humboldt, see *FRS*.

<sup>20</sup> Smith, *Wealth*, Bk. III, Ch. IV (i, 437).

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Centralized state power dedicated to private privilege and authority, and the rational and organized use of savage violence, are two of the enduring features of the European conquest. Others are the domestic colonization by which the poor subsidize the rich, and the contempt for democracy and freedom. Yet another enduring theme is the self-righteousness in which plunder, slaughter, and oppression are clothed.

A leading liberal figure lecturing at Oxford in 1840, with the spectacle of Bengal and the rest of India before him, lauded the "British policy of colonial enlightenment," which "stands in contrast to that of our ancestors," who kept their colonies "in subjection in order to derive certain supposed commercial advantages from them," whereas we "give them commercial advantages, and tax ourselves for their benefit, in order to given them an interest in remaining under our supremacy, that we may have the pleasure of governing them." We "govern them by sheer weight of character and without use of force," the virtual ruler of Egypt from 1883 to 1906, Lord Cromer, explained: this we can do because the British "possess in a very high degree the power of acquiring the sympathy and confidence of any primitive races with which they are brought into contact." His colleague Lord Curzon, Viceroy of India, proclaimed that "In the Empire we have found not merely the key to glory and wealth, but the call to duty, and the means of service to mankind." The early Dutch conquerors were sure that traders of all nations would flock to the VOC because "the good old free manner of our nation is highly praised." The Seal of the Governor and Company of Massachusetts Bay in 1629 depicts an Indian pleading "Come over and help us." The record to this day is replete with appeals to the divine will, civilizing missions, partnerships in beneficence, noble causes, and the like. Heaven must be full to overflowing, if the masters of self-adulation are to be taken at their word.<sup>21</sup>

Their labors are not unavailing. Among the educated classes, fairy tales of righteous mission and benevolence have long risen to the level of doctrinal truths, and much of the general public seems to believe them as well. In 1989, half the US public believed that foreign aid is the largest element in the federal budget of the country that had, by then, sunk to last place among the industrial countries, with foreign aid barely detectable in the budget and a niggardly 0.21 percent of GNP. Those who harken to their tutors may even believe that the next highest item is Cadillacs for welfare mothers.<sup>22</sup>

The subject peoples find odd ways to express their gratitude. To the leading figure of modern Indian nationalism, "the only possible parallel" to the Viceroy "would be that of Hitler." The ideology of British rule "was that of the herrenvolk and the master race," an idea "inherent in imperialism" that "was proclaimed in unambiguous language by those in authority" and manifested in practice, as Indians "were subjected to insult, humiliation, and contemptuous treatment." Writing from a British prison in 1944, Nehru was not unmindful of the benevolent intent of the rulers:

The solicitude which British industrialists and economists have shown for the Indian peasant has been truly gratifying. In view of this, as well as of the tender care lavished upon him by the British Government in India, one can only conclude that some all-powerful and malign fate, some supernatural agency, has countered their intentions and measures and made that peasant one of the poorest and most miserable beings on earth.<sup>23</sup>

Nehru was something of an Anglophile. Others have been less genteel about the matter, though Western culture, having the guns and wealth, remains largely immune.

It would not be fair to charge that atrocities pass unmentioned. One of the most notorious slaughterers was King Leopold of Belgium, responsible for the death of perhaps 10 million people in the Congo. His contributions and defects were duly recorded in the *Encyclopaedia Britannica*, which describes the "enormous fortune" that he gained by "exploitation of this vast territory." The last line of the lengthy entry reads: "but he had a hard heart towards the natives of his distant possession." Half a century later, Alfred Cobban, in his *History of Modern France*, castigates Louis XVI for failing to protect France's interests in the West Indies. The slave trade on which these interests rested merits a parenthetical comment: "its morality as yet is barely the subject of discussion." True enough.<sup>24</sup>

Illustrations are not hard to find.

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<sup>21</sup> Herman Merivale, cited by Clairmonte, *Economic Liberalism*, 92. Cromer, Curzon, cited by de Schweinitz, *Rise and Fall*, 16. Dutch Governor-General J. P. Coen cited by Tracy, in Tracy, *Merchant Empires*, 10-11. Seal, Jennings, *Invasion*, 228.

<sup>22</sup> David Gergen, *Foreign Affairs, America and the World*, 1991-92.

<sup>23</sup> Nehru, *Discovery*, 293, 326, 301.

<sup>24</sup> *Britannica*, 9th edition, 1910; Cobban's 1963 *History* (vol. 1, 74), cited by Edward Herman, *Z magazine*, April 1992.

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## 2. "Felling Trees and Indians"

The English colonists in North America pursued the course laid out by their forerunners in the home country. From the earliest days of colonization, Virginia was a center of piracy and pillage, a base to raid Spanish commerce and plunder French settlements on the coast of Maine -- and to exterminate the "devil worshippers" and "cruel beasts" whose generosity had enabled the colonists to survive, hunting them down with savage dogs, massacring women and children, destroying crops, spreading smallpox with infected blankets, and other measures that readily came to the minds of barbarians fresh from their Irish exploits. North American pirates reached as far as the Arabian sea in the late 17th century. By then "New York had become a thieve's market where pirates disposed of loot taken on the high seas," Nathan Miller observes, while "corruption...was the lubricant that greased the wheels of the nation's administrative machinery"; "graft and corruption played a vital role in the development of modern American society and in the creation of the complex, interlocking machinery of government and business that presently determines the course of our affairs," Miller writes, ridiculing the great shock expressed at Watergate.<sup>25</sup>

As state power consolidated, private-sector violence was suppressed in favor of the more organized state form, though the US would not permit American citizens apprehended for slave trading to be judged by foreign courts. That was no small matter; the British navy was refused permission to search any American slaver, "and American naval vessels were almost never there to search her, with the result that most of the slave ships, in the 1850s, not only flew the American flag but were owned by American citizens." The US would not accept the standards proposed by Muammar Qaddafi, who urged in 1992 that charges concerning Libya's alleged terrorism be brought to the World Court or some other neutral tribunal, a proposal dismissed with disdain by Washington and the press, which have little use for instruments that might lapse into excessive independence.<sup>26</sup>

After the colonies gained their independence in the course of the great international conflict that pitted England against France, Spain, and Holland, state power was used to protect domestic industry, foster agricultural production, manipulate trade, monopolize raw materials, and take the land from its inhabitants. Americans "concentrated on the task of felling trees and Indians and of rounding out their natural boundaries," as diplomatic historian Thomas Bailey described the project in 1969.<sup>27</sup>

These tasks, and the rhetorical accompaniment, have been eminently reasonable by reigning standards of Political Correctness; the challenge to them in the past few years has, not surprisingly, elicited much outrage among guardians of doctrinal purity. Hugo Grotius, a leading 17th century humanist and the founder of modern international law, determined that the "most just war is against savage beasts, the next

against men who are like beasts." George Washington wrote in 1783 that "the gradual extension of our settlements will as certainly cause the savage, as the wolf, to retire; both being beasts of prey, tho' they differ in shape." What is called in official PC rhetoric "a pragmatist," Washington regarded purchase of Indian lands (typically, by fraud and threat) as a more cost-effective tactic than violence. Thomas Jefferson predicted to John Adams that the "backward" tribes at the borders "will relapse into barbarism and misery, lose numbers by war and want, and we shall be obliged to drive them, with the beasts of the forests into the Stony mountains"; the same would be true of Canada after the conquest he envisioned, while all blacks would be removed to Africa or the Caribbean, leaving the country without "blot or mixture." A year after the Monroe Doctrine, the President called for helping the Indians "to surmount all their prejudices in favor of the soil of their nativity," so that "we become in reality their benefactors" by transferring them West. When consent was not given, they were forcibly removed. Consciences were eased further by the legal doctrine devised by Chief Justice John Marshall: "discovery gave an exclusive right to extinguish the Indian right of occupancy, either by purchase or by conquest"; "that law which regulates, and ought to regulate in general, the relations between the conqueror and conquered was incapable of application to...the tribes of Indians, ...fierce savages whose occupation was war, and whose subsistence was drawn chiefly from the forest."

The colonists, to be sure, knew better. Their survival depended on the agricultural sophistication and generosity of the "fierce savages," and they were familiar with the prevailing norms of violence on all sides. Observing the Narragansett-Pequot wars, Roger Williams remarked that their fighting was "farre less bloody and devouring than the cruell Warres of Europe," from which the colonists had learned their trade. John Underhill sneered at the "feeble Manner" of the Indian warriors, which "did hardly deserve the Name of fighting," and their laughable protests against the "furious" style of the English that "slays too many men" -- not to speak of women and children in undefended villages, a European tactic that had to be taught to the backward natives. These were common features of the world conquest, as noted earlier.

The useful doctrines of Justice Marshall and others remained in place through modern scholarship. The highly regarded authority A.L. Kroeber attributed to the East Coast Indians a kind of "warfare that was insane, unending," inexplicable "from our point of view" and so "dominantly emphasized within [their culture] that escape was well-nigh impossible," for any group that would depart from these hideous norms "was almost certainly doomed to early extinction" -- a "harsh indictment [that] would carry more weight," Francis Jennings observes, "if its rhetoric were supported by either example or reference," in this influential scholarly study. The Indians were hardly pacifists, but they had to learn the techniques of "total war" and true savagery from the European conquerors, with their ample experience in the Celtic regions and elsewhere.<sup>28</sup>

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<sup>25</sup> Miller, *Founding Finaglers*; Keay, *Honorable Company*, 185. Virginia, Jennings, *Invasion, Empire*

(447 on germ warfare, ordered by "their highest authority in America, Commander in Chief Amherst" at Fort Pitt; also Stannard, *American Holocaust*, 335n).

[26](#) Saxton, *Rise and Fall*, 41. Mannix and Cowley, *Black Cargoes*, 274. Alfred Rubin, "Who Isn't Cooperating on Libyan Terrorists?," *CSM*, Feb. 5, 1992.

[27](#) Bailey, *Diplomatic History*, 163.

[28](#) Drinnon, *Facing West*, 65, 43; *White Savage*, 157, 169-71; also his "The Metaphysics of Empire-Building," ms, Bucknell, 1972. Jennings, *Invasion*, 60, 149ff.

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Respected statesmen continued to uphold the same values. To Theodore Roosevelt, the hero of George Bush and the liberal commentators who gushed over Bush's sense of "righteous mission" during the 1991 Gulf slaughter, "the most ultimately righteous of all wars is a war with savages," establishing the rule of "the dominant world races." The hideous and cowardly Sand Creek massacre in Colorado in 1864, Nazi-like in its bestiality, was "as righteous and beneficial a deed as ever took place on the frontier." This "noble minded missionary," as contemporary ideologues term him, did not limit his vision to the "beasts of prey" who were being swept from their lairs within the "natural boundaries" of the American nation. The ranks of savages included the "dagos" to the south, and the "Malay bandits" and "Chinese halfbreeds" who were resisting the American conquest of the Philippines, all "savages, barbarians, a wild and ignorant people, Apaches, Sioux, Chinese boxers," as their resistance amply demonstrated. Winston Churchill felt that poison gas was just right for use against "uncivilized tribes" (Kurds and Afghans, particularly). Noting approvingly that British diplomacy had prevented the 1932 disarmament convention from banning bombardment of civilians, the equally respected statesman Lloyd George observed that "we insisted on reserving the right to bomb niggers," capturing the basic point succinctly. The metaphors of "Indian fighting" were carried right through the Indochina wars. The conventions retain their vibrancy, as we saw in early 1991 and may again, before too long.<sup>29</sup>

The extraordinary potential of the United States was evident from the earliest days, and of no small concern to the guardians of established order. The Czar and his diplomats were concerned over "the contagion of revolutionary principles," which "is arrested by neither distance nor physical obstacles," the "vicious principles" of republicanism and popular self-rule already established in a part of North America. Metternich too warned of the "flood of evil doctrines and pernicious examples" that might "lend new strength to the apostles of sedition," asking "what would become of our religious institutions, of the moral force of our governments, and of that conservative system which has saved Europe from complete dissolution" if the flood is not stemmed. The rot might spread, to adopt the rhetoric of their heirs as they switched roles and took over the leadership of the conservative system in the mid-20th century.<sup>30</sup>

Flawed as they were, these doctrines and examples constituted a dramatic advance in the endless struggle for freedom and justice; the Wise Men of the time were right to fear their spread. Their 18th century advocates, however, were hardly apostles of sedition and did not delay in imposing their vision of "a political democracy manipulated by an elite" (Richard Morris), the old aristocracy and, in later years, the rising business classes: a "solid and responsible leadership seized the helm," as Morris puts it approvingly. The most dread fears were therefore quickly put to rest. The ex-revolutionaries were also not lacking in ambition. And like Metternich and the Czar, they feared the "pernicious examples" at their borders. Florida was conquered to remove the threat of "mingled hordes of lawless Indians and negroes,"

John Quincy Adams wrote with the enthusiastic approval of Thomas Jefferson, referring to runaway slaves and indigenous people who sought freedom from the tyrants and conquerors, setting a bad example. Jefferson and others advocated the conquest of Canada to cut off support for the native population by "base Canadian fiends," as the president of Yale University called them. Expansion to north and south was blocked by British power, but the annexation of the West proceeded inexorably, as its inhabitants were destroyed, cynically cheated, and expelled.<sup>31</sup>

"The task of felling trees and Indians and of rounding out their natural boundaries" required that the New World be rid of alien interlopers. The main enemy was England, a powerful deterrent, and the target of frenzied hatred in broad circles. The War for Independence itself had been a fierce civil war enmeshed in an international conflict; relative to population, it was not greatly different from the Civil War almost a century later, and it caused a huge exodus of refugees fleeing from the richest country in the world to escape the retribution of the victors. US-British conflict continued, including war in 1812. In 1837, after some Americans supported a rebellion in Canada, British forces crossed the border and set fire to the US vessel *Caroline*, eliciting from Secretary of State Daniel Webster a doctrine that has become the bedrock of modern international law: "respect for the inviolable character of the territory of independent states is the most essential foundation of civilization," and force may be used only in self-defense, when the necessity "is instant, overwhelming and leaving no other choice of means, and no moment of deliberation." The doctrine was invoked at the Nuremberg tribunal, for example, in rejecting the claim of the Nazi leaders that their invasion of Norway was justified to forestall Allied moves. We need waste no words on how the US has observed the principle since 1837.<sup>32</sup>

The US-British conflict was based on real interests: for the US, its desire to expand on the continent and in the Caribbean; for the dominant world power of the day, concern that the maverick across the seas was a threat to its wealth and power.

Though there was considerable sympathy in England for the rebel cause, the leaders of the newly independent country tended to see a different picture. Great Britain "hated and despised us beyond every earthly object," Thomas Jefferson wrote to Monroe in 1816, giving Americans "more reason to hate her than any nation on earth." Britain was not only an enemy of the United States, but "truly hostis humani generis," an enemy of the human race, he wrote to John Adams a few weeks later. "Taught from the cradles to scorn, insult and abuse us," Adams responded, "Britain will never be our friend till we are her master." Jefferson had proposed a different solution to Abigail Adams in 1785: "I fancy it must be the quantity of animal food eaten by the English," he speculated, "which renders their character insusceptible to civilization. I suspect it is in their kitchens and not their churches that their reformation must be worked." Ten years later, he expressed his fervent hope that French armies would liberate Great Britain, improving both its character and cuisine.<sup>33</sup>

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[29](#) *TTT*, 87 (Theodore Roosevelt), 126 (Churchill; for further details, *DD*, 182f., Omissi, *Air Power*, 160). Stannard, *American Holocaust*, 134 (Theodore Roosevelt). Kiernan, *European Empires*, 200 (Lloyd George). On Bush as the inheritor of Theodore Roosevelt, see John Aloysius Farrell, *BG Magazine*, March 31, 1991, and much other fascist-racist rhetoric of the moment. For a sample from the liberal press, see my articles in *Z magazine*, May 1991, and Peters, *Collateral Damage*. Indochina, *APNM*, chap. 3, n. 42.

[30](#) Perkins, *Monroe Doctrine*, I, 131, 167, 176f. See *TTT*, 69.

[31](#) Morris, *American Revolution*, 57, 47. *DD*, ch. 1.3. See also Jan Carew, *Monthly Review*, July-August 1992.

[32](#) On the civil conflict and the flight of refugees, see *PEHR*, II, 2.2; Morris, *Forging*, 12ff. *Caroline* test, commonly adduced in discussion of the UN Charter, cited by law professor Detlev Vagts, "Reconsidering the Invasion of Panama," *Reconstruction*, I.2 1990.

[33](#) Lawrence Kaplan, *Diplomatic History*, Summer 1992.

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The dislike was reciprocated, interlaced with no little contempt. In 1865 a progressive English gentleman offered to endow a lectureship at Cambridge University for American studies, to be filled every other year by a visitor from Harvard. Cambridge dons protested against what one called, with admirable literary flair, "a biennial flash of Transatlantic darkness." Some found the concerns exaggerated, recognizing that the lecturers would come from the class that felt itself "increasingly in danger of being swamped by the lower elements of a vast democracy." But most feared that the lectures would spread "discontent and dangerous ideas" among defenseless students. The threat was beaten back in a show of the kind of political correctness that continues to predominate in the academic world, as wary as ever of the lower elements and their strange ideas.<sup>34</sup>

Recognizing that England's military force was too powerful to confront, Jacksonian Democrats called for annexation of Texas to gain a world monopoly of cotton. The US would then be able to paralyze England and intimidate Europe. "By securing the virtual monopoly of the cotton plant" the US had acquired "a greater influence over the affairs of the world than would be found in armies however strong, or navies however numerous," President Tyler observed after the annexation and the conquest of a third of Mexico. "That monopoly, now secured, places all other nations at our feet," he wrote: "An embargo of a single year would produce in Europe a greater amount of suffering than a fifty years' war. I doubt whether Great Britain could avoid convulsions." The same monopoly power neutralized British opposition to the conquest of the Oregon territory.

The editor of the *New York Herald*, the country's largest-selling newspaper, exulted that Britain was "completely bound and manacled with the cotton cords" of the United States, "a lever with which we can successfully control" this dangerous rival. Thanks to the conquests that provided a monopoly of the most important commodity in world trade, the Polk Administration boasted, the US could now "control the commerce of the world and secure thereby to the American Union inappreciable political and commercial advantages." "Fifty years will not elapse ere the destinies of the human race will be in our hands," a Louisiana congressman proclaimed, as he and others looked to "mastery of the Pacific" and control over the resources on which Europe was dependent. Polk's Secretary of Treasury reported to Congress that the conquests of the Democrats would guarantee "the command of the trade of the world."

The national poet, Walt Whitman, wrote that our conquests "take off the shackles that prevent men the even chance of being happy and good." Mexico's lands were taken over for the good of mankind: "What has miserable, inefficient Mexico...to do with the great mission of peopling the New World with a noble race?" Others recognized the difficulty of taking Mexico's resources without burdening themselves with its "imbecile" population, "degraded" by "the amalgamation of races," though the New York press was hopeful that their fate would be "similar to that of the Indians of this country -- the race, before a century

rolls over us, will become extinct." Articulating the common themes of manifest destiny, Ralph Waldo Emerson had written that the annexation of Texas was simply a matter of course: "It is very certain that the strong British race which has now overrun much of this continent, must also overrun that trace, and Mexico and Oregon also, and it will in the course of ages be of small import by what particular occasions and methods it was done." In 1829, Minister to Mexico Joel Poinsett, later Secretary of War responsible for driving the Cherokees to death and destruction on their Trail of Tears, had informed Mexico that "the United States are in a state of progressive aggrandizement, which has no example in the history of the world"; and rightly so, the slave-owner from South Carolina explained, because "the mass of its population is better educated, and more elevated in its moral and intellectual character, than that of any other. If such is its political condition, is it possible that its progress can be retarded, or its aggrandizement curtailed, by the rising prosperity of Mexico?"

The concerns of the expansionists went beyond their fear that an independent Texas would break the US resource monopoly and become a rival; it might also abolish slavery, igniting dangerous sparks of egalitarianism. Andrew Jackson thought that an independent Texas, with a mixture of Indians and fleeing slaves, might be manipulated by Britain to "throw the whole west into flames." Once again, the British might launch "mingled hordes of lawless Indians and negroes" in a "savage war" against the "peaceful inhabitants" of the United States. In 1827, Poinsett had reported to Washington that the "half-breed" Cherokee chief Richard Fields and the "notorious" John Hunter had "hoisted a red and white banner," seeking to establish a "union of whites and Indians" in Texas; Hunter was a white man raised by the Indians who returned to the West to try to prevent genocide. The British also noted with interest their "Republic of Fredonia." Stephen Austin, head of a nearby white colony, warned Hunter that his plans were folly; if the Republic were established, Mexico and the US would join in "annihilating so dangerous and troublesome a neighbor," and would be satisfied with "*nothing short of extermination or expulsion.*" "The U.S. would soon sweep the country of Indians and drive them as they always have driven them to ruin and extermination." Washington would, in short, continue in its policies of genocide (in contemporary terminology), putting an end to "this madness" of a free Red-White society. Austin had successfully cleared out the "natives of the forest" from his own colony before moving on to put down the uprising, with Hunter and Fields assassinated.<sup>35</sup>

The logic of the annexation of Texas was essentially that attributed to Saddam Hussein by US propaganda after his conquest of Kuwait. But the comparisons should not be pressed too far. Unlike his 19th century American precursors, Saddam Hussein is not known to have feared that slavery in Iraq would be threatened by independent states nearby, or to have publicly called for their "imbecile" inhabitants to "become extinct" so that the "great mission of peopling the Middle East with a noble race" of Iraqis might be carried forward, placing "the destinies of the human race in the hands" of the conquerors. And even the wildest fantasies did not accord Saddam potential control over oil of the kind the American expansionists of the 1840s sought over the major resource of the day. There are many interesting lessons to learn from the history so extolled by enraptured intellectuals.

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[34](#) Appleby, *Capitalism*, 1f.

[35](#) Hietala, *Manifest Design*; Horsman, *Race*. Fredonia, Drinnon, *White Savage*, 192, 201-21; emphasis in original. Emerson, cited by Clarence Karier, "The Educational Legacy of War," ms., U. of Illinois, July 1992.

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### 3. Showers of Benevolence

After the mid-19th century conquests, New York editors proudly observed that the US was "the only power which has never sought and never seeks to acquire a foot of territory by force of arms"; "Of all the vast domains of our great confederacy over which the star spangled banner waves, not one foot of it is the acquirement of force or bloodshed"; the remnants of the native population, among others, were not asked to confirm this judgment. The US is unique among nations in that "By its own merits it extends itself." That is only natural, since "all other races...must bow and fade" before "the great work of subjugation and conquest to be achieved by the Anglo-Saxon race," conquest without force. Leading contemporary historians accept this flattering self-image. Samuel Flagg Bemis wrote in 1965 that "American expansion across a practically empty continent despoiled no nation unjustly"; no one could think it unjust if Indians were "felled" along with trees. Arthur M. Schlesinger had earlier described Polk as "undeservedly one of the forgotten men of American history": "By carrying the flag to the Pacific he gave America her continental breadth and ensured her future significance in the world," a realistic assessment, if not, perhaps, exactly in the intended sense.<sup>36</sup>

Such doctrine could not easily survive the cultural awakening of the 1960s, at least outside the intellectual class, where we are regularly regaled by orations on how "for 200 years the United States has preserved almost unsullied the original ideals of the Enlightenment...and, above all, the universality of these values" (Michael Howard, among many others). "Although we are reaching for the stars and have showered less favored peoples with our benevolence in unmatched flow, our motives are profoundly misunderstood and our military intentions widely mistrusted," another distinguished historian, Richard Morris, wrote in 1967, contemplating the "unhappy" fact that others fail to understand the nobility of our cause in Vietnam, a country "beset by internal subversion and foreign aggression" (by Vietnamese, that is). Writing in 1992 on "the self-image of Americans," *New York Times* correspondent Richard Bernstein notes with alarm that "many who came of age during the 1960s protest years have never regained the confidence in the essential goodness of America and the American government that prevailed in earlier periods," a matter of much concern to cultural managers since.<sup>37</sup>

The basic patterns established in the early conquest persist to the current era. As the slaughter of the indigenous population by the Guatemalan military approached virtual genocide, Ronald Reagan and his officials, while lauding the assassins as forward-looking democrats, informed Congress that the US would provide arms "to reinforce the improvement in the human rights situation following the 1982 coup" that installed Ríos Montt, perhaps the greatest killer of them all. The primary means by which Guatemala obtained US military equipment, however, was commercial sales licensed by the Department

of Commerce, the General Accounting Office of Congress observed, putting aside the international network that is always ready to exterminate the beasts of the field and forest if there are profits to be made. The Reaganites were also instrumental in maintaining slaughter and terror from Mozambique to Angola, while gaining much respect in left-liberal circles by the "quiet diplomacy" that helped their South African friends cause over \$60 billion in damage and 1.5 million deaths from 1980 to 1988 in the neighboring states. The most devastating effects of the general catastrophe of capitalism through the 1980s were in the same two continents: Africa and Latin America.<sup>38</sup>

One of the grandest of the Guatemalan killers, General Héctor Gramajo, was rewarded for his contributions to genocide in the highlands with a fellowship to Harvard's John F. Kennedy School of Government -- not unreasonably, given Kennedy's decisive contributions to the vocation of counterinsurgency (one of the technical terms for international terrorism conducted by the powerful). Cambridge dons will be relieved to learn that Harvard is no longer a dangerous center of subversion.

While earning his degree at Harvard, Gramajo gave an interview to the *Harvard International Review* in which he offered a more nuanced view of his own role. He took personal credit for the "70 percent-30 percent civil affairs program, used by the Guatemalan government during the 1980s to control people or organizations who disagreed with the government," outlining the doctrinal innovations he had introduced: "We have created a more humanitarian, less costly strategy, to be more compatible with the democratic system. We instituted civil affairs [in 1982] which provides development for 70 percent of the population, while we kill 30 percent. Before, the strategy was to kill 100 percent." This is a "more sophisticated means" than the previous crude assumption that you must "kill everyone to complete the job" of controlling dissent, he explained.

It is unfair, then, for journalist Alan Nairn, who had exposed the US origins of the Central American death squads, to describe Gramajo as "one of the most significant mass-murderers in the Western Hemisphere" as Gramajo was sued for horrendous crimes. We can also now appreciate why former CIA director William Colby, who had some firsthand experience with such matters in Vietnam, sent Gramajo a copy of his memoirs with the inscription: "To a colleague in the effort to find a strategy of counterinsurgency with decency and democracy," Washington-style.

Given his understanding of humanitarianism, decency, and democracy, it is not surprising that Gramajo appears to be the State Department's choice for the 1995 elections, according to the *Guatemala Central America Report*, citing Americas Watch on the Harvard fellowship as "the State Department's way of grooming Gramajo" for the job, and quoting a US Senate staffer who says: "He's definitely their boy down there." A "senior commander in the early 1980s, when the Guatemalan military was blamed for the deaths of tens of thousands of people, largely civilians," Gramajo "is seen as a moderate by the U.S. Embassy," Kenneth Freed reports, quoting a Western diplomat, and assuring us of Washington's "repugnance" at the actions of the security forces it supports and applauds. The *Washington Post* reports that many Guatemalan politicians expect Gramajo to win the elections, not an unlikely prospect if he's the State Department's boy down there. Gramajo's image is also being prettified. He offered the *Post* a sanitized version of his interview on the 70 percent-30 percent program: "The effort of the government

was to be 70 percent in development and 30 percent in the war effort. I was not referring to the people, just the effort." Too bad he expressed himself so badly -- or better, so honestly -- before the Harvard grooming took effect.<sup>39</sup>

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<sup>36</sup> Hietala, *Manifest Design*, 193, 170, 259, 266.

<sup>37</sup> Howard, *Harper's*, March 1985; Morris, *American Revolution*, 4, 124; Bernstein, *NYT*, Feb. 2, 1992.

<sup>38</sup> *Military Sales: the United States Continuing Munition Supply Relationship with Guatemala*, US General Accounting office, Jan. 1986, report to Committee on Foreign Affairs, House of Representatives, 4. "Inter-Agency Task Force, Africa Recovery Program/Economic Commission," *South African Destabilization: the Economic Cost of Frontline Resistance to Apartheid*, NY, UN, 1989, 13, cited by Merle Bowen, *Fletcher Forum*, Winter 1991.

<sup>39</sup> *CAR*, Nov. 22, 1991; *Economist*, July 20, 1991; Freed, *LAT*, May 7, 1990. Shelley Emling, *WP*, Jan. 6, 1992. Gramajo refused to respond to the Court charges and was found guilty by default of massive human rights violations; the plaintiffs were awarded over \$10 million in damages-symbolic, doubtless.

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It is not unlikely that the rulers of the world, meeting in G-7 conferences, have written off large parts of Africa and Latin America, superfluous people who have no place in the New World Order, to be joined by many others, in the home societies as well.

Diplomacy has perceived Latin America and Africa in a similar light. Planning documents stress that the role of Latin America is to provide resources and a favorable business and investment climate. If that can be achieved with formal elections under conditions that safeguard business interests, well and good. If it requires state terror "to destroy permanently a perceived threat to the existing structure of socioeconomic privilege by eliminating the political participation of the numerical majority..." that's too bad, but preferable to the alternative of independence; the words are those of Latin Americanist Lars Schoultz, describing the goals pursued by the National Security States that had their roots in Kennedy Administration policies. As for Africa, State Department Policy Planning chief George Kennan, assigning to each part of the South its special function in the New World Order of the post-World War II era, recommended that it be "exploited" for the reconstruction of Europe, adding that the opportunity to exploit Africa should afford the Europeans "that tangible objective for which everyone has been rather unsuccessfully groping..." a badly needed psychological lift, in their difficult postwar straits. Such recommendations are too uncontroversial to elicit comment, or even notice.<sup>40</sup>

The genocidal episodes of the Colombian-Vasco da Gama era are by no means limited to the conquered regions of the South, as is sufficiently attested by the exploits of the leading center of Western civilization 50 years ago. Throughout the era, there have been savage conflicts among the core societies of the North, sometimes spreading far beyond, particularly in this terrible century. For most of the world's population, these are much like shoot-outs between rival drug gangs or mafia dons. The only question is who will gain the right to rob and kill. In the post-World War II era, the US has been the global enforcer, guaranteeing the interests of privilege. It has, therefore, compiled an impressive record of aggression, international terrorism, slaughter, torture, chemical and bacteriological warfare, human rights abuses of every imaginable variety. That is not surprising; it goes with the turf. Nor is it surprising that the occasional documentation of these facts far from the mainstream elicits tantrums among the commissars.

One might note that there are few novelties here either. From Biblical days, there has rarely been a welcome mat for the bearers of unwanted messages; the "responsible men" are the false prophets, who tell more comforting tales. Las Casas's eyewitness description of "the Destruction of the Indies" has been available, in theory, since 1552. It has hardly been a literary staple since. In 1880, Helen Jackson wrote a remarkable account of "A Century of Dishonor," a "sad revelation of broken faith, of violated treaties, and of inhuman acts of violence [that] will bring a flush of shame to the cheeks of those who love their

country," Bishop H.B. Whipple of Minnesota wrote in his preface. Flushes of shame were few, even when it was reprinted in 1964 ("Limited to 2,000 copies"). The abolitionists are honored mostly in retrospect. They were "despised and ostracised, and insulted," Mark Twain wrote -- "by the `patriots'": "None but the dead are permitted to speak truth." His own anti-imperialist essays are scarcely known. The first collection appeared in 1992; its editor notes that his prominent role in the Anti-Imperialist League, a major preoccupation in the last ten years of his life, "seems to have remained unmentioned in all biographies." The murder of six Jesuit intellectuals by the US-trained Atlacatl Brigade in November 1989 elicited much outrage. They were murdered, John Hassett and Hugh Lacey write in introducing their work, "because of the role they played *as intellectuals, researchers, writers, and teachers* in expressing their solidarity with the poor" (their emphasis). There is no surer way to annihilate them forever than to suppress their words -- virtually unknown, unmentioned, though problems they addressed are at the heart of the major foreign policy issue of the decade framed by their murder and the assassination of Archbishop Romero, also ignored and forgotten. Soviet dissidents may have been honored in the West, but at home it was those who upheld official verities and berated the "apologists for imperialism" who were the respectable moderates.

True, such figures as Las Casas may be trotted out occasionally to prove our essential goodness. Explaining that "the demographic catastrophe which befell early Latin America was...caused not by wickedness but by human failing and by a form of fate: the grinding wheels of long-term historical change," the *London Economist* writes that "Where cruelties and atrocities occurred, historians know of them precisely because of the 16th century Spanish passion for justice, for they were condemned by moralists or recorded and punished in the courts." Most important, the conquerors "meant well, sincerely believing" they were offering their victims "a divinely approved order" as they slaughtered, tortured, and enslaved them, which shows the silliness of the "politically correct" loonies who rant about "the savage injustice of the Europeans" (Adam Smith). Columbus himself wanted nothing more than "to care for the Indians and let no harm or hurt be done to them" -- his own words, settling the issue. What better proof could there be of the nobility of our cultural heritage than Columbus's tender solicitude and the Spanish passion for justice?

How curious that the leading chronicler, Las Casas, should have written at the end of his life, in his will: "I believe that because of these impious, criminal and ignominious deeds perpetrated so unjustly, tyrannically and barbarously, God will vent upon Spain His wrath and His fury, for nearly all of Spain has shared in the bloody wealth usurped at the cost of so much ruin and slaughter."<sup>41</sup>

The horrifying record of what actually occurred, if noticed at all, is considered insignificant, even a proof of our nobility. Again, that goes with the turf. The most powerful mafia don is also likely to dominate the doctrinal system. One of the great advantages of being rich and powerful is that you never have to say: "I'm sorry." It is here that the moral and cultural challenge arises, at the end of the first 500 years.

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[40](#) See *PI*, Lect. I; *DD*, ch. 1. Generally, see Kolko, *Confronting*. Schoultz, *Human Rights*, 7.

[41](#) Jackson, *Century*. Zwick, *Mark Twain's Weapons*; 190, 162. Hassett and Lacey, *Towards a Society*; *DD*, ch. 12. *Economist*, Dec. 21, 1991. Las Casas, cited by Todorov, *Conquest*, 245.

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## Chapter Two

# The Contours of World Order

## 1. The Logic of North-South Relations

"Rounding out their natural boundaries" was the task of the colonists in their home territory, which, by the end of the 19th century, extended to the mid-Pacific. But the "natural boundaries" of the South also have to be defended. Hence the dedicated efforts to ensure that no sector of the South goes a separate way, and the trepidations, often near-hysteria, if some deviation is detected. All must be properly integrated into the global economy dominated by the state capitalist industrial societies.

The South is assigned a service role: to provide resources, cheap labor, markets, opportunities for investment and, lately, export of pollution. For the past half-century, the US has shouldered the responsibility for protecting the interests of the "satisfied nations" whose power places them "above the rest," the "rich men dwelling at peace within their habitations" to whom "the government of the world must be entrusted," as Winston Churchill put the matter after World War II.

US interests are therefore understood in global terms. The primary threat to these interests is depicted in high-level planning documents as "radical and nationalistic regimes" that are responsive to popular pressures for "immediate improvement in the low living standards of the masses" and development for domestic needs. These tendencies conflict with the demand for "a political and economic climate conducive to private investment," with adequate repatriation of profits (NSC 5432/1, 1954) and "protection of our raw materials" (George Kennan). For such reasons, as was recognized in 1948 by the clear-sighted head of the State Department Policy Planning staff, "We should cease to talk about vague and...unreal objectives such as human rights, the raising of the living standards, and democratization," and must "deal in straight power concepts," not "hampered by idealistic slogans" about "altruism and world-benefaction," if we are to maintain the "position of disparity" that separates our enormous wealth from the poverty of others (Kennan).

The profoundly anti-democratic thrust of US policy in the Third World, with the recurrent resort to terror to eliminate "the political participation of the numerical majority," is readily understandable. It follows at once from the opposition to "economic nationalism," which is, quite commonly, an outgrowth of popular pressures and organization. Such heresies must therefore be extirpated. Entirely independent of the Cold War, these have been salient features of policy; notoriously, the savage and destructive policies of the

past decade, which are, accordingly, hailed for bringing democracy and a new respect for human rights to the world, exactly as one would expect in a well-behaved intellectual culture.

The domestic analogue is apparent, though other devices are needed to tame the "bewildered herd" at home.<sup>1</sup>

As discussed earlier, "free trade" is highly regarded by those who expect to win the competition, though honored in the breach when interests so dictate. Correspondingly, opposition to economic nationalism (for others) is virtually a reflex among global planners. It became a primary theme of US policy after its own resort to protectionism, import substitution, and other such "ultranationalist" methods enabled the US to play the game successfully. By the mid-1940s, US dominance had reached extraordinary levels. The virtues of economic liberalism were therefore extolled with much fervor, in tandem with calls for extending the huge state subsidies for domestic enterprise. The only problem was how to help backward minds appreciate the merits of policies that would serve US interests so splendidly.

At the Chapultepec (Mexico) hemispheric conference in February 1945, the US called for "An Economic Charter of the Americas" that would eliminate economic nationalism "in all its forms." This policy stood in sharp conflict with the Latin American stand, which a State Department officer described as "The philosophy of the New Nationalism [that] embraces policies designed to bring about a broader distribution of wealth and to raise the standard of living of the masses." State Department Political Adviser Laurence Duggan wrote that "Economic nationalism is the common denominator of the new aspirations for industrialization. Latin Americans are convinced that the first beneficiaries of the development of a country's resources should be the people of that country." The US position, in contrast, was that the "first beneficiaries" should be US investors, while Latin America fulfills its service function. It should not undergo "excessive industrial development" that infringes on US interests, the Truman and Eisenhower Administrations held.<sup>2</sup>

Given the power relations, the US position prevailed.

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<sup>1</sup> For details and sources, see *TTT*, *PI*, *DD*. Kennan and other documents, *TTT*, ch. 2.2, *PI*, Lect. I.

<sup>2</sup> Green, *Containment*, VII.2. See ch. 7.1, below.

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With regard to Asia, the principles were first given a definitive form in an August 1949 draft of NSC 48, Bruce Cumings observes. The basic principle it enunciated was "reciprocal exchange and mutual advantage." A corollary, again, is opposition to independent development: "none of [the Asian countries] alone has adequate resources as a base for general industrialization." India, China, and Japan may "approximate that condition," but no more. Japan's prospects were regarded as quite limited: it might produce "knick-knacks" and other products for the underdeveloped world, a US survey mission concluded in 1950, but nothing more. Though doubtless infused by racism, such conclusions were not entirely unrealistic before the Korean war revived Japan's stagnating economy. "General industrialization in individual countries could be achieved only at a high cost as a result of sacrificing production in fields of comparative advantage," the draft continued. The US must find ways of "exerting economic pressures" on countries that do not accept their role as suppliers of "strategic commodities and other basic materials," the germ of later policies of economic warfare, Cumings observes.

Prospects for development in Africa were never taken seriously, White Africa aside. For the Middle East, the major concern was that the energy system be in US hands, operating in the manner designed by the British: local management would be delegated to an "Arab Façade," with "absorption" of the colonies "veiled by constitutional fictions as a protectorate, a sphere of influence, a buffer State, and so on," a device more cost-effective than direct rule (Lord Curzon and the Eastern Committee, 1917-1918). But we must never run the risk of "losing control," as John Foster Dulles warned. The Façade would therefore consist of family dictatorships that keep pretty much to what they are told, and ensure the flow of profits to the US, its British client, and their energy corporations. They are to be protected by regional enforcers, preferably non-Arab (Turkey, Israel, Iran under the Shah, Pakistan), with British and US muscle in reserve. The system has operated with reasonable efficiency over a considerable period, and has new prospects today with secular nationalist forces in the Arab world in utter disarray, and the Soviet deterrent removed.<sup>3</sup>

The basic themes of internal planning sometimes reach the public, as when the editors of the applauding the overthrow of the parliamentary Mossadegh regime in Iran, observed that "Underdeveloped countries with rich resources now have an object lesson in the heavy cost that must be paid by one of their number which goes berserk with fanatical nationalism." The service areas must be protected from "Bolshevism" or "Communism," technical terms that refer to social transformation "in ways that reduce their willingness and ability to complement the industrial economies of the West," in the words of an important scholarly study of the 1950s. Most important, the historical record conforms very well to this commonly articulated understanding of the role of the South.<sup>4</sup>

"Radical and nationalistic regimes" are intolerable in themselves, even more so if they appear to be

succeeding in terms that might be meaningful to oppressed and suffering people. In that case they become a "virus" that might "infect" others, a "rotten apple" that might "spoil the barrel." For the public, they are "dominoes" that will topple others by aggression and conquest; internally, the absurdity of this picture is often (not always) conceded, and the threat is recognized to be what Oxfam once called "the threat of a good example," referring to Nicaragua. When Henry Kissinger warned that the "contagious example" of Allende's Chile would "infect" not only Latin America but also southern Europe, sending to Italian voters the message that democratic social reform was a possible option, he did not anticipate that Allende's hordes would descend upon Rome. Although the Sandinista "Revolution without Borders" was a spectacularly successful government-media fraud, the propaganda images reflected an authentic concern: from the perspective of a hegemonic power and its intellectual servants, declaration of an intent to provide a model that will inspire others -- the actual source of the imagery -- amounts to aggression.<sup>5</sup>

When a virus is detected, it must be destroyed, and potential victims immunized. The Cuban virus called forth invasion, terror, and economic warfare, and a rash of National Security States to prevent the rot from spreading. The story was the same in Southeast Asia in the same years. The standard approach to the virus itself is a two-track policy, as in the case of Allende's Chile. The hard line called for a military coup, finally achieved. The soft line was explained by Ambassador Edward Korry, a Kennedy liberal: to "do all within our power to condemn Chile and the Chileans to utmost deprivation and poverty, a policy designed for a long time to come to accelerate the hard features of a Communist society in Chile." Hence even if the hard line did not succeed in introducing fascist killers to exterminate the virus, the vision of "utmost deprivation" would suffice to keep the rot from spreading, and ultimately demoralize the patient itself. And crucially, it would provide ample grist for the mill of the cultural managers, who can produce cries of anguish at "the hard features of a Communist society," pouring scorn on those "apologists" who describe what is happening. The point was made clearly by Bertrand Russell in his bitterly critical account of Bolshevik Russia in its early days:

Every failure of industry, every tyrannous regulation brought about by the desperate situation, is used by the Entente as a justification of its policy. If a man is deprived of food and drink, he will grow weak, lose his reason, and finally die. This is not usually considered a good reason for inflicting death by starvation. But where nations are concerned, the weakness and struggles are regarded as morally culpable, and are held to justify further punishment.

There is, evidently, much satisfaction to be gained by careful inspection of those who are writhing under our boot, to see if they are behaving properly; when they are not, as is often the case, indignation is unconstrained. Far worse atrocities of our own, or of our "moderate" and "improving" clients, are merely an aberration, soon to be overcome.<sup>6</sup>

To introduce further technical terminology, "rotten apples" constitute a threat to "stability." As Washington prepared to overthrow the first democratic government in Guatemala in 1954, a State Department official warned that Guatemala "has become an increasing threat to the stability of Honduras and El Salvador. Its agrarian reform is a powerful propaganda weapon; its broad social program of aiding

the workers and peasants in a victorious struggle against the upper classes and large foreign enterprises has a strong appeal to the populations of Central American neighbors where similar conditions prevail." "Stability" means security for "the upper classes and large foreign enterprises," and it must naturally be preserved. It is understandable, then, that Eisenhower and Dulles should have felt that the "self-defense and self-preservation" of the United States might be at stake when they were advised that "a strike situation" in Honduras might "have had inspiration and support from the Guatemalan side of the border."<sup>7</sup>

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<sup>3</sup> Cumings, *Origins*, 172-3. On the contempt for Japan's prospects, see *DD*, 337-8. *Ibid.*, ch. 6 and "Afterword," on the Middle East; and *TNCW*, ch. 8. British and Dulles, Stivers, *Supremacy*, 28, 34; *America's Confrontation*, 20f.

<sup>4</sup> *DD*, 49-51, 27; and generally.

<sup>5</sup> *Ibid.*, 259; *TTT*, 270; *COT*, 219-221; *NI*, 71-2. Kissinger, *TTT*, 67-8.

<sup>6</sup> *DD*, 395. Russell, *Practice and Theory*, 68.

<sup>7</sup> Gleijeses, *Shattered Hope*, 365. *Foreign Relations of the United States*, 1952-1954, Vol. IV, 1131ff.; no other evidence was cited. The Attorney-General invoked "self-defense and self-preservation" to justify the blockade imposed in violation of international law. Memorandum of NSC discussion, May 27, 1954.

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So important is "stability" that "desirable reforms" must not be implemented. In December 1967, Freedom House issued a statement by 14 noted scholars who declared themselves to be "the moderate segment of the academic community," praising US policies in Asia as "remarkably good," particularly in Indochina, where our courageous defense of freedom contributed greatly to "political equilibrium in Asia," improving "the morale -- and the policies -- of our Asian allies and the neutrals." The point is illustrated by what they cite as our greatest triumph, the "dramatic changes" that took place in Indonesia in 1965, when the army, encouraged by our stand in Indochina, took matters in hand and slaughtered several hundred thousand people, mostly landless peasants (see [chapter 5](#)). Quite generally, the moderate scholars explain, "many types of reform increase instability, however desirable and essential they may be in long-range terms. For people under siege, there is no substitute for security." The terms "people," "stability," etc., have their usual PC meanings.

Many noted scholars agreed with MIT political scientist Ithiel Pool that throughout the Third World, "it is clear that order depends on somehow compelling newly mobilized strata to return to a measure of passivity and defeatism." The same lessons were soon to be drawn by the Trilateral Commission for the population of the West, who were undermining "democracy" by attempting to enter the arena of democratic politics instead of keeping to their "function" as "spectators," as their betters run the show.<sup>8</sup>

Such thinking is pervasive, and understandable. It will persist, as long as threats to order and stability remain. The continuities are apparent, and quite independent of the Cold War. After the Gulf War, when the Cold War was lost as a pretext beyond hope of resurrection, George Bush returned to support for his old friend and ally Saddam Hussein as he crushed the Shi'ites in the South and then the Kurds in the North. Western ideologues explained that although these atrocities offend our delicate sensibilities, we must nevertheless accept them in the name of "stability." The chief diplomatic correspondent of the *New York Times*, Thomas Friedman, outlined Bush Administration reasoning: Washington seeks "the best of all worlds: an iron-fisted Iraqi junta without Saddam Hussein," a return to the days when Saddam's "iron fist held Iraq together, much to the satisfaction of the American allies Turkey and Saudi Arabia," not to speak of the boss in Washington. Saddam Hussein committed his first serious crime on August 2, 1990, when he disobeyed orders. Therefore he must be destroyed, but some clone must be found to ensure "stability." In accord with the same doctrines, the Iraqi democratic opposition was barred from contact with Washington, hence from the mainstream US media, throughout the crisis (and, indeed, before and after). It was not until summer 1992, in the context of electoral concerns, that the Bush Administration opened limited contacts with Iraqi democrats.<sup>9</sup>

These are leading features of the New World Order, as of the old, well-documented in the internal record, regularly illustrated in historical practice, bound to persist as contingencies change.

Official PC rhetoric includes a variety of other terms. Thus the aspiring intellectual must master the term "security threat," referring to anything that might infringe upon the rights of US investors. Another is "pragmatism," a term which, for us, means "doing what we want." For others, the meaning is: "doing what we want." In the case of the Arab-Israel conflict, for example, the US has stood virtually alone for many years in blocking any peace process that accords national rights to Palestinians, but of the two brands of Israeli rejectionism (Labor and Likud), it has preferred the former. Accordingly, Likud's Yitzhak Shamir was "ideological" but Labor's Yitzhak Rabin is "pragmatic." "Mr. Rabin's pragmatic, non-ideological approach fits in well with the Bush team," *Times* State Department spokesman Thomas Friedman writes, recognizing that the Bush team is pragmatic by definition, agreeing with itself. Jerusalem correspondent Clyde Haberman applauds Rabin's election in June 1992 as a victory for "pragmatism." Similarly, Palestinians are "pragmatic" if they accept the fact that the US sets the rules: they have no national rights, because the US has so decreed. They must therefore accept "the autonomy of a POW camp" described by Israeli journalist Danny Rubinstein, an "autonomy" in which they will be free to collect their garbage in designated areas not taken over by Israel -- as long as the garbage cans do not display the colors of the Palestinian flag, a leading Israeli civil libertarian adds. The term "peace process" is another of those to be mastered: in PC rhetoric, it refers to whatever the US happens to be doing, perhaps blocking the peace process, as in this and many other cases.<sup>10</sup>

There are other skills to be learned, to some of which we return; but the task is not too onerous, as demonstrated by the ease with which they are mastered.

The "Communist" danger to "stability" is further enhanced by their unfair advantages. The Communists are able to "appeal directly to the masses," President Eisenhower complained. Our plans for "the masses" preclude any such appeal. Secretary of State John Foster Dulles, in private conversation with his brother Allen, who headed the CIA, deplored the Communist "ability to get control of mass movements," "something we have no capacity to duplicate." "The poor people are the ones they appeal to and they have always wanted to plunder the rich."<sup>11</sup> The same concerns extend to "the preferential option for the poor" of the Latin American Church and other commitments to independent development or democracy -- and also to such friends as Mussolini, Trujillo, Noriega, and Saddam Hussein when they forget their assigned role.

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<sup>8</sup> *APNM*, 33ff.; *TNCW*, 67-9, 89-90.

<sup>9</sup> Friedman, *NYT*, July 7, 1991. Iraqi democrats, *DD*, ch. 6.4, "Afterword," sec. 4, and earlier articles in *Z magazine*.

[10](#) Friedman, *NYT*, June 24; Haberman, *NYT*, June 28, 1992; see Nabeel Abraham, *Lies of Our Times*, Sept. 1992. On US-vs.-peace process, and background, see DD, "Afterword"; for an ongoing record, *TNCW*, *FTR*, *NI*. On official PC, see Herman, *Decoding Democracy*.

[11](#) Eisenhower quoted by Richard Immerman, *Diplomatic History* (Summer 1990). John Foster Dulles, Telephone Call to Allen Dulles, June 19, 1958, "Minutes of telephone conversations of John Foster Dulles and Christian Herter," Eisenhower Library, Abilene KA.

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## 2. After Colonialism

The United States had become the world's major industrial economy by the turn of the century, and its leading creditor by World War I, a position maintained until the Reaganites took command, quickly converting the US into the world's leading debtor. During World War II, quasi-totalitarian measures at last overcame the effects of the Great Depression, more than tripling US industrial production and teaching valuable lessons to the corporate managers who ran the wartime economy. There has been no serious challenge since to their conclusion that private wealth and power, which were nurtured by large-scale state intervention in the first place, can be sustained and enhanced only through the same means; only in rhetorical flourishes, or on the remote margins, is capitalism regarded as a viable system. With much of the world in ruins, the US had attained a historically unparalleled peak of economic and military dominance. State and corporate planners were well aware of their unprecedented power, and intent on using it to construct a global order to benefit the interests they serve.

The highest priority was to ensure that the industrial heartland, German-based Europe and Japan, would be firmly within the US-dominated world order, controlled by domestic financial-industrial sectors linked to US state-corporate power. The first order of business, then, was to undermine the antifascist resistance with its popular base in the "rascal multitude," to weaken labor, and to restore traditional conservative rule, often including fascist collaborators. This task was undertaken on a global scale in the late 1940s, with considerable violence when that proved necessary, notably in Greece and South Korea.

In this New World Order, North-South relations were reconstructed, though not in any fundamental way. The US sought a generally open world based on the principles of liberal internationalism, expecting to prevail in a competition that was "free and fair." These considerations led to a measure of support for the rising anti-colonial forces. But within limits. A 1948 CIA memorandum observed that a balance must be struck between "supporting local nationalist aspirations and maintaining the colonial economic interests of countries to whom aid has been pledged in Western Europe"; there could be little doubt as to the relative weights when serious US interests are at stake. Similarly, the imperial system that Japan had sought to construct had to be restored to it, under over-arching US control. These considerations led to tactical decisions to favor traditional colonial preference systems for rival/allies; temporarily, in the context of postwar reconstruction and reestablishment of trade patterns with the industrial powers on which the US economy relied.

Intending to organize the Far East pretty much on its own, Washington barred its allies from any role in determining the fate of Japan. The goal was "to guarantee U.S. security by insuring long-term American

domination of Japan" and "to exclude the influence of all foreign governments" (Melvyn Leffler, expressing a scholarly consensus; "security" having its usual meaning). Given US power, that goal was easily attained, irrespective of wartime agreements. In the Middle East and Latin America, the ideological system confers on the United States the right to pursue its "needs" and "wants," respectively. The plan, therefore, was to restrict foreign interference, apart from an occasional subordinate role assigned to client powers, notably Britain in the Middle East. Britain serves as "our lieutenant (the fashionable word is partner)," as a senior Kennedy adviser put it; the British are to hear only the fashionable word.<sup>12</sup>

The character of planning is well-illustrated by the case of Italy. Like Greece, its importance extended to the Middle East. "U.S. strategic interests" required control over "the line of communications to the Near East outlets of the Saudi-Arabian oil fields" through the Mediterranean, a September 1945 interagency review observed. These interests would be threatened if Italy were to fall into "the hands of any great power" -- in translation: if it were to escape from the hands of the proper great power. Italy "could be used to guarantee -- or, in the wrong hands, impair -- oil supplies from the Near East," Rhodri Jeffrey-Jones observes.

It was expected that the Communist Party, with its strong labor support and the prestige conferred by its role in the struggle against Fascism and the Nazi occupiers, would win the 1948 elections. That result could have a "demoralizing effect throughout Western Europe, the Mediterranean, and the Middle East," US policymakers warned. It would be the "first instance in history of a communist accession to power by popular suffrage and legal procedure," and "so unprecedented and portentous an event must produce a profound psychological effect in those countries threatened by the Soviets and...striving to retain their freedom." To translate again to English, it might influence popular movements that sought to pursue an independent and often radical democratic course, thus undermining the US policy of restoring the traditional order dominated by conservative business and often pro-fascist sectors ("freedom"). In short, Italy might become a "virus infecting others." The US planned military intervention if the election could not be controlled by other means. A combination of force, threats, control over desperately needed food, and other measures succeeded in overcoming the threat of a free election. Substantial US efforts to subvert Italian democracy continued at least to the mid-1970s. In later years, as noted, it was feared that Chile might be a "virus infecting" Italy.<sup>13</sup>

For similar reasons, after Washington failed to disrupt the 1984 election in Nicaragua by terror, its doctrinal system effaced the terrible event from history; the media rigorously excluded the approval voiced by international observers including hostile ones, US Latin American scholars who studied the election in depth, and the leading figure of Central American democracy, José Figueres.

The life of those responsible for world order is never easy, as Metternich and the Czar had recognized in their day.

Apart from subversion, policymakers sought other ways "to stabilize Italy," Sallie Pisani writes in her study of the early days of the CIA. Subversion to achieve stability is standard procedure, quite intelligible

to those who have mastered PC rhetoric; it is even possible to "destabilize a freely elected Marxist government in Chile" because "we were determined to seek stability" (James Chace). One idea for Italy was to thin the disruptive population by inducing emigration. Marshall Plan money was used to rebuild the Italian merchant marine to "double the number of Italian emigrants who can be carried overseas each year," the chief of the ECA (Marshall Plan) mission for Italy reported. It was also used to retrain workers, "thereby making them more acceptable to other countries," he added. Europe had unemployment problems, and more "wops" was the last thing wanted in the US. Congress therefore authorized funds for the "purpose of transporting emigrants from Italy to parts of the world other than the United States." The ECA decided upon South America, with its "relatively less developed areas." It funded an emigration survey "to locate specific lands suitable for Italian settlement" in South America, and to help prepare the ground. The first recipient of such aid was Brazil, in 1950.

The project was considered highly sensitive, and concealed from Italians completely. "Propaganda to stabilize the remaining Italians was equally important," Pisani writes, and a "sophisticated campaign" was conducted in Italy, as in France, another potential "virus." A problem in France, the ECA mission noted, was that "The French are allergic to propaganda. They often confuse what we call information with what they call propaganda." Washington policymakers agreed that "overt American propaganda" would not be a good idea for Europeans, because of their experiences with the Nazis. The ECA therefore adopted the concept of "indirection," defined as the ability to "get across the ECA and U.S. Government foreign policy point of view, without either ECA or the U.S. Government being identified as the source of the material." At home, where the population is better trained, "information" suffices.<sup>14</sup>

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<sup>12</sup> Leffler, *Preponderance*, 258, 90-1. *TNCW*, chs. 8, 11; *DD*, chs. 1, 6, 8, 11. Frank Costigliola, in Paterson, *Kennedy's Quest*. On Japan, see Schaller, *American Occupation*. See references of n. 16.

<sup>13</sup> Leffler, *Preponderance*, 71. Jeffrey-Jones, *CIA*, 51. Pisani, *CIA*, 106-7. See ch. 1.2, above. Nicaraguan election, *MC*, *NI*, *DD*. *DD*, ch. 11, on US and Italy, in the context of the broader struggle to deter the threat of democracy in the industrial societies after World War II.

<sup>14</sup> Pisani, *CIA*, 114f., 91f. Chace, *NYT Magazine*, May 22, 1977. On racist attitudes towards the "wops" in both the internal and public record, see *DD*, chs. 1.4, 11.5.

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In the Western hemisphere, the US had largely displaced its European rivals by World War II, and therefore rejected the principles of the new world order for "our little region over here which never has bothered anybody," as Secretary of War Henry Stimson described the hemisphere when explaining why all regional systems must be dismantled apart from our own, which are to be extended. The US insisted that hemispheric affairs be handled by regional organizations, which it is sure to dominate; very much the principle for which Saddam Hussein was roundly condemned in 1990, when he proposed that the problems of the Gulf be dealt with by the Arab League. But here too there are limits. If the Latin Americans "attempt irresponsible use of their numerical strength in the O.A.S.," John Dreier explains in his study of the organization, "if they carry to extremes the doctrine of nonintervention, if they leave the United States no alternative but to act unilaterally to protect itself, they will have destroyed not only the basis of hemispheric cooperation for progress but all hope of a secure future for themselves." The guardians of world order must be ever alert for signs of irresponsibility.

The same had been true of Roosevelt's Good Neighbor Policy, which carried an "implicit obligation of reciprocity," State Department Latin America official Robert Woodward pointed out: "the admittance into an American government of an alien ideology" would "compel the United States to take defensive measures," unilaterally. Others, needless to say, have no such right, in particular, no right to defend themselves from the US and its "ideology," which are not "alien": indeed, the US has no ideology, apart from "pragmatism," in the technical sense. The general point was clarified by Carter's Latin America adviser Robert Pastor, at the critical extreme: the US wants other nations "to act independently, *except* when doing so would affect U.S. interests adversely"; the US has never wanted "to control them," as long as developments do not "get out of control." Others can be quite free, as long as they are "pragmatic."<sup>15</sup>

To assist "countries striving to retain their freedom," the US has been forced regularly to launch terrorist attacks against them or invade them outright, and to use its unparalleled capacities for economic warfare and subversion. The mission requires a cooperative class of intellectuals to shape "information" properly for the rascal multitude, rarely a problem.

After World War II, the importance of the traditional service role of the South was enhanced by "the realization that the food and fuel of Eastern Europe were no longer available to Western Europe at prewar levels" (Leffler). Each region was assigned its status and "function" by the planners. The US would take charge of Latin America and the Middle East, in the latter, with the help of its lieutenant. Africa was to be "exploited" for the reconstruction of Europe, while Southeast Asia would "fulfill its major function as a source of raw materials for Japan and Western Europe" (George Kennan and his State Department Policy Planning Staff, 1948-1949). The US too would purchase raw materials from the former colonies, thus reconstructing the triangular trade patterns whereby the industrial societies

purchase US manufacturing exports by earning dollars from raw materials exports by their traditional colonies. The "dollar gap" that impeded export of US manufactures to Europe was considered an extremely serious problem by Dean Acheson and other top planners; overcoming it was taken to be a critical necessity for the US economy, which, it was assumed, would otherwise sink back into deep depression or face state intervention of the kind that would interfere with corporate prerogatives rather than enhancing them. By this reasoning, sophisticated and extensively articulated, former colonies could be granted nominal self-government, but often little more.<sup>16</sup>

The framework of postwar global planning entailed that colonial relations must be reestablished in new forms and "ultranationalist" tendencies suppressed, particularly if they threaten "stability" elsewhere; the destiny of the South remains much as before. Both the industrial core and its subservient periphery were to be guarded against association with the "Sino-Soviet bloc" (or its components, when the bitter antagonism internal to the "bloc" could no longer be denied). The latter "bloc," a huge segment of the former Third World that had departed from its traditional role, had to be "contained" or, if possible, restored to the service function by "rollback." A significant factor in the Cold War was the imposition of Soviet rule over traditional service areas, separating them from the US-dominated state capitalist world, and the threat that Soviet power might contribute to the breakaway of other areas, even influencing popular sectors within the industrial core itself, a threat considered particularly severe in the early postwar period.

North-South relations vary somewhat over the years, but rarely beyond these basic limits. The realities are described in a 1990 report by the South Commission, chaired by Julius Nyerere and consisting of leading Third World economists, government planners, religious leaders, and others. The Commission observes that there were some gestures to Third World concerns in the 1970s, "undoubtedly spurred" by concern over "the newly found assertiveness of the South after the rise in oil prices in 1973" -- incidentally, not entirely unwelcome to the US and UK. As the threat of Southern assertiveness abated, the report continues, the industrial societies lost interest and turned to "a new form of neo-colonialism," monopolizing control over the world economy, undermining the more democratic elements of the United Nations, and in general proceeding to institutionalize "the South's second class status" through the 1980s.

The pattern is consistent; it would be remarkable if it were otherwise.

Reviewing the miserable state of the traditional Western domains, the South Commission called for a "new world order" that will respond to "the South's plea for justice, equity, and democracy in the global society." The prospects for this plea are revealed by the attention granted it; the study was ignored, as are Third World voices generally. They are of slight interest to the rich men to whom "the government of the world must be entrusted."<sup>17</sup>

Several months later, George Bush appropriated the phrase "New World Order" as a cover for his war in the Gulf. In this case, word got out, and Bush-Baker rhetoric inspired much elevated discourse about the prospects opening before us. In the South, in contrast, the "New World Order" imposed by the powerful is perceived, not unrealistically, as a bitter international class war, with the advanced state capitalist

economies and their transnational corporations monopolizing the means of violence and controlling investment, capital, technology, and planning and management decisions, at the expense of the huge mass of the population. Local elites in the Southern dependencies can share in the spoils. The US and UK, which wield the whip, may well continue their decline toward societies with notable Third World characteristics, dramatically obvious in the inner cities and rural areas; it is likely that continental Europe will not lag far behind, despite the impediment of a labor movement that has not yet been entirely restored to its proper place.

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[15](#) Stimson; Kolko, *Politics*, 471. Wood, *Dismantling*, 193, 197 (citing Woodward, personal letter; Dreier, *The Organization of the American States* (1962)). Pastor, *Condemned*, 32, his emphasis.

[16](#) Leffler, *Preponderance*, 165. For earlier discussion of these matters, see among others AWWA, introduction; essays by Gabriel Kolko, Richard Du Boff, and John Dower in *PP V*; *FRS*, 31ff. Important recent studies include Borden, *Pacific Alliance*; Schaller, *American Occupation*; Rotter, *Path to Vietnam*. Leffler's very useful study, summarizing much recent work and adding significant new information, places this thinking within the general matrix of Truman era planning. Recent scholarship largely confirms and extends the pioneering work of Gabriel and Joyce Kolko 20-25 years ago. For a partial update, see Kolko, *Confronting*. See also DD, chs. 1, 11, and sources cited.

[17](#) South Commission, *Challenge*, 216ff., 71f., 287.

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### 3. The Rich Men's Club

The US-designed global system required that order must reign within the rich men's club as well. Its lesser members are to pursue their "regional interests" within the "overall framework of order" managed by the United States, the only power with "global interests and responsibilities," Kissinger informed Europe in 1973 ("the Year of Europe"). In the early postwar years, a European third force could not be tolerated. The formation of NATO was in large part motivated by the need "to integrate Western Europe and England into an orbit amenable to American leadership," Leffler observes: "Neither an integrated Europe nor a united Germany nor an independent Japan must be permitted to emerge as a third force or a neutral bloc." Neutralism would be "a shortcut to suicide," Secretary of State Dean Acheson stated. The same was true outside the core industrial societies. While recognizing that the Russians were not responsible for conflicts in the Third World, Acheson warned in 1952 that the Russians might exploit such conflicts in an effort to "force the maximum number of non-Communist countries to pursue a neutral policy and to deny their resources to the principal Western powers" -- that is, to deny them on the terms the West demanded. General Omar Bradley also warned of "the suicide of neutralism," with Japan in mind.<sup>18</sup>

Western planners "did not expect and were not worried about Soviet aggression," Leffler writes, summarizing a well-established scholarly consensus: "The Truman administration supported the Atlantic alliance primarily because it was indispensable to the promotion of European stability through German integration." This was the basic motivation for the North Atlantic treaty signed in Washington in April 1949, which led to the establishment of NATO, and in response, the Warsaw Pact. Preparing for the April meeting, US policymakers "became convinced that the Soviets might really be interested in striking a deal, unifying Germany, and ending the division of Europe." This was regarded not as an opportunity, but as a threat to the "primary national security goal": "to harness Germany's economic and military potential for the Atlantic community" -- and to block "the suicide of neutralism."<sup>19</sup>

Note that "national security" is used here in its technical sense, unrelated to the security of the nation, which could only be endangered by these conscious steps toward superpower confrontation. Similarly, the phrase "Atlantic community" refers to its ruling elements, not its populations, whose interests are readily sacrificed if power and profits so dictate; by shifting production overseas to labor that is kept docile and cheap by state violence, for example.

"The real issue," the CIA concluded in 1949, "is not the settlement of Germany," which, it was believed -- and feared -- might be reached by an accord with the Kremlin. Rather, it is "the long-term control of

German power." This "great workshop" must be controlled by the US and its clients, with no participation from the Soviet Union, despite the well-understood security interests of the country that had just been virtually destroyed by Germany for the second time in 30 years, and had borne the brunt of the war against the Nazis; and in violation of the wartime agreements on the Soviet role in Germany, which the US had already violated by March 1946, Leffler observes. The withdrawal of Soviet troops from Germany might be a desirable goal, Acheson held, but "the withdrawal of American and British troops from Germany would be too high a price." The "trend of our thinking," George Kennan recognized, "means...that we do not really want to see Germany reunified at this time, and that there are no conditions on which we would really find such a solution satisfactory." Unification of Germany might be a long-term desideratum, but "only if the circumstances are right," the State Department emphasized. US troops would therefore remain in Germany even if the Soviets proposed a mutual withdrawal; Germany would be integrated as a subsidiary part of the US-dominated global economy; and the Russians would have no significant voice in the outcome, would not receive reparations, and would not influence German industrial (or military) development.<sup>20</sup>

That outcome would serve two crucial goals: weakening the Soviet rival, and reinforcing US dominance over its allies. Moves to end the Cold War, in contrast, would serve neither of these goals, and hence were never a serious option.

A third reason for opposing unification, Leffler observes, was concern over the "appeal of the left," reinforced by "the more vigorous recovery and political activism in the Soviet zone," including the space allowed for works councils with some managerial authority in denazified enterprises, and trade union organization. Washington feared that a unified labor movement and other popular organizations might interfere with US plans to restore traditional business rule. The British Foreign Office also feared "economic and ideological infiltration" from the East, which it perceived as "something very like aggression"; political successes by the wrong people are commonly described as "aggression" in the internal record. In a united Germany, the British Foreign Office warned, "the balance of advantage seems to lie with the Russians," who could exercise "the stronger pull." Division of Germany was therefore to be preferred, with the Soviet Union excluded from any voice over the heartland of German industry in the wealthy Ruhr/Rhine industrial complex.<sup>21</sup>

For many reasons, confrontation seemed preferable to accommodation. Whether that might have been possible is a matter for speculation. Throughout, a major concern was integration of the core industrial societies in a world order dominated by the US state-corporate nexus.

A decade later, Europe had substantially recovered, thanks in large measure to the policies of "international military Keynesianism" undertaken by Washington from shortly before the Korean war -- which served as a pretext on the assumption, too convenient to require evidence, that the Russians were setting forth on world conquest. As recovery proceeded, fears of European independence and neutralist tendencies increased. Kennedy's Ambassador to London, David Bruce, saw "dangers" if Europe "struck off on its own, seeking to play a role independent of the US"; like others, he wanted "partnership -- with the United States in a superior position," Frank Costigliola comments. Kennedy's "Grand Design" was an effort to manage the allies, but with mixed results. France was a particular annoyance. Kennedy feared

that President Charles de Gaulle might make a deal with the Russians that "would be acceptable to the Germans," and was "extremely concerned" about intelligence reports suggesting a Franco-Russian deal to shut the US out of Europe, close associates recalled. Another concern was the gold drain, taken to be French-inspired. A still further irritant was de Gaulle's position on Indochina. His advocacy of diplomacy and neutralization was completely unacceptable to the Kennedy Administration, which was committed to military victory and, at the time, was struggling to undermine and deflect Vietnamese initiatives on all sides to settle that conflict without a major international war. In Indochina, as in Europe and throughout the Third World, neutralism was anathema to US planners, "a shortcut to suicide."<sup>22</sup>

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<sup>18</sup> Kissinger, *American Foreign Policy*; Leffler, *Preponderance*, 17, 449, 463.

<sup>19</sup> *Ibid.*, 282f.

<sup>20</sup> *Ibid.*, 284, 156. Acheson, Kennan, cited by Gaddis, *Strategies*, 76.

<sup>21</sup> Leffler, *Preponderance*, 117, 119. *DD*, ch. 11. On "aggression," see *FRS*, 114f.

<sup>22</sup> Costigliola, in Paterson, *Kennedy's Quest*, quoting Theodore Sorenson; also George Ball. Wachtel, *Money Mandarins*, 64f. On Kennedy and Vietnam, see *RC*. On the impact of "international military Keynesianism" after the failure of the aid programs, see particularly Borden, *Pacific Alliance*; *DD*, ch. 1, for other sources and comment.

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Mounting difficulties in controlling the allies led to Kissinger's 1973 admonitions. The "major problem" in the Western alliance, he felt, was "the domestic evolution in many European countries," which might lead to an independent course. The development of Eurocommunism aroused new concerns -- which Kissinger shared with Brezhnev, who also was not pleased by the call for a "democratic path to socialism" that opposed "all foreign intervention." Kissinger cited post-fascist Portugal and Italy as situations that, "while not the result of détente or of Soviet policy," posed political problems for the US: "We cannot encourage dialogue with Communist parties within NATO nations," he informed US Embassies, whether or not they follow "the Moscow line": "The impact of an Italian Communist Party that seemed to be governing effectively would be devastating -- on France, and on NATO, too." Consequently, the US must oppose the rise of the Communist party in Portugal after the collapse of the fascist dictatorship (which had posed no problem), even if it were to follow the Italian Eurocommunist model. "It was feared that Eurocommunism would make Western communist parties more palatable and attractive to the publics of Western countries," Raymond Garthoff writes in his comprehensive study of the period: the US "gave a higher priority to...protecting the Western alliance and American influence in it" than to "weakening Soviet influence in the East."<sup>23</sup>

Again, we see the dual problem: the combination of democratic developments that escape corporate control, and decline of US power. Neither is acceptable; jointly, they pose a grave danger to "security" and "stability."

By the 1970s, the problems were becoming unmanageable, and a sharply different course was initiated, to which we return in the next section. They persist into the 1990s. An illustration is the controversy over a secret February 1992 Pentagon draft of Defense Planning Guidance, leaked to the press, which describes itself as "definitive guidance from the Secretary of Defense" for budgetary policy to the year 2000. The draft develops standard reasoning. The US must hold "global power" and a monopoly of force. It will then "protect" the "new order" while allowing others to pursue "their legitimate interests," as Washington defines them. The US "must account sufficiently for the interests of the advanced industrial nations to discourage them from challenging our leadership or seeking to overturn the established political and economic order," or even "aspiring to a larger regional or global role." There must be no independent European security system; rather, US-dominated NATO must remain the "primary instrument of Western defense and security, as well as the channel for U.S. influence and participation in European security affairs." "We will retain the pre-eminent responsibility for addressing selectively those wrongs which threaten not only our interests, but also those of our allies or friends"; the United States alone will determine what are "wrongs" and when they are to be selectively "righted." As in the past, the Middle East is a particular concern. Here "our overall objective is to remain the predominant outside power in the region and preserve U.S. and Western access to the region's oil" while deterring aggression

(selectively), maintaining strategic control and "regional stability" (in the technical sense), and protecting "U.S. nationals and property." In Latin America, the primary threat is Cuban "military provocation against the U.S. or an American ally," the standard Orwellian reference to the escalating US war against Cuban independence.

"Western European and third world diplomats here were sharply critical of some of the language in the document," Patrick Tyler reported from Washington. "Senior White House and State Department officials have harshly criticized" it as well, claiming that it "in no way or shape represents U.S. policy." The Pentagon spokesman "pointedly disavowed some of the central policy statements" of the document, noting, however, that "its basic thrust mirrors the public statements and testimony of Defense Secretary Dick Cheney." This constitutes a "tactical withdrawal" by the Pentagon, Tyler suggests, prompted by the "reaction in Congress and from senior Administration officials." Quite possibly Administration criticisms also reflect concerns over the alarms that the document set off in many capitals, and their harsh criticism too is a tactical withdrawal. Cheney and Undersecretary for Policy Paul Wolfowitz "endorsed [the] principal views" of the document, senior officials acknowledged. There was also criticism in the press, notably from *Times* foreign policy specialist Leslie Gelb, who objected to the "daydreaming about being the world's policeman" and one "disturbing omission": "the document seems to be silent about any American role in insuring Israeli security."<sup>24</sup>

To what extent the other members of the club will accept the suzerainty of the enforcer who pledges to "account sufficiently for their interests" is an unsettled question. In the present case, protests and concerns over cost led the Administration to revise the plan a few months later, replacing traditional themes by tepid clichés -- at least for public consumption. Meanwhile France and Germany moved to implement a Franco-German military corps independent of NATO, over intense US opposition. France also blocked US efforts to extend the NATO alliance (including the related North Atlantic Cooperation Council) to include Hungary, Poland, and Czechoslovakia. US officials allege that "the French don't want an American-led NATO to take on further responsibilities in Eastern Europe" and perpetuate the alliance, the *Wall Street Journal* reported.<sup>25</sup>

The debates reflect a real foreign policy dilemma. With its economy in relative decline and its social base in serious disrepair, particularly after a decade of Reaganite borrow-and-spend abandon, is the US in a position to maintain the hegemonic role it has played for half a century? And will others accept a subordinate role? Will they be willing to pay the costs, as the US exploits its comparative advantage in military force to maintain the particular version of global order demanded by the domestic power interests, costs that the US is no longer in a position to sustain itself? It is not clear that the other rich men will agree to employ the US as their "Hessians," as widely advocated in the business press during the build-up to the Gulf war, perhaps along with its British lieutenant. The latter is also in social and economic decline but "well qualified, motivated, and likely to have a high military profile as the mercenary of the international community," the military correspondent of the London *Independent* comments -- again, a regular theme during the Gulf war, accompanied by much triumphant breast-beating among British jingoists, dreaming of the good old days when they had "the right to bomb niggers" with no whining from the left-fascists.<sup>26</sup>

To understand the discussion, it is necessary to decode the conventional euphemisms in which it is framed ("responsibility," "security," "defense," etc.). The code words disguise a basic question: Who is going to run the show?

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[23](#) Garthoff, *Détente*, 487f.

[24](#) Excerpts, *NYT*, March 8; Patrick Tyler, *NYT*, March 8, 11; Barton Gellman, *WP Weekly*, March 16-22, 1992.

[25](#) Patrick Tyler, *NYT*, May 24, 1992. Frederick Kempe, "U.S., Bonn Clash Over Pact with France," *WSJ*, May 27, 1992.

[26](#) See *DD*, introduction. Christopher Bellamy, *International Affairs*, July 1992.

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## 4. The End of the Affluent Alliance

The basic framework of policy formation tends to remain in place as long as the institutions of power and domination are stable, with the capacity to deflect challenges and accommodate or displace competing forces. That has been true of the United States in the postwar period, indeed long before. Nevertheless, policies have to be adapted to changing contingencies.

A change in world order of lasting importance was recognized officially in August 1971, when Richard Nixon announced his "New Economic Policy," dismantling the international economic order established after World War II (the Bretton Woods system), in which the US served, in effect, as international banker, with the dollar as the world's sole international currency, convertible to gold at \$35 an ounce. By that time, "the affluent alliance had come to the end of the road" and "the disorder was getting too serious for aspirins," international economist Susan Strange observed. German-led Europe and Japan had recovered from wartime destruction, and the US was facing the unanticipated costs of the Vietnam war. The world economy was entering an era of "tripolarity" -- and also, crucially, of stagnation and declining profitability of capital.<sup>27</sup>

The predictable reaction was a rapid intensification of the class war that is waged with unceasing dedication by the corporate sector, its political agents, and ideological servants. The years that followed saw an attack on real wages, social services, and unions -- indeed any kind of functioning democratic structure -- so as to overcome the troublesome "crisis of democracy" brought about by the illegitimate efforts of the public to bring their interests into the political arena. The ideological component of the offensive sought to strengthen authority and habits of obedience, to diminish social consciousness and such human frailties as concern for others, and to instruct young people that they are confirmed narcissists. Another objective has been to establish a de facto world government insulated from popular awareness or interference, devoted to the task of ensuring that the world's human and material resources are freely available to the transnational corporations (TNCs) and international banks that are to control the global system.

The US remains the largest single economy, though declining relative to its major rivals, which are not without their own problems. Those faced by the US are also too serious for aspirins, though little more is available thanks to doctrinal and policy triumphs that have diminished the capacity for constructive social action directed to the needs of the irrelevant majority, one happy consequence of Reaganite debt-creation.

Nixon's response to the decline of US economic hegemony was forthright: "when you're losing, change the rules of the game," economist Richard Du Boff observes. Nixon suspended the convertibility of the dollar to gold, overturning the international monetary system, imposed temporary wage-price controls and a general import surcharge, and initiated fiscal measures that directed state power, beyond the previous norm, to welfare for the rich: reduction of federal taxes and domestic expenditures, apart from the required subsidies to the corporate sector. These have been the guiding policies since. They were accelerated during the Reagan years, largely following Carter Administration prescriptions that were reshaped by the more doctrinaire Reaganites to bring about a huge growth in debt at every level (federal, state, local, household, corporate), with little to show in the way of productive investment. One crucial element is the incalculable debt of unmet social needs, a mounting burden imposed upon the large majority of the population and future generations.

Nixon's initiatives constituted "a sort of mercantilist revolution in domestic and foreign policy," political economist David Calleo observed a few years later. The international system grew more disorderly, "with rules eroded and power more significant." There was less "rational control over national economic life," hence great advantages to internationalist business and banking, freed from capital controls and official restraint and secure in the expectation of a state-organized public bail-out if something goes wrong. International capital markets rapidly expanded as a consequence of the decline of regulation and control, the huge flow of petrodollars after the 1973-1974 oil price rise, and the information-telecommunications revolution, which greatly facilitated capital transfers. Vigorous bank initiatives to stimulate new borrowing contributed to the Third World debt crisis and the current instability of the banks themselves.[28](#)

The rise in oil prices (preceded by a comparable increase in price of US coal, uranium, and agricultural exports) yielded temporary advantages for the US and British economies, providing windfall profits for the energy corporations, primarily US and British, and inducing them to bring into production high-cost oil (Alaska, North Sea) that had been withheld from the market. For the US, rising energy costs were substantially offset by military and other exports to the Middle East oil producers and huge construction projects for them. Their profits also flowed to Treasury securities and investment; support for the economies of the US and UK has long been the primary responsibility of the Arab Facade of local managers.[29](#)

The same years saw the stagnation and collapse of the Soviet empire, which had interfered with the planned global order in crucial ways ([chapter 3](#)). The power of the state capitalist industrial societies was enhanced further by the economic catastrophe that swept through most of their domains in the 1980s. The sense of foreboding throughout the Third World is readily understandable.

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[27](#) Strange, *International Economic Relations of the Western World* (1976), cited in Wachtel, *Money Mandarins*, 79; 137, on profitability.

[28](#) *Ibid.* Du Boff, *Accumulation*, 153f.; Calleo, *Imperious Economy*, 63, 116, 75.

[29](#) See particularly Rand, *Making Democracy Safe*; and on the effects, my 1977 article reprinted in *TNCW*, ch. 11; also ch. 2. *DD*, ch. 6.1. See also Yergin, *Prize*.

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Japan and continental Europe recovered from the recession of the early 1980s, though without resuming earlier growth rates. US recovery involved massive borrowing and state stimulation of the economy, mainly through the Pentagon-based public subsidy to high technology industry, along with a sharp increase in protectionist measures and a rise in interest rates. This contributed to the crisis of the South as interest payments on the debt rose while investment and aid declined, and the wealthy classes invested their riches in the West. There was a huge capital flow from South to North, with effects that were generally disastrous, apart from the NICs (newly industrialized countries) of East Asia, where the state is powerful enough to control capital flight and direct the economy efficiently. The catastrophe of capitalism in the 1980s also had an impact on Eastern Europe, contributing to the disintegration of the Soviet empire and the virtual disappearance of Russia from the world scene.<sup>30</sup>

In earlier years, the nonaligned countries had sought to gain some control over their fate. Initiatives were taken through UNCTAD (the UN Conference on Trade and Development) to create a "new international economic order" with support and stabilization programs for primary commodities, in the hope of stemming the deterioration in terms of trade and controlling the sharp price fluctuations that have a devastating impact on economies that rely on few primary exports. UNESCO undertook parallel efforts to provide Third World countries with access to international communications, a virtual monopoly of the advanced industrial societies.

These initiatives naturally elicited enormous hostility on the part of the world rulers, and were turned back decisively in the 1980s. The US led a fierce attack on the United Nations that effectively eliminated it as an independent force in world affairs. UNESCO inspired particular hatred, because of its Third World orientation and the threat to ideological domination. The demolition operation and the return of the UN to US control have been lauded here as a restoration of the ideals of the founders, not without justice. Extraordinary deceit has been required to conceal the fact that it has been primarily the US, secondarily Britain, that have vetoed Security Council resolutions and generally undermined the UN for over 20 years, and to sustain the standard pretense that "Soviet obstructionism" and "shrill Third World anti-Americanism" are what rendered the UN ineffective. The no less extraordinary levels of deceit that accompanied the government-media campaign to eliminate UNESCO heresies are documented in an important study, which, needless to say, had no effect whatsoever on the flow of necessary lies.<sup>31</sup>

The hysteria about "political correctness" is an interesting domestic analogue. Its extent is truly something to behold, including a stream of best-sellers with anecdotes, many concocted, about alleged horrors in the universities, angry speeches, and a flood of articles from the news columns to the sports pages and journals of opinion that gushed forth suddenly, as if on command; a study of one six-month period found over a mention per day in the *Los Angeles Times*. The outrage has a basis in reality. There

really are a great many people who oppose racist and sexist oppression, have respect for other cultures, and do not look kindly upon atrocities in a "good cause," and the abuses that so horrify the faithful are not entirely fanciful; even the clumsiest propaganda usually takes off from something real. But as in the case of official enemies abroad, the real abuses, whatever they may be, have little relation to the drama constructed around them.

The phenomenon did not emerge from nowhere. One crucial component of the post-affluence class war has been a far-reaching takeover of the ideological system by the right, with a proliferation of right-wing think tanks, a campaign to extend conservative control still further over ideologically significant sectors of the colleges and universities, now replete with professorships of free enterprise, lavishly funded far-right student journals, and so on; and an array of other devices to restrict the framework of discussion and thought, as much as possible, to the reactionary end of the already narrow spectrum. Things actually reached such a point that a respected liberal foreign policy analyst could describe the statist-conservative *New York Times*, without irony, as the "establishment left" (Charles Maynes). In the political system, "liberal" joined "socialist" as a scare word; by 1992, the Democratic Party scarcely needed to make a gesture to popular constituencies it had once professed to represent. Gore Vidal hardly exaggerates when he describes US politics as a one-party system with two right wings. One aspect of this ideological triumph has been the deeper implantation of Orwellian rhetoric and standards of Political Correctness to which one must adhere to join respectable discussion, a number of examples already illustrated. Departure from these conventions of belief and rhetoric is virtually unthinkable, in the mainstream.<sup>32</sup>

The next chapter comes as no surprise to students of cultural management. After a period of intense and one-sided ideological struggle, in which business interests and the right-wing have won a remarkable victory in the doctrinal and political institutions, what could be more natural than a propaganda campaign claiming that it is left-fascists who have taken the commanding heights and control the entire culture, imposing their harsh standards everywhere? The situation is even more dire than 25 years ago, when calls for destroying the university "rang across every campus in the United States, and libraries were burned, and universities wrecked" and "it was impossible to imagine anything more slimy, sickly and stifling than the moral climate" in universities where black students were "a curse" until at last "the pus" was "squeezed out of the university," to quote some of the imagery that entrances the British right.<sup>33</sup> We hear heartfelt pleas for succor for the fading remnants who still resist the relentless left-wing onslaught, courageously upholding the banner of historical truth and Western culture in some embattled newspaper or isolated state college in central Idaho. What could be better designed to suppress the serious questions about doctrinal control, or a look at the hand that firmly holds the rod?

The complaints of those who continue to maintain their iron control with little challenge are not without their comic aspects. For every 100 articles berating the left-fascists who control everything, there might be one responding weakly that the takeover is not so complete as claimed, and none telling the truth -- which is obvious enough, if only from the distribution of views allowed to surface. But restricting thought is a serious matter, and respected figures do not crack a smile as they march in the parade, bemoaning the fact that they may have lost some comparative literature department (perhaps to a right-wing "deconstructionist" or liberal "relativist" denounced as left-fascists).

To the totalitarian mentality, even the slightest deviation is an awesome tragedy, and evokes the most impressive frenzy. And the spectacle makes a useful contribution to entrenching further the ideological controls that prevent the rascal multitude from attending to what is happening around them.

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[30](#) See *DD*, 98, on capital flow.

[31](#) *NI*, 84f., App. IV.4. *DD*, ch. 6, "Afterword," sec. 5; my essay in Peters, *Collateral*. UNESCO, Preston et al., *Hope & Folly*.

[32](#) *TTT*, ch. 5, and sources cited; *NI*, ch. 1. *LAT, Extra!* (FAIR), July/August 1992, the six months before the April 1992 Rodney King verdict. Maynes, editor, *Foreign Policy*, Summer 1990.

[33](#) G. Rees, Alain Besançon, *Encounter*, Dec. 1976, June 1980.

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## 5. The "Vile Maxim of the Masters"

The world economy has not returned to the growth rates of the Bretton Woods era. The decline of the South was particularly severe in Africa and Latin America, where it was accompanied by rampant state terror. It was accelerated by the neoliberal economic doctrines dictated by the world rulers. The UN Economic Commission for Africa found that countries pursuing the recommended IMF programs had lower growth rates than those that relied on the public sector for basic human needs. The disastrous impact of neoliberal policies in Latin America was particularly striking.<sup>34</sup>

On occasion, developed societies take their own rhetoric semi-seriously and fail to protect themselves from the destructive impact of unregulated markets. The consequences are much the same as in the traditional colonial domains, if not so lethal. Australia in the 1980s is a case in point. Free market experiments carried by the Labor government succeeded in reducing national income by over 5 percent a year by the end of the decade. Real wages declined, Australian enterprises fell under foreign control, and the country advanced towards the status of a resource base for the Japan-centered state capitalist region, which maintained its dynamic growth thanks to the radical departures from neoliberal dogma that had spurred development in the first place. In Britain after a decade of Thatcherism, "prospects remain bleak because of insufficient reinvestment in the physical UK economy," the director of a US investment firm observes, echoing a Japanese counterpart who says, "We think it will take a long time for the UK economy to recover."<sup>35</sup>

As noted, the rich industrial societies themselves are taking on something of a Third World cast, with islands of extreme wealth and privilege amidst a rising sea of poverty and despair. This is particularly true of the US and Britain, subjected to Reagan-Thatcher discipline. Continental Europe is not too far behind, despite the residual power of labor and the social contract it has defended, and Europe's ability to export its slums through the device of "guest workers." The collapse of the Soviet empire offers new means to establish the North-South divide more firmly within the rich societies. During the May 1992 strike of public workers in Germany, the chairman of Daimler-Benz warned that the corporation might respond to strikes by transferring manufacturing facilities for its Mercedes cars elsewhere, perhaps to Russia, with its ample supply of trained, educated, healthy and (it is hoped) docile workers. The chairman of General Motors can wield similar threats with regard to Mexico and other sectors of the Third World. And East Europe. While GM plans to close 21 plants in the US and Canada, it has opened a \$690 million assembly plant in East Germany with great expectations, heightened by the fact that, thanks to 43 percent unofficial unemployment, workers are willing to "work longer hours than their pampered colleagues in western Germany" at 40 percent of the wage and with few benefits, the *Financial Times*

reports. Capital can readily move; people cannot, or are not permitted to by those who applaud Adam Smith's doctrines when it suits their needs.

It is not that Daimler-Benz is greatly suffering from the labor costs that management deplors. Two weeks after issuing the threat to move Mercedes production to Russia, the same chief executive, Edzard Reuter, announced the "excellent result" of an exceptionally strong first-quarter performance for 1992, with a profit rise of 14 percent and a 17 percent increase in sales, largely abroad; German workers are not quite the intended market for the Mercedes division, the chief profit earner for this huge conglomerate, which will slash up to 10,000 jobs in 1992, Reuter added, with another 10,000 to follow. Such facts, however, do not impress the US press, where the news columns bitterly assailed striking German workers for their "soft life," long vacations, and general lack of understanding of their proper place as tools of production for the rich and powerful. They should learn the lessons taught to American workers by the Caterpillar corporation at the same time: profits and productivity up, wages down, the right to strike effectively eliminated by the free resort to scabs ("permanent replacement workers").<sup>36</sup>

These are the fruits of the fierce corporate campaign undertaken as soon as American workers finally won the right to organize in the mid-1930s, after long years of bitter struggle and violent repression unmatched in the industrial world. Perhaps we may even return to the days when the admired philanthropist Andrew Carnegie could preach the virtues of "honest, industrious, self-denying poverty" to the victims of the great depression of 1896, shortly after he had brutally crushed the steel workers union at Homestead, while announcing that the defeated workers had sent him a wire saying, "Kind master, tell us what you wish us to do and we will do it for you." It was because he knew "how sweet and happy and pure the home of honest poverty is" that Carnegie sympathized with the rich, he explained, meanwhile sharing their grim fate in his lavishly appointed mansions.<sup>37</sup>

So a well-ordered society should run, according to the "vile maxim of the masters."

It is therefore only natural that when the battered unions finally recognize the reality of the ceaseless class war waged against them by the highly class-conscious corporate sector, the business press should react with wonder at the fact that some *unions* still cling to outdated "class-warfare ideology" and the "battered Marxist view" that "workers form a class of citizens with shared interests separate from those who own and control business"; and even exhibit such "quirks" as low pay for union leaders, who are treated like other members. The masters, in contrast, keep firmly to this "battered Marxist view," often expressing it in vulgar Marxist rhetoric -- with values reversed, of course.<sup>38</sup>

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<sup>34</sup> See below, ch. 7; *DD*, ch. 7. Nancy Wright, *Multinational Monitor*, April 1990, cited in Gar Alperovitz and Kai Bird, *Diplomatic History*, Spring 1992. See also James Petras, *Monthly Review*, May

1992.

[35](#) Fitzgerald, *Between*. Foreign staff, "US and Japan shy from investing in UK," *FT*, Sept. 25, 1992.

[36](#) Marc Fisher, "Why Are German Workers Striking? To Preserve Their Soft Life," *WP* service, *IHT*, May 4; Andrew Fisher, *FT*, May 20; Christopher Parkes, *FT*; Kevin Done, *FT*, Sept. 24 (GM); *FT*, June 4, 1992. Elaine Bernard, "The Defeat at Caterpillar," ms. Harvard Trade Union Program, May 1992.

[37](#) Sexton, *War on Labor*, 83f. See ch. 11, below.

[38](#) Barnaby Feder, *NYT*, May 25, 1992.

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Under existing conditions of social organization and concentration of power, (selective) free trade is hardly likely to increase the general welfare, as it could under other social arrangements. Those who declare their allegiance to Adam Smith are careful not to attend to his words: the principles of economic liberalism can have favorable consequences when implemented with appreciation for fundamental human rights. When shaped by "the savage injustice of the Europeans" and blind obedience to "the vile maxim," the consequences may favor "the architects" of policy, but others only by accident.

The experience of the US-Canada free trade agreement illustrates the process. In two years, Canada lost hundreds of thousands of jobs, many to industrialized regions of the US where government regulations virtually bar unions (the Orwellian term is "right to work," meaning "effectively illegal to organize"). These government policies, natural in a business-run society with the public largely marginalized, leave workers unprotected and much easier to exploit than in Canada, with its more vigorous union movement and its cultural climate of solidarity. The agreement has also been used to require Canada to abandon measures to protect the Pacific salmon, to bring pesticide regulations in line with more lax US standards, to refrain from steps to reduce emissions from lead, zinc and copper smelters, to end subsidies for replanting of forests after logging, and to bar a single-payer auto insurance plan in Ontario modeled on Canada's health insurance system, which would cost US insurance companies hundreds of millions of dollars in profits, if enacted. All such practices have been judged illegal barriers to free trade. By similar reasoning, the US objects to a GATT provision that allows countries to restrict food exports in times of need, demanding that US agribusiness must control raw materials no matter what the human cost.

At the same time, Canada, an asbestos exporter, is bringing charges against the US for imposing EPA standards on asbestos use in violation of trade commitments and the "international scientific evidence" about health risks of asbestos: the EPA has improperly gone beyond the "least burdensome requirements" for the corporations, Canada claims. At the GATT negotiations, the US is backing corporate proposals to restrict environmental and consumer protection to cases supported by "scientific evidence," to be judged by an agency made up of government officials and executives from chemical and food corporations.<sup>39</sup>

Perhaps the most dramatic current examples of the cynical pursuit of the "vile maxim" in international trade are Washington pressures to force Third World countries to accept US exports of tobacco, the world champion killer among lethal narcotics by a substantial margin. The Bush Administration launched its hypocritical "drug war" (timed nicely to produce the proper mood for the invasion of Panama) simultaneously with steps to force Third World countries to import this leading killer, and to allow advertising aimed at new markets, women and children particularly. GATT backed these efforts. The media, while climbing aboard the "drug war" bandwagon with appropriate fanfare, obliged the Administration further by completely suppressing the major drug story of the day. There were no

headlines reading "US Demands to be World's Leading Narcotrafficker," or even a line in the back pages (statistically insignificant dissidents aside).

With Eastern Europe rejoining the Third World, drug pushers are leading the way in investment. "Cigarette makers flock to E. Europe," an upbeat front-page story is headlined in the *Boston Globe* : "While many American companies have been criticized for not being aggressive in investing in Eastern Europe, American cigarette companies have been trail-blazers." A tobacco executive explains: "There is little awareness of health and environmental problems in Hungary. We have about 10 years of an open playing field" -- ten years of profits, before PC left-fascists begin to interfere with lucrative mass murder. "Of 30 developed countries," the news report reads, "life expectancy is shortest in Eastern Europe." US corporations will try to improve the statistics further, "trail-blazers for capitalism," basking in applause.

Note that Romania, Bulgaria, Russia, the former Yugoslavia, etc., are "developed countries," to be compared with Western Europe so as to demonstrate the evils of Communism -- but not with Brazil, Guatemala, the Philippines, and other quasi-colonial domains that they resembled before they separated from the traditional Third World. That practice is an ineradicable feature of contemporary ideology. Honesty on this crucial issue is strictly *verboten*.<sup>40</sup>

Another story in the same issue illustrates how flexible an instrument economic doctrine can be. It celebrates the achievements of New Hampshire in dealing with its fiscal problems. The method was to encourage a successful enterprise that has become "the largest retail volume outlet for wine and liquor in the world, according to state officials," with \$62 million in profits from sales of over \$200 million in 1991, a \$5 million increase in profit in a year. The increase is attributed in part to doubling of the advertising budget for alcohol, which ranks second to tobacco as a killer. The enterprise is a state monopoly. Hence its profits allow the most conservative state in the union to keep to the free market doctrines its leaders revere and to avoid taxes that would rob the wealthy to enrich welfare mothers. Another free market triumph, unnoticed.<sup>41</sup>

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<sup>39</sup> Jim Stanford, "Going South: Cheap Labour as an Unfair Subsidy in North American Free Trade," Canadian Centre for Policy Alternatives, Dec. 1991; Andrew Reding, *World Policy Journal*, Summer 1992. Edward Goldsmith, Mark Ritchie, *The Ecologist*, Nov./Dec. 1990; Watkins, *Fixing*, 103-4. Brief amicus curiae of Government of Canada, US Court of Appeals, "Corrosion Proof Fittings, et al., vs. EPA and William K. Riley," May 22, 1990. See ch. 3, n. 43.

<sup>40</sup> "Drug war" and media, *DD*, ch. 4; ch. 7, on comparative study. Jonathan Kaufman, *BG*, May 26, 1992.

<sup>41</sup> Bob Hohler, *BG*, May 26, 1992.

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In theory, free trade arrangements should lower wages in high-wage countries and raise them in the poorer areas to which capital shifts, increasing global equity. But under prevailing conditions, a different outcome is likely. The senior economist at the Environment Department of the World Bank, Herman Daly, points out that the vast and growing supply of underemployed people in the Third World will "keep the supply of labor very large, and will make it impossible for wages worldwide to be bid up very much." Repression and terror lend their assistance. The outcome will be huge profits and chipping away at high wages and social gains, including laws against child labor, limits on working hours, and protection of the environment. "Anything that raises costs [is] going to tend to be competed down to the lowest common denominator in free international trade," Daly predicts -- precisely as intended.<sup>42</sup>

Under current conditions of power and control, selective free trade will tend to drive the level of existence to the lowest grade for people who are spectators, not participants in the decisions that affect their lives. The basic thrust is well-described by Andrew Reding: "Unable to impose its agenda on a 'gridlocked' Congress that, however imperfectly, still responds to civil society ('special interest groups'), the Bush administration is linking up with like-minded elites abroad in an effort to legislate from without, ...constructing what amounts to international government, though a peculiar form thereof in which only business and trade representatives have any voice"; "Under cover of free trade, foreign governments and businesses are gaining an effective veto over national, state, and provincial legislation that elevates human welfare." There is, however, nothing in the least "peculiar" about this pursuit of the vile maxim of the masters, adapted to the current age.<sup>43</sup>

The maxim requires a slight amendment: "all for themselves *now*." The longer term is as irrelevant as other people. Thus in a lead news story, the *Wall Street Journal* hails George Bush's "extraordinary coup" in compelling the entire world to abandon plans for a meaningful agreement on greenhouse gases at the June 1992 Rio conference. Someone more clever than I could pen a wonderful story or cartoon on the final edition of the *Journal*, going to press with a passionate editorial demonstrating that global warming is a left-wing fraud just as the rising sea level engulfs the corporate headquarters.<sup>44</sup>

Overall, the 1980s accelerated a global rift between a small sector enjoying great privilege, and a growing mass of people suffering deprivation and misery. Though superfluous for wealth production or consumption, the only human functions recognized in the dominant institutions and their ideology, these people must be dealt with somehow. Current social policy in the US is to coop them up in urban centers where they can prey upon one another; or to lock them in jail, a useful concomitant of the drug war (see [chapter 4.3](#)).

The internationalization of capital that has accelerated since 1971 gives a somewhat new character to competition among national states. To cite one indication, while the US share in world exports of manufactures declined 3.5 percent from 1966 to 1984, the share of US-based TNCs slightly increased. And international trade patterns yield a very different picture if imports from overseas subsidiaries are counted as domestic production. Foreign affiliates increased their share of total exports of manufactures by US-based firms from under 18 percent in 1957 to 41 percent in 1984. "If such foreign production could be brought back to the United States," Richard Du Boff observes, "the nation's exports would double, according to some Commerce Department projections." A 1992 World Bank study reports that "intra-firm trade within the largest 350 [TNCs] contributed about 40% of total trade. More than a third of U.S. trade is between foreign affiliates and their U.S.-based parents." Over half of Malaysia's exports to the US were from US affiliates, Taiwan's five leading electronics exporters are US firms, 47 percent of Singapore's exports in 1982 were by US-owned firms. "Similarly, exports of electrical goods by Japanese producers in Korea had much to do with the rise of Korea in world electronics." "So all the textbook trade theory about comparative advantage and the virtues of frictionless open trading systems is nonsense," Doug Henwood observes, noting that the current estimates are probably higher than these figures, from the early 1980s: "Several hundred economically and politically powerful corporations with global networks dominate trade largely on their own terms, and then serve as their governments' advisors on trade strategy."

Commercial products reflect these tendencies; to take one example, almost a third of the market price of a GM Pontiac LeMans goes to producers in South Korea, over a sixth to Japan, about the same to a combination of Germany, Singapore, Britain, Barbados, and others. As a social entity, the country and most of its population may decline; the corporate empires are playing a different game, based on the theological doctrine that the masters have the right to make investment decisions, unencumbered by concerns of their servants in workplace and community. With somewhere between one-quarter and one-half of world trade already conducted within North-based TNCs, these are factors of growing importance as we look towards Year 501.<sup>45</sup>

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<sup>42</sup> "Interview," *Multinational Monitor*, May 1992.

<sup>43</sup> Reding, *op. cit.*

<sup>44</sup> Rose Gutfeld, *WSJ*, May 27, 1992.

<sup>45</sup> Arthur MacEwan, *Socialist Review*, July-Dec. 1991; Du Boff, *Accumulation*; World Bank, *Global Economic Prospects and the Developing Countries 1992*, cited by Doug Henwood, *Left Business Observer*, No. 54, Aug. 4, 1992; Watkins, *Fixing*, 5, 24.

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## 6. The New Imperial Age

The realities are often presented with admirable frankness by the rulers and their ideologists. The London *Financial Times* features a lead article by the economic correspondent of the BBC World Service, James Morgan, under the heading: "The fall of the Soviet bloc has left the IMF and G7 to rule the world and create a new imperial age." We can, at last, approach the fulfillment of Churchill's vision, no longer troubled by the "hungry nations" who "seek more" and thus endanger the tranquility of the rich men who rule by right.

In the current version, "The construction of a new global system is orchestrated by the Group of Seven, the IMF, the World Bank and the General Agreement on Tariffs and Trade (GATT)," in "a system of indirect rule that has involved the integration of leaders of developing countries into the network of the new ruling class" -- who, not surprisingly, turn out to be the old ruling class. Local managers can share the wealth, as long as they properly serve the rulers.

Morgan takes note of "the hypocrisy of the rich nations in demanding open markets in the Third World while closing their own." He might have added the World Bank report that the protectionist measures of the industrial countries reduce national income in the South by about twice the amount provided by official aid, largely export-promotion, most of it to the richer sectors of the "developing countries" (less needy, but better consumers). Or the UNCTAD estimate that *non-tariff* barriers (NTBs) of the industrial countries reduce Third World exports by almost 20 percent in affected categories, which include textiles, steel, seafood, animal feed and other agricultural products, with billions of dollars a year in losses. Or the World Bank estimate that 31 percent of the South's manufacturing exports are subject to NTBs as compared with the North's 18 percent. Or the 1992 report of the UN Human Development Program, reviewing the increasing gap between the rich and the poor (by now, 83 percent of the world's wealth in the hands of the richest billion, with 1.4 percent for the billion at the bottom of the heap); the doubling of the gap since 1960 is attributed to policies of the IMF and World Bank, and the fact that 20 of 24 industrial countries are more protectionist today than they were a decade ago, including the US, which celebrated the Reagan revolution by doubling the proportion of imports subject to restrictive measures. "And the upshot of decades of lending for development is that poor countries have lately been transferring more than \$21 billion a year into the coffers of the rich," the *Economist* observes, summarizing the gloomy picture.

Individual cases fill out the details: for example, the quotas imposed by the US, UK, and France on their commercial rival Bangladesh, on grounds that its textiles threatened local industry; as the *Financial*

*Times* puts it, "The Bangladesh government has been particularly stung by a US decision to impose anti-dumping duties of up to 42 percent on shop towels," imports that "amounted to a princely \$2.46 [million]" from "one of the poorest of nations." Or the dumping of highly subsidized US and EC wheat and beef surpluses in Mali, Burkina Faso, and Togo, undermining native producers in such powerful competitors as the Sahel. Or US concerns over the threat to the US steel industry posed by imports from Trinidad-Tobago.<sup>46</sup>

"Third world [finance] ministers who have painfully dragged their own budgets out of persistent deficit have been particularly galled by the failure of industrial nations" to observe the rules, the *Financial Times* reports. "Echoing the gloom felt " in the South, World Bank president Lewis Preston deplored the practices of the industrial societies, who demand that the Third World "bear the burden of [structural] adjustment in the rich countries as well as in their own" and repeatedly fail to live up to their promises to reduce protection and provide aid. After a meeting of high-level officials of the donor countries, "World Bank officials say openly" that "they will back away from" their promises once again. Even "once-generous donors such as Sweden" are cutting back, while "less generous countries, such as the UK and US, ...are expected to cut still further" their minuscule contributions. A meeting of non-governmental organizations (NGOs) meanwhile concluded that "Structural adjustment imposed by the World Bank and [IMF] have brought disaster to the working poor of as many as 100 countries," forced "to open their markets to a flood of cheap imports" while the rich refuse "to abandon their subsidies, quotas and high tariffs." The result is "'brutal' suppression of wages and living standards" and elimination of social programs, the effects increasing as the programs are implemented over the past decade or more.<sup>47</sup>

The institutions of "the new ruling class," which now "run large parts of the developing world and eastern Europe," "encourage" their clients to follow "the right kind of reform policy," Morgan continues. They must scrupulously avoid the policies that have led to successful development from 17th century England to East Asia's "little dragons" today, keeping to "the right kind" that have been highly beneficial to the international ruling class, if to few others. And when economic controls do not suffice to "encourage" proper behavior, we can resort once again to the security forces.

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<sup>46</sup> World Bank, in *Trócaire Development Review* (Catholic Agency for World Development, Dublin, 1990); Chakravarti Raghavan and Martin Khor, *Third World Economics* (Penang), March 16-31, 1991; *Economist*, April 25, 1992; Watkins, *Fixing*, 75, 49, 64; Frances Williams, *FT*, June 11, 1992; Kent Jones, *Fletcher Forum*, Winter 1992. On Reaganite protectionism, see *DD*, ch. 3; and for extensive detail, Bhagwati and Patrick, *Aggressive Unilateralism*; Bovard, *Fair Trade Fraud*.

<sup>47</sup> George Graham, *FT*, Sept. 25; Nancy Dunne, *FT*, Sept. 24, 1992.

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The simmering economic crisis does not, of course, leave the rulers unburdened. But they can call upon state power to come to the rescue. When Continental Illinois Bank and Trust faced collapse in 1984, the government was expected to respond, and did, with "the largest nationalization in American history" (Howard Wachtel). The director who presided over the financial disaster, Roger Anderson, was punished by appointment to the Federal Advisory Council, where he became an official adviser to director Paul Volker of the Federal Reserve, which had refused to use its disciplinary and control authority as it observed the growing crisis. If the collapse of the Olympia and York real estate empire indeed causes the \$3 billion of losses that the banks initially feared, taxpayers will again be called upon to render the proper services. Austerity may be the right remedy for Latin American peasants, Polish workers, and the forgotten people of South-Central Los Angeles; but not for the people who count.<sup>48</sup>

The government also has the duty of raising protectionist barriers when needed: for example, to allow the US steel industry, which arose in the first place behind protectionist walls, to recapitalize by effectively restricting steel imports to 20 percent of the market since 1982. At the same time, it has the parallel responsibility of undermining unions, so that new "low-cost, non-union producers" can pay their labor force between one-half and one-third of what steel workers had gained after a century of bloody struggle, and thus become "exemplars of the lean and mean" in the admiring words of the London Economist, echoed by the *New York Times*, which also lauds the success of the "decade of protection from imported steel" and the resort to "nonunion work forces" for lowering costs.<sup>49</sup>

One important achievement of the new imperial age is that it further marginalizes the general population, clearing the way to uplifting rhetoric about our democratic ideals without fear that the wrong people might take it seriously. The global rulers can now operate with fewer constraints, more coordination and central management, and less interference from the rabble, who not only have no influence over the decisions of the rulers (the basic principle of capitalist autocracy), but also lack any awareness of them. Who follows the crucial decisions of the GATT negotiators or the IMF, with their enormous impact on global society? Or of the TNCs and international banks and investment firms that dominate production, commerce, and the conditions of life worldwide? The North American Free Trade Agreement (NAFTA) will have large-scale consequences (a bonanza for investors, very likely a disaster for workers and the environment). Its contents are unknown. The text was withheld even from the Labor Advisory Committee, which is required by law to review such measures, until one day before its report was due. Congress abdicated responsibility. Citizens know nothing.<sup>50</sup>

For the past several hundred years, elite democratic theory has tended to range within a narrow spectrum. At one extreme, we have the libertarian thinker John Locke, who held that citizens have no right to

discuss public affairs, though they may know about them; the modern variant is a bit more forthcoming (see p.18). At the other extreme we have statist reactionaries of the Reaganite variety ("conservatives"), who reject the right of the public even to know what their leaders are doing and therefore establish illegal state propaganda agencies, favor large-scale clandestine operations, block release of information about the government even from the distant past, and in other ways protect state power from scrutiny. Reagan-era censorship reached unprecedented heights, including suppression of the documentary record so extreme that the chairman of the academic advisory board for the State Department resigned in protest. The new imperial age marks a further move towards the authoritarian extreme of formal democratic practice.<sup>51</sup>

The public is not unaware of what is happening, though with the success of the policies of isolation and breakdown of organizational structure, the response is erratic and self-destructive: faith in ridiculous billionaire saviors, myths of past innocence and noble leaders, religious and jingoist fanaticism, conspiracy cults, unfocused skepticism and disillusionment -- a mixture that has not had happy consequences in the past.

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<sup>48</sup> Wachtel, *Money Mandarins*, 146; Greider, *Secrets*, 521f. *FT*, May 16/17, 1992.

<sup>49</sup> *Economist*, May 16; Jonathan Hicks, *NYT*, March 31, 1992.

<sup>50</sup> Preliminary Report, LAC, Sept. 16, 1992.

<sup>51</sup> *DD*, ch. 12; Wilbur Edel, "Diplomatic History<State Department Style," *Political Science Quarterly*, 106.4 1991/2.

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## Chapter Three

# North-South/East-West

### 1. An Oversize "Rotten Apple"

In the broader framework just reviewed, the Cold War can be understood, in large measure, as an interlude in the North-South conflict of the Columbian era, unique in scale but similar to other episodes in significant respects.

Even in the pre-Columbian era, Eastern and Western Europe were diverging, with a fault line dividing Germany, East and West. "From the middle of the fifteenth century," Robert Brenner writes, "in much of western Europe, the conditions for crisis finally receded, and there was a new period of economic upturn." The "long-established and better-organized" peasant communities of Western Europe, "with established traditions of (often successful) struggle for their rights" and "an impressive network of village institutions for economic regulation and political self-government," were able to "break feudal controls over their mobility and to win full freedom," while in the East, "serfdom rose with a vengeance," opening the way to the "development of underdevelopment." In Poland, for example, national output appears to have reached a mid-16th century peak that was not attained again for 200 years. "The relative absence of village solidarity in the east...appears to have been connected with the entire evolution of the region as a colonial society," under "the leadership of the landlords."

The Third World, Leften Stavrianos observes, "made its first appearance in Eastern Europe," which began to provide raw materials for the growing textile and metal industries of England and Holland as far back as the 14th century, and then followed the (now familiar) path towards underdevelopment as trade and investment patterns took their natural course, superimposed on the divergent social patterns. The process soon left "the East as perhaps Europe's first colonial territories, a Third World of the 16th century providing raw materials for the industrialists back west, a testing ground for bankers and financiers to practice what they would later perfect in more distant lands" (John Feffer). Russia itself was so vast and militarily powerful that its subordination to the economy of the West was delayed, but by the 19th century it was well on the way towards the fate of the South, with deep and widespread impoverishment and foreign control of key sectors of the economy.

A late 19th century Czech traveller to Russia described the fading of Europe as one travels East, narrowing finally down to the railway and a few hotels: "The aristocratic landowner would furnish his

country house in the European way; similarly, the continuously multiplying factories in the countryside are European oases. All technical and practical equipment is European: railways, factories, and banks...; the army, the navy and partly the bureaucracy as well." Foreign capital participation in Russian railways reached 93 percent by 1907, capital for development was mostly foreign, largely French, and debt was rising rapidly, as Russia settled into the typical Third World pattern. By 1914, Russia was "becoming a semi-colonial possession of European capital" (Teodor Shanin).

"Many Russians, whatever their political beliefs, resented the semi-colonial status accorded to their country in the West," Z.A.B. Zeman writes: "The Bolshevik revolution was, in a critical sense, the reaction of a developing, essentially agrarian society against the West: against its political self-absorption, economic selfishness and military wastefulness. The present North-South divide between the rich and the poor countries, and the tensions it has created in the twentieth century, had its European, East-West antecedents." Beyond Russia itself, "contrasts between the East and the West of Europe...became sharper than they had ever been" in the 19th and early 20th centuries, he adds, remaining so for much of Eastern Europe through the interwar period.<sup>1</sup>

The Bolshevik takeover in October 1917, which quickly aborted incipient socialist tendencies and destroyed any semblance of working-class or other popular organization, extricated the USSR from the Western-dominated periphery, setting off the inevitable reaction, beginning with immediate military intervention by Britain, France, Japan, and the US. These were, from the outset, basic elements of the Cold War.

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<sup>1</sup> Brenner, in Aston and Philpin, *Brenner Debate*, 277ff., 40ff. Stavrianos, *Global Rift*, chs. 3, 16; Feffer, *Shock Waves*, 22; Shanin, *Russia* (quoting historian D. Mirsky). Zeman, *Communist Europe*, 15-16 (citing T. Masaryk), 57-8. Gerschenkron, *Economic Backwardness*.

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The logic was not fundamentally different from the case of Grenada or Guatemala, though the scale of the problem surely was. Bolshevik Russia was "radical nationalist." It was "Communist" in the technical sense, unwilling "to complement the industrial economies of the West"; in contrast, it was not in the least "Communist" or "socialist" in the literal sense of these terms, socialist elements of the pre-revolutionary period having been quickly demolished. Furthermore, though no conceivable military threat, the Bolshevik example had undeniable appeal elsewhere in the Third World. Its "very existence...constituted a nightmare" to US policymakers, Melvyn Leffler observes: "Here was a totalitarian country with a revolutionary ideology that had great appeal to Third World peoples bent on throwing off Western rule and making rapid economic progress." US and British officials feared that the appeal extended to the core industrial countries, as discussed earlier.

The Soviet Union was, in short, a gigantic "rotten apple." Adopting the basic logic and rhetoric of the North-South conflict, one may therefore justify the Western invasion after the revolution as a defensive action "in response to a profound and *potentially far-reaching intervention* by the new Soviet government in the internal affairs, not just of the West, but of virtually every country in the world," namely, "the Revolution's challenge...to the very survival of the capitalist order." "The security of the United States" was "in danger" already in 1917, not just in 1950, and intervention was therefore entirely warranted in defense against the change of the social order in Russia and the announcement of revolutionary intentions (diplomatic historian John Lewis Gaddis; my emphasis).<sup>2</sup>

The "rapid economic growth" aroused particular attention in the South -- and corresponding concerns among Western policymakers. In his 1952 study of late development, Alexander Gerschenkron describes the "approximate sixfold increase in the volume of industrial output" as "the greatest and the longest [spurt of industrialization] in the history of the country's industrial development," though this "great industrial transformation engineered by the Soviet government" had "a remote, if any" relation to "Marxian ideology, or any socialist ideology for that matter"; and was, of course, carried out at extraordinary human cost. In his studies 10 years later of long-term trends in economic development, Simon Kuznets listed Russia among the countries with the highest rate of growth of per capita product, along with Japan and Sweden, with the US -- having started from a far higher peak -- in the middle range over a century, slightly above England.<sup>3</sup>

The ultranationalist threat was greatly enhanced after Russia's leading role in defeating Hitler left it in control of Eastern and parts of Central Europe, separating these regions too from the domains of Western control. The rotten apple was so huge -- and after World War II, so militarily powerful as well -- and the virus it was spreading so dangerous, that this particular facet of the North-South conflict took on a life of its own from the outset. Long before Lenin and Trotsky took power, the threat of "Communism" and

"anarchism" had regularly been invoked by the business-government-press complex to justify the violent suppression of attempts by working people to organize and to gain elementary rights. The Wilson Administration was able to extend these techniques, exploiting the Bolshevik takeover as an opportunity to crush the labor movement and independent thought, with the backing of the press and business community; the pattern has been standard since. The October revolution also provided the framework for Third World intervention, which became "defense against Communist aggression," whatever the facts might be. Avid US support for Mussolini from his 1922 March on Rome, later support for Hitler, was based on the doctrine that Fascism and Nazism were understandable, if sometimes extreme, reactions to the far more deadly Bolshevik threat -- a threat that was internal, of course; no one thought the Red Army was on the march. Similarly, the US had to invade Nicaragua to protect it from Bolshevik Mexico, and 50 years later, to attack Nicaragua to protect Mexico from Nicaraguan Bolshevism. The supple character of ideology is a wonder to behold.

Facts are commonly reshaped to establish that some intended target of attack is an outpost of the Kremlin (later, Peiping). On deciding in 1950 to support France's effort to quell the threat of independent nationalism in Vietnam, Washington assigned to the intelligence services the task of demonstrating that Ho Chi Minh was a puppet of Moscow or Peiping (either would do). Despite diligent efforts, evidence of "Kremlin-directed conspiracy" could be found "in virtually all countries except Vietnam," which appeared to be "an anomaly." Nor could links with China be detected. The natural conclusion was that Moscow considers the Viet Minh "sufficiently loyal to be trusted to determine their day-to-day policy without supervision." Lack of contact therefore proves the enormity of the designs of the Evil Empire. There are numerous other examples.

A variant is illustrated by the case of Guatemala. As the US prepared to overthrow its government, an Embassy officer advised that a planned OAS resolution to bar arms and Communist agents would "enable us to stop ships including our own to such an extent that it will disrupt Guatemala's economy," thus leading to a pro-US coup or increased Communist influence, which would in turn "justify...the U.S. to take strong measures," unilaterally if necessary. In accord with such reasoning, a routine foreign policy procedure is to use embargo, terror, and the threat of greater violence to compel the target to turn to the Russians for support, thus revealing itself to be a tentacle of the Soviet conspiracy, reaching out to strangle us. The technique was used against Guatemala and Nicaragua with extreme clumsiness, but great success in a highly conformist intellectual culture.<sup>4</sup>

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<sup>2</sup> Leffler, *Preponderance*, 359. Gaddis, *Long Peace*, 10.

<sup>3</sup> Gerschenkron, *Economic Backwardness*, 146, 150. Du Boff, *Accumulation*, 176, citing Kuznets.

<sup>4</sup> See *FRS*, 51-2, for details on Indochina. Wood, 177, on Guatemala; US and Fascism-Nazism, Mexico, *DD*, chs. 1.3-4, 11. Sklar, *Washington's War*, and a substantial further literature on Nicaragua.

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## 2. "Logical Illogicality"

As Russia absorbed the major blows of Nazi force, Stalin became an ally, the admired "Uncle Joe"; but with ambivalence. Roosevelt's wartime strategy, he confided to his son in private, was for the US to be the "reserves," waiting for the Russians to exhaust themselves in the combat against the Nazis, after which the Americans would move in for the kill. One of the preeminent Roosevelt scholars, Warren Kimball, concludes that "aid to the Soviet Union became a presidential priority" on the assumption that Red Army victories would allow the President to keep US soldiers out of a land war in Europe. Truman went much further. When Germany attacked the Soviet Union in June 1941, he commented that "If we see that Germany is winning we ought to help Russia and if Russia is winning we ought to help Germany and that way let them kill as many as possible." By 1943, the US began to reinstate Fascist collaborators and sympathizers in Italy, a pattern that extended through the world as territories were liberated, reinstating the tolerance for fascism as a barrier to radical social change. Recall that Soviet aggression was not an issue prewar, nor anticipated postwar.<sup>5</sup>

The problem of the enormous rotten apple led to some odd contortions in policymaking. In an important study of July 1945, transmitted by Secretary of War Stimson to the Secretary of State, military planners tried to put a satisfactory gloss on the US intention to take control of the world and surround Russia with military force, while denying the adversary any rights beyond its borders. "To argue that it is necessary to preserve a unilateral military control by the U.S. or Britain over Panama or Gibraltar and yet deny a similar control to Russia at the Dardanelles may seem open to the criticism of being illogical," they worried, particularly since the Dardanelles provided Russia with its only warm water access and was, in fact, to be kept firmly under unilateral US-British control. But the criticism is only superficially plausible, the planners concluded: the US design is "a logical illogicality." By no "stretch of the imagination" could the US and Britain be thought to have "expansionist or aggressive ambition." But Russia

has not as yet proven that she is entirely without expansionist ambitions... She is inextricably, almost mystically, related to the ideology of Communism which superficially at least can be associated with a rising tide all over the world wherein the common man aspires to higher and wider horizons. Russia must be sorely tempted to combine her strength with her ideology to expand her influence over the earth. Her actions in the past few years give us no assured bases for supposing she has not flirted with the thought.

In short, the burden is upon the Russians to prove that they have no intention of associating with the

rascal multitude who "aspire to higher and wider horizons," with the "poor who have always wanted to plunder the rich" (Dulles). Until they do so convincingly, it is only logical for responsible men who do not consort with criminal elements bent on plunder, and flirt with no such subversive thoughts as higher aspirations, to establish their unilateral control over the world. Russia must demonstrate that it is not a potential threat to "the very survival of the capitalist order" (Gaddis). Once it has clearly accepted the principle that Churchill's rich men must have their way everywhere, it may be allowed to enter the servants' quarters.

The notion of "logical illogicality" is another useful tool in the ideological kit, which merits wider use.

The severity of the danger had been underscored a month earlier by William Donovan, director of the OSS (the precursor of the CIA). In a Europe "racked by war and suffering widespread misery," he warned, the Soviets have "a strong drawing card in the proletarian philosophy of Communism." The US and its allies have "no political or social philosophy equally dynamic or alluring." As noted, the same problem was deplored by Eisenhower and Dulles ten years later, and regularly by the US in Indochina.<sup>6</sup>

The reasoning outlined in 1945 prevailed throughout the Cold War period, and follows naturally from the general logic of the North-South conflict. The same reasoning has often been applied at home, for example, after World War I, when "there could be no nice distinctions drawn between the theoretical ideals of the radicals and their actual violations of our national laws" and "no time to waste on hairsplitting over infringement of liberty" (Attorney-General Palmer and the *Washington Post*, during Wilson's Red Scare). The same doctrine was invoked to justify the bombing of Libyan cities in 1986 in "self-defense against future attack," as the government announced to much acclaim among devoted advocates of international law.<sup>7</sup>

"Clear and present dangers" cannot be tolerated, however clouded the clarity and remote the present.

The logic is simple: the rich men rule by right the world they own, and cannot be expected to tolerate potential criminal action that might interfere with "stability." The threat has to be cut off at the pass. And if it takes form, we are entitled to do what we must to set things right.

It was not Stalin's crimes that troubled Western leaders. Truman noted in his diary, "I can deal with Stalin," who is "honest -- but smart as hell." Others agreed, among them Eisenhower, Leahy, Harriman, and Byrnes. What went on in Russia was not his concern, Truman declared. Stalin's death would be a "real catastrophe," he felt. But cooperation was contingent on the US getting its way 85 percent of the time, Truman made clear. Melvyn Leffler -- who has examined the record in close detail and has much respect for the achievements and foresight of the early postwar leadership -- remarks that "Truman liked" Stalin. He comments on the lack of any "sense of real compassion and/or moral fervor" in the documentary record. "These men were concerned primarily with power and self-interest, not with real people facing real problems in the world that had just gone through fifteen years of economic strife, Stalinist terror, and Nazi genocide."<sup>8</sup>

The animating concern was not Stalin's awesome crimes, but the apparent successes in development with their broad appeal, and the possibility that the Russians might be "flirting with the thought" of lending support to "aspirations of the common man" in the West, and subjugated and oppressed people everywhere. The failure of East Europe to resume its traditional role as a supplier of food and raw materials to the West compounded these concerns. The problem is not crimes, but insubordination, a fact illustrated by a host of gangsters from Mussolini, Hitler, and Stalin to Saddam Hussein.

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[5](#) *DD*, ch. 11. FDR, Zeman, *Communist Europe*, 172n.; Kimball, *Juggler*, 34. Truman, Garthoff, *Détente*, 6, citing *NYT*, June 24, 1941.

[6](#) Leffler, *Preponderance*, 78; Indochina, see *RC*.

[7](#) *NI*, 185f., on the Red Scare; 272f. on Libya, and *P&E*, ch. 3.

[8](#) Leffler, *Preponderance*, 58-9, 15.

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Though US planners did not expect a Soviet attack on the West, they were concerned about Soviet military power, for two fundamental reasons. First, they feared that the USSR might respond to the US takeover of the world, not recognizing the "logic" in our "illogicality." Particularly ominous from the Soviet point of view was the reconstruction and rearmament of Germany and Japan, two powerful traditional enemies, and their incorporation within the US system of power, which was intent on exterminating the Soviet virus. That these developments posed a major threat to Soviet security was well-understood by US planners, who therefore feared a possible reaction.

Second, Soviet power served to deter US violence, impeding US actions to ensure that the "periphery" fulfills its service function. What is more, for its own cynical reasons the Kremlin often lent support to targets of US attack and subversion, and sought to gain advantage where it could. The very existence of Soviet power provided a certain space for maneuver in the South. As a counterweight to US power, it opened the way toward nonalignment, which, US planners feared, would deprive the West of control over the domains required to maintain traditional privilege and power. Exploiting these openings, Third World leaders sought to carve out an independent role in world affairs. By the 1960s, the UN, previously a docile instrument and hence much admired, fell under "the tyranny of the majority." The growing influence of undeserving elements set off intensive US efforts to destroy the errant organization, which continue under a different guise with the UN, at last, safely back under control.<sup>9</sup>

In short, the USSR was not only guilty of ultranationalism and undermining "stability" through the rotten apple effect. It was committing yet another crime: interfering with US designs and helping the victims resist, an intolerable affront that few in the South could match, though Cuba did as it blocked US-backed South African aggression in Angola. Accordingly, there could be no accommodation, no détente. Even as the Soviet Union collapsed through the 1980s, the test of Gorbachev's "New Thinking" put forth in the liberal press was his willingness to allow US violence to proceed without impediment; failing that criterion, his gestures are meaningless, more Communist aggressiveness.<sup>10</sup>

For such reasons, the US had no serious interest in resolving the Cold War conflict except on terms of Soviet submission. Though we lack Soviet records, and therefore can only speculate on what internal thinking may have been, what is available suggests that Stalin and his successors would have been willing to accept the role of junior managers in the US-dominated world system, running their own dungeon without external interference, and cooperating in joint efforts to maintain global "stability," much as they did in the 1930s, when Communist armies spearheaded the onslaught against the popular social revolution in Spain.

The view from Washington was spelled out clearly by Secretary of State Dean Acheson to an executive session of the Senate Foreign Relations Committee, where he explained the US negotiating position on Germany for the forthcoming May 1949 meeting of foreign ministers. Acheson's stance was "so uncompromising," Leffler writes, that members of the Committee "were stunned." In response to Arthur Vandenberg's concern that the US position would institutionalize a permanent Cold War, Acheson responded that the goal was not to avoid Cold War but to consolidate Western power, under US control of course. "When Senator Claude Pepper urged Acheson to consider the possibility of treating the Soviets fairly," Acheson "scorned the idea," informing the Committee that "he aimed to integrate west German strength into Western Europe and establish a flourishing Western community that would serve as a magnet to the Kremlin's eastern satellites": the result would be not only to undermine Soviet power but also to restore quasi-colonial relations with the East. When the foreign ministers meeting broke down in a predictable stalemate, "Acheson was elated," Leffler continues. The Soviets "are back on the defensive," Acheson declared: "They are visibly concerned and afraid of the fact that they have lost Germany."<sup>11</sup>

As discussed, apparent Soviet interest in a peaceful European settlement in 1949 was regarded not as an opportunity but as a threat to "national security," overcome by the establishment of NATO. On similar grounds, the US never even considered Stalin's proposals for a unified and demilitarized Germany with free elections in 1952, and did not pursue Khrushchev's call for reciprocal moves after his radical cutbacks in Soviet military forces and armaments in 1961-1963 (well-known to the Kennedy Administration, but dismissed). On the eve of his election, Kennedy had written that Russia was attempting to conquer Europe "by the indirect route of winning the vast outlying raw materials region," the conventional reference to Soviet support for nonalignment and neutralism. Gorbachev's efforts to reduce Cold War confrontation in the mid-1980s (including unilateral force reductions and proposals to ban nuclear weapons tests, abolish the military pacts, and remove naval fleets from the Mediterranean) were ignored. Reduction of tension is of little value, short of the return of the miscreants to their service role.<sup>12</sup>

The Soviet Union reached the peak of its power by the late 1950s, always far behind the West. A 1980 study of the Center for Defense Information (CDI), tracing Russian influence on a country-by-country basis since World War II, concluded reasonably that Soviet power had declined from that peak to the point where by 1979, "the Soviets were influencing only 6 percent of the world's population and 5 percent of the world's GNP, exclusive of the Soviet Union." By the mid-1960s, the Soviet economy was stagnating or even declining; there was an accompanying decline in housing, commerce, and life expectancy, while infant mortality increased by a third from 1970 to 1975.<sup>13</sup>

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<sup>9</sup> Leffler gives a detailed and largely sympathetic account of the actual fears and their basis. On the UN,

see references of n. 10, ch. 2.

[10](#) *DD*, 103.

[11](#) Leffler, *Preponderance*, 284-5.

[12](#) *DD*, ch. 1. Khrushchev's moves were revealed by Raymond Garthoff, *International Security*, Spring 1990, as an "interesting precedent" to Gorbachev's; see p. 365, below. Kennedy, *Strategy of Peace*, 5; cited by Leacock, *Requiem*, 7.

[13](#) *Defense Monitor*, Jan. 1980. Zeman, *Communist Europe*, 267-8.

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The Cuban missile crisis of 1962, revealing extreme Soviet vulnerability, led to a huge increase in military spending, levelling off by the late 1970s. The economy was then visibly stagnating and the autocracy unable to control rising dissidence. The command economy had carried out basic industrial development but was unable to proceed to more advanced stages, and also suffered from the global recession that devastated much of the South. By the 1980s, the system collapsed, and the core countries, always far richer and more powerful, "won the Cold War." Much of the Soviet empire will probably return to its traditional Third World status, with the old CP privileged class (the *Nomenklatura*) taking on the role of the Third World elites linked to international business and financial interests.<sup>14</sup>

A 1990 World Bank report describes the outcome in these terms: "The Soviet Union and the People's Republic of China have until recently been among the most prominent examples of relatively successful countries that deliberately turned from the global economy," relying on their "vast size" to make "inward-looking development more feasible than it would be for most countries," but "they eventually decided to shift policies and take a more active part in the global economy." A more accurate rendition would be that their "vast size" made it possible for them to withstand the refusal of the West to allow them to take part in the global economy on terms other than traditional subordination, the "active part in the global economy" dictated to the South by the world rulers.<sup>15</sup>

Throughout the period, great efforts have been undertaken to present the Soviet Union as larger than life, about to overwhelm us. The most important Cold War document, NSC 68 of April 1950, sought to conceal the Soviet weakness that was unmistakably revealed by analysis, so as to convey the required image of the "slave state" pursuing its "implacable purpose" of gaining "absolute authority" over the world, its way barred only by the United States, with its almost unimaginable nobility and perfection. So awesome was the threat that Americans must come to accept "the necessity for just suppression" as a crucial feature of "the democratic way." They must accept "a large measure of sacrifice and discipline," including thought control and a shift of government spending from social programs to "defense and foreign assistance" (in translation: subsidy for advanced industry and export promotion). In a 1948 book, liberal activist Cord Meyer, an influential figure in the CIA, wrote that the right to strike must be "denied" if it is not voluntarily restricted, given "the urgency of [the] defense plans" required. And "citizens of the United States will have to accustom themselves to the ubiquitous presence of the powerful secret police needed for protection against sabotage and espionage." As under Wilson, fascist methods are needed to guard against the threat to "stability."

By 1980, no one with eyes open could fail to perceive the "loss of hegemony and relative economic decline" of both superpowers "as the bipolar system of the postwar years has gradually evolved to something more complex," and the corresponding decline of "the Cold War system that proved so useful

for both superpowers as a device for controlling their allies and mobilizing domestic support for the ugly and often costly measures required to impose the desired form of order and stability on their respective domains." Nor was there any doubt as to their relative strength and influence, as the CDI and other sane analysts were aware. Nevertheless, the period was marked by rising hysteria about the gargantuan Soviet system, leaping from strength to strength, straddling the globe, challenging the US and even threatening its survival, establishing positions of strength in Cambodia, Nicaragua, Mozambique, and other such crucial centers of strategic power.<sup>16</sup>

These delusionary efforts were accompanied by much fantasy about Soviet military spending. Again, no little ingenuity was required, if only because the Pentagon's own figures in 1982 showed that NATO (including the US, facing no foreign threat) outspent the Warsaw Pact (including the USSR, deploying much of its force on the border with its Chinese enemy) by \$250 billion from 1971 to 1980. But these figures, as economist Franklyn Holzman has been demonstrating for some years, are inaccurate, much overstating Soviet strength. When corrected, they reveal a total gap in NATO's favor of about \$700 billion for the decade of the 1970s. The Carter military build-up, extended under Reagan, and pressures on the NATO powers to do the same, were "justified in part by the false claims of a steady increase in the Soviet rate of military spending," Raymond Garthoff observes: "The 'relentless Soviet buildup' to an important extent reflected an American error in estimating Soviet outlays, rather than being a 'disquieting index of Soviet intentions'," as claimed during the late Carter years, and "the American lead in absolute numbers of strategic bombs and warheads actually widened between 1970 and 1980." Holzman makes a strong case that the errors involved "deliberate [CIA] distortion" from the late 1970s, under intense political pressure.<sup>17</sup>

Exaggeration of the enemy's power is a characteristic feature of the North-South conflict; at the outer limits, one hears that Sandinistas were about to march on Texas, even that *Grenada* was a menace, "strategically located" to threaten US oil supplies, as "the Cubans surely appreciate" (Robert Leiken). The procedure was not invented with the Cold War. "A review of alarmist scenarios from the past might well begin with the threat from Chile posited in the 1880s by advocates of a new navy," John Thompson observes, reviewing the "tradition" of "exaggeration of American vulnerability." Recall as well the "mingled hordes of lawless Indians and negroes" who compelled us to conquer Florida in self-defense, and on back to colonial days.<sup>18</sup>

The purpose is transparent. The cultural managers must have at hand the tools to do their work. And apart from the most cynical, planners must convince themselves of the justice of the actions, often monstrous, that they plan and implement. There are only two pretexts: self-defense and benevolence. It need not be assumed that use of the tools is mere deception or careerism, though sometimes it is. Nothing is easier than to convince oneself of the merits of actions and policies that serve self-interest. Expressions of benevolent intent, in particular, must be regarded with much caution: they can be taken seriously when the policies advocated happen to be harmful to self-interest, a historical category that is vanishingly small.

In the Cold War case, there is another factor that may have helped extend the delusional system beyond

its normal practitioners: the Russians had their own reasons for depicting themselves as an awesome superpower marching on towards a still grander future. When the world's two major propaganda systems agree on some doctrine, however fanciful, it is not easy to escape its grip.

A striking example is the delusion that the Cold War was a struggle between socialism and capitalism. The Soviet Union, from 1917, has been even more remote from socialism than the US and its allies have been from capitalism, but again, both major propaganda systems have had a longstanding interest in claiming otherwise: the West, so as to defame socialism by associating it with Leninist tyranny, and the USSR, so as to gain what prestige it could by associating itself with socialist ideals -- ideals whose force was powerful and wide-ranging. "I believe that socialism is the grandest theory ever presented, and I am sure some day it will rule the world," Andrew Carnegie told the *New York Times*, and when it does, "we will have attained the millennium." To this day, almost half the population find the phrase "from each according to his ability, to each according to his need" to be such an obvious truth that they attribute it to the US Constitution, a text largely unknown but taken to be akin to Holy Writ. The absurd association of Bolshevik tyranny with socialist freedom was doubtless reinforced by the accord between the two major doctrinal systems, though for intellectuals, the appeal of Lenin's authoritarian deviation from the socialist tradition has deeper roots.<sup>19</sup>

By the early 1980s it was becoming impossible to sustain the illusion of Soviet power, and a few years later, it was laid to rest.

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<sup>14</sup> See Charles S. Maier, *Why Did Communism Collapse in 1989?*, Program on Central and Eastern Europe, Working Paper Series #7, Jan. 1991.

<sup>15</sup> World Bank statement published in *Trócaire Development Review*, *op. cit.* (ch. 2, n. 46).

<sup>16</sup> Quotes from *TNCW*, 3, 204. On NSC 68, see *DD*, ch. 1.1. Meyer, cited by Pisani, *CIA*, from his *Peace or Anarchy*.

<sup>17</sup> Holzman, *Challenge*, May/June 1992. Garthoff, *Détente*, 793-800. In an addendum of June 11, 1992, Holzman notes that a Review Committee of 5 distinguished economists set up by the House Permanent Select Committee on Intelligence found the same technical problems and was unable to get satisfactory explanations in face-to-face meetings with the responsible CIA analysts, who were described as lacking in "candor."

<sup>18</sup> Leiken, *Foreign Policy*, Spring 1981; cited by Schoultz, *National Security*, a useful review of the delusional systems of planners, whether real or contrived, one can only speculate. See *DD*, ch. 3.6, for

further discussion. Thompson, *Diplomatic History*, Winter 1992.

[19](#) Carnegie, cited in Krause, *Homestead*, 235. 1987 poll cited by Lobel, *Less than Perfect*, 3. See *APNM*, ch. 1; "Intellectuals and the State," reprinted in *TNCW*.

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### 3. Return to Normalcy

If early modern Eastern Europe was "a testing ground for bankers and financiers to practice what they would later perfect in more distant lands" (Feffer), then by the 1980s the shoe was on the other foot: it was to be a "testing ground" for the doctrines of laissez-faire economic development that had been avoided by every successful developed country, and applied under Western tutelage in the South with destructive effects. A symbolic illustration of the reversal is the role of Harvard economist Jeffrey Sachs, who "in the 1980s had devastated the Bolivian economy in the name of monetary stability," Feffer accurately observes, and then moved on to Poland to offer the harsh medicine conventionally prescribed for the service areas.

Following the rules, Poland has seen "the creation of many profitable private businesses," the knowledgeable analyst Abraham Brumberg observes, along with "a drop of nearly 40 percent in production, enormous hardships and social turmoil," and "the collapse of two governments." In 1991, gross domestic product (GDP) declined 8-10 percent with an 8 percent fall in investment and a near doubling of unemployment, reaching 11 percent of the workforce in early 1992, after an official GDP decline of 20 percent in two years. A 1992 World Bank report on the Polish economy, discussed by Anthony Robinson in the *Financial Times*, concluded that "The fiscal situation has worsened to the point where hyperinflation is an immediate danger. Unemployment has reached a level that cannot be tolerated for long. Investment in infrastructure and human resource development has shrunk to levels that, if maintained, will undermine the prospects for sustained growth." It warned that "None of the long-term supply side reforms" that the Bank advocates "stands any chance of success if Poland slides back into hyperinflation, or if its economy continues to decline as dramatically as it has in the last two years." "Private savings were virtually eliminated by hyperinflation and the 1990 economic stabilisation programme," Robinson adds, while problems were exacerbated by capital flight of several tens of millions of dollars a month. While the decline will "bottom out," prospects appear dim for much of the population.

Russia has been going the same way. "On some estimates," Michael Haynes observes, "capital flight from the USSR was somewhere between \$14-19 billion in 1991," some of it short-term, some for longer-term structural reasons. Production declined in 1991. Economic and finance minister Yegor Gaidar warned of a further drop of 20 percent in early 1992, with the "worst period" still ahead. Light industrial production fell by 15-30 percent in the first 19 days of January 1992 while deliveries of meat, cereals, and milk fell by a third or more. From early 1989 through mid-1992, according to IMF and World Bank statistics, industrial output fell by 45 percent and prices rose 40-fold in Poland and real wages were almost halved; figures for the rest of Eastern Europe were not much better.

Western ideologists are impressed with what has been achieved, but concerned that economic irrationality might impede further progress. Under the heading "Factory Dinosaurs Imperil Poland's Economic Gain," *New York Times* correspondent Stephen Engelberg looks at "a worst-case instance of how the industrial legacies of the Communist system threaten to drag down economic reform plans in Poland and other Eastern European nations": the city of Rzeszow, dependent on an aircraft manufacturer for employment, tax revenues, even heat from industrial by-products. The free market policies have "brought cities like Warsaw or Cracow alive with commerce," Engelberg notes, doubling the number of private businesses (though the people too impoverished to buy even basic goods do not reach the threshold). But this welcome progress is threatened by calls for government intervention to meet minimal human needs and rescue enterprises suffering from loss of markets and supplies and unpaid debts after the collapse of the USSR.

No less ominous, Engelberg observes, is "social unrest from the workers," who now have a measure of control in factories and even go on strike to prevent closure of plants that might be rescued by "Government-guaranteed loans to rebuild foundries." The Solidarity Union calls on the Government "to forgive overdue taxes and place big new airplane orders for the Polish army." A Solidarity leader says that "the Government has to make a decision whether or not it needs an aircraft industry or whether it has to be restructured or whether one-half should produce aviation and the rest something else." But Western analysts understand that such decisions are not for the Poles to make: they are to be made by the "free market" -- or more accurately, the powerful institutions that dominate it. And no embarrassing questions are raised about the fate of the US aircraft industry, or advanced industry in general, without the huge public subsidy to create and maintain it; and so on through the functioning parts of the economy. Or about the Chrysler bail-out or Reagan's rescue of Continental Illinois Bank; or the hundreds of billions of taxpayer dollars to pay off S&L managers and investors, freed from both regulation and risk by the genius of Reaganomics. We put aside the question of how "economic irrationality" of the kind denied to the Third World created an economy in which Americans no longer pursue their comparative advantage in exporting furs.

The problem of uppity workers is also noted by *Financial Times* correspondent Anthony Robinson. He writes that many communities depend upon "large plants where workers' councils exert strong influence on management unversed in the ways of the market." This unwarranted influence of working people undermines the lessons of economic rationality and democracy that we are patiently trying to impart. Economic rationality requires that the tools of production overcome their reluctance to see their communities and families destroyed. "It is not for the commodity to decide where it should be offered for sale, to what purpose it should be used, at what price it should be allowed to change hands, and in what manner it should be consumed or destroyed," as Karl Polanyi commented in his classic study of the laissez-faire experiment in 19th century England, quickly terminated as it came to be understood by the business classes that their interests would be harmed by the free market, which "could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness."

As for democracy, in the approved sense it allows no room for any popular interference in the totalitarian structure of the corporate economy, with all that follows in other spheres of life. The role of the public is to follow orders, not to interfere.

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Gabrielle Glaser reports one of the results of "Poland's opening to Western market forces" in the *New York Times* under the heading: "Booming Polish Market: Blond, Blue-Eyed Babies." An "unexpected side effect" of the free market, she writes, is "a booming traffic" in this commodity, as "young mothers are being pressed to sign away the rights to their children." The numbers may reach tens of thousands. "I hate to say it," the director of a state adoption agency comments, "but it seems to me that Poland has one of the most serious markets of white babies." Polish journals tend to shy away from the role of the Church, Glaser reports, but one inquiry reported that the Mother Superior of one adoption home receives \$15,000 for each baby girl and up to \$25,000 for each baby boy. Asked about the report, she replied: "I cannot give you any information. Good-bye." She did, however, display her papal award for "defending life," "an honor Pope John Paul II bestows on anti-abortion crusaders in his native Poland," Glaser comments.

Why this side effect is "unexpected," Glaser does not explain. Indeed, as she notes, such reports "are not new in Eastern Europe or the third world: Romania became notorious for the practice after its 1989 revolution." Post-1989 Romania is a curious choice. The phenomenon is a well-known concomitant of the integration of the South into the world order in the service role; reports of sale of children are, in fact, some of the more benign that are familiar to those who do not choose to shield themselves from the wrong kind of facts. The "side effects" of the subjection of the South to market forces are not in the least unexpected, except to the laser-like vision of the trained ideologue.

"Unexpected side effects" of the invisible hand have also been found in Russia, again eliciting much surprise. A front-page *New York Times* headline reads: "The Russians' New Code: If It Pays, Anything Goes." "It is not just a matter of crime, corruption, prostitution, smuggling, and drug and alcohol abuse," all on the rise: "There is also a widespread view that...people are out for themselves and anything goes" -- unlike the United States, where pursuit of "the vile maxim of the masters" is unknown, or the Third World domains that have been subject to our helping hand. "Swindles and bribes are hardly a new phenomenon in Russia," correspondent Celestine Bohlen observes, and were familiar in the "old Communist system" -- again, unlike the US and its clients.

During the same days, the *Times* was reporting the saga of President Fernando Collor of Brazil, the fair-haired boy of Washington and the business community, who broke new records in corruption in a richly-endowed country that has been a "testing area" for US experts for half a century (see [chapter 7](#)). One may recall a few domestic examples of corruption as well, from the days of the Founding Fathers, no slouches in this game, and on to the Reaganites and Wall Street in the 1980s. Corruption is an intrinsic feature of "the old Communist system," the ideological institutions (correctly) proclaim: under "capitalist democracy," it is an aberration, quickly corrected.

The new "ostentatious wealth sets most citizens' nerves on edge," Bohlen continues, describing the standard consequences of neoliberal remedies. "Crime has soared in Russia after the collapse of Communism, as it did in Eastern Europe," including white-collar crimes, which have "taken off." But "the levels of crime are still well below New York's standards." There is still room for progress towards the capitalist ideal.

The economies of Eastern Europe stagnated or declined through the eighties, but went into free fall as the IMF regimen was adopted with the end of the Cold War in 1989. By the fourth quarter of 1990, Bulgaria's industrial output (which had previously remained steady) had dropped 17 percent, Hungary's 12 percent, Poland's over 23 percent, Romania's 30 percent. The UN Economic Commission for Europe reported in late 1991 that the region's output had declined 1 percent in 1989, 10 percent in 1990, and 15 percent in 1991, predicting a further decline of 20 percent for 1991, with the same or worse likely in 1992. One result has been a general disillusionment with the democratic opening, even some growing support for the former Communist parties. In Russia, the economic collapse has led to much suffering and deprivation, as well as "weariness, cynicism, and anger, directed at all politicians, from Yeltsin down," Brumberg reports, and particularly at the ex-*Nomenklatura* who, as predicted, are coming to be the typical Third World elite serving the interests of the foreign masters. In public opinion polls, half the respondents considered the August 1991 *Putsch* illegal, one-fourth approved, and the rest had no opinion.

Support for democratic forces is limited, not because of opposition to democracy, but because of what it becomes under Western rules. It will either have the very special meaning dictated by the needs of the rich men, or it will be the target of destabilization, subversion, strangulation, and violence until proper behavior is restored. Exceptions are rare.<sup>20</sup>

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<sup>20</sup> Feffer, *Shock Waves*, 22, 112, 129. Brumberg, *NYRB*, Jan. 30; *FT*, Feb. 3; Robinson, *FT*, April 28, 1992. Haynes, *European Business and Economic Development*, Sept. 1992. Economic indicators; *FT*, Sept. 28, 1992. Engelberg, *NYT*, Feb. 9; *WSJ*, Feb. 4; Glaser, *NYT*, April 19; Bohlen, *NYT*, Aug. 30, 1992. Continental Illinois, see p. 63. Children, see *DD*, ch. 7; ch. 9.5, below. Polanyi, *Great Transformation*. Miller, *Founding Finaglers*. On the Costa Rican exception and US attitudes towards it from the 1940s, see *NI*, 111f., App. V.1; *DD*, 221f., 273ff.

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Loss of faith in democracy is of small concern in the West, though the "bureaucratic capitalism" that might be introduced by Communists-turned-yuppies is a potential problem. In the Western doctrinal system, democratic forms are meritorious as long as they do not challenge business control. But they are secondary: the real priority is integration into the global economy with the opportunities this provides for exploitation and plunder.

With IMF backing, the European Community (EC) has provided a clear test of good behavior for Eastern Europe. In the old days, the Russians had to prove that they were not "flirting with the thought" of supporting the aspirations of "the common man." Today, East Europe must demonstrate that "economic liberalization with a view to introducing market economies" is irreversible. There can be no attempts at a "Third Way" with unacceptable social democratic features, let alone more substantive steps towards democracy and freedom, such as workers' control. The chief economic adviser to the EC, Richard Portes, defined acceptable "regime change" not in terms of democratic forms, but as "a definitive exit from the socialist planned economy -- and its irreversibility." One recent IMF report, Peter Gowan notes, "concentrates overwhelmingly on the Soviet Union's role as a producer of energy, raw materials, and agricultural products, giving very little scope for the republics of the former Soviet Union to play a major role as industrial powers in the world market." Transfer of ownership to employees, he notes, "has commanded strong popular support in both Poland and Czechoslovakia," but is unacceptable to the Western overseers, conflicting with the free market capitalism to which the South must be subjected.

The South, that is. Conforming to traditional practice, the EC has raised barriers to protect its own industry and agriculture, thereby closing off the export market that might enable the East bloc to reconstruct its economies. When Poland removed all import barriers, the EC refused to reciprocate, continuing to discriminate against half of Polish exports. The EC steel lobby called for "restructuring" of the East European industry in a way that would incorporate it within the Western industrial system; the European chemical industry warned that construction of free market economies in the former Soviet empire "must not be at the expense of the long-term viability of Western Europe's own chemical industry." And as noted, none of the state capitalist societies accept the principle of free movement of labor, a *sine qua non* of free market theory. Eastern Europe, or at least large parts of it, is to return to the Third World service role.<sup>21</sup>

The situation is reminiscent of Japan in the 1930s, or of the Reagan-Bush Caribbean Basin Initiative, which encourages open export-oriented economies in the region while keeping US protectionist barriers intact, undermining possible benefits of free trade for the targeted societies.<sup>22</sup> The patterns are as pervasive as they are understandable.

The US has watched developments in Eastern Europe with some discomfort. Through the 1980s, it sought to impede East-West trade relations and the dissolution of the Soviet empire. In August 1991, George Bush advised Ukraine not to secede just before it proceeded to do so. One reason is that after Reagan's wild party for the rich, the US is not well-placed to join German-led Europe and Japan in taking advantage of the newly opened sectors of the South. Liberal Democrats urge that "foreign aid" be diverted from Central America to the USSR, warning that without the traditional export-promotion devices, the EC and Japan will exploit "the vast trade and investment potential of Eastern Europe" while "We debate how to clear up two foreign policy debacles" (Senator Patrick Leahy); no serious person would be so rude as to suggest that we might at least help wash away some of the rivers of blood we have spilled. In 1992, President Bush proposed his Freedom Support Act to remedy the problem. A "stream of high-ranking US officials and big-business leaders" lobbied for the measure, Amy Kaslow reports. Ambassador Robert Strauss urged rapid action "lest US firms lose out to competitors...in the huge consumer market of the former Soviet Union." The Act will provide "new opportunities" for US "farmers [agribusiness] and manufacturers," and "help pave the way for US corporations to explore vast new markets." There is no confusion about just whose "Freedom" is being "Supported."<sup>23</sup>

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<sup>21</sup>Gowan, *World Policy Journal*, Winter 1991-92.

<sup>22</sup> See Deere, *In the Shadows*, 213; McAfee, *Storm Signals*.

<sup>23</sup> See *DD*, chs. 1.6, 3.3. Kaslow, *CSM*, Aug. 12, 1992.

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## 4. Some Free Market Successes

It would only be fair to add that the IMF-World Bank recipe now being imposed upon the former Soviet empire has its successes. Bolivia is a highly-touted triumph, its economy rescued from disaster by the 1985 New Economic Policy prescribed by the expert advisers now plying their craft in Eastern Europe. Public employment was sharply cut, the national mining company was sold off leading to massive unemployment of miners, real wages dropped, rural teachers quit in droves, regressive taxes were introduced, the economy shrank along with productive investment, while inequality increased. In the capital, Melvin Burke writes, "street vendors and beggars contrast with the fancy boutiques, posh hotels and Mercedes-Benzenes." Real per capita GNP is three-fourths what it was in 1980, and foreign debt absorbs 30 percent of export earnings. As a reward for this economic miracle, the IMF, Interamerican Development Bank, and the G-7 Paris Club offered Bolivia extensive financial assistance, including secret payments to government ministers.

The miracle that is so admired is that prices stabilized and exports are booming. About two-thirds of export earnings are now derived from coca production and trade, Burke estimates. The drug money explains the stabilization of currency and price levels, he concludes. About 80 percent of the \$3 billion in annual drug profits is spent and banked abroad, mainly in the US, providing a lift to the US economy as well. This profitable export business "obviously serves the interests of the new illegitimate bourgeoisie and the `narco-generals' of Bolivia," Burke continues, and "also apparently serves the United States national interest, inasmuch as money laundering has not only been tolerated by the United States but has, in fact, been encouraged." It is "the poor peasant coca growers" who "struggle to survive against the combined armed might of the United States and the Bolivian military," Burke writes. There are always plenty more to ensure that the economic miracle will continue, eliciting much praise.

Confirming these figures, Waltrad Morales estimates that about 20 percent of the labor force depends for a livelihood on coca/cocaine production and trade, which amounts to about half of Bolivia's GDP. The export miracle has disrupted land prices and agricultural development, "and as a consequence Bolivians can no longer feed themselves." Malnutrition for children under 5 is over 50 percent higher than the (awful) regional average. A third of the country's food must be imported. "This `national food crisis' -- further aggravated by the neoliberal economic model -- has contributed to the marginalisation of the peasantry, which has forced many of them to grow coca leaf in order to survive," in a downward cycle.<sup>24</sup>

On to Poland.

Achievements have also been recorded elsewhere, thanks to timely US intervention and expert management. Take Grenada. After its liberation in 1983 -- following several years of US economic warfare and intimidation that have been effectively barred from history -- it became the largest per capita recipient of US aid (after Israel, a special case). The Reagan Administration proceeded to make it a "showcase for capitalism," the conventional formula as a country is rescued from its population and set on the right course by its benefactors; Guatemala in 1954 is another announced "showcase" that should be famous (see [chapter 7.7](#)). The reform programs, which brought the usual social and economic disaster, are condemned even by the private sector they were designed to benefit. Furthermore, "the invasion has had the long-term effect of neutering the island's political life," Carter Special Assistant Peter Bourne reports from Grenada where he is teaching at the Medical School whose students were "rescued": "No creative vision aimed at plans for solving Grenada's social and economic ills has emerged from the lackluster and pliantly pro-American leaders" as the island suffers from record levels of alcoholism and drug abuse, and "crippling social malaise," while much of the population can only "flee their beautiful country."

There is, however, one bright spot, Ron Suskind reports in a front-page *Wall Street Journal* article headlined "Made Safe by Marines, Grenada Now is Haven for Offshore Banks." The economy may be "in terrible economic shape," as the head of a local investment firm and member of Parliament observes -- thanks to USAID-run structural adjustment programs, the *Journal* fails to add. But the capital "has become the Casablanca of the Caribbean, a fast-growing haven for money laundering, tax evasion and assorted financial fraud," with 118 offshore banks, one for every 64 residents. Lawyers, accountants, and some businessmen are doing well; as, doubtless, are the foreign bankers, money launderers, and drug lords, safe from the clutches of the carefully crafted "drug war."<sup>25</sup>

The US liberation of Panama recorded a similar triumph. The poverty level has increased from 40 percent to 54 percent since the 1989 invasion. Guillermo Endara, sworn in as President at a US military base on the day of the invasion, would receive 2.4 percent of the vote if an election were held, according to 1992 polls. His government designated the second anniversary of the US invasion a "national day of reflection." Thousands of Panamanians "marked the day with a 'black march' through the streets of this capital to denounce the US invasion and the Endara economic policies," the French press agency reported. Marchers claimed that US troops had killed 3000 people and buried many corpses in mass graves or thrown them into the sea. The economy has not recovered from the battering it received from the US embargo and the invasion. A leader of the Civic Crusade, which led the middle-class opposition to Noriega, told *Chicago Tribune* reporter Nathaniel Sheppard that "Economic sanctions imposed by the U.S. against our will in 1987 to oust Noriega did nothing to hurt him but ruined our economy. Now we believe the sanctions may have been part of a plan to destroy our economy in such a way that we would not have strong ground to demand dignity and better treatment from the US." George Bush's June 1992 visit, which ended quickly in a well-publicized fiasco, "focused attention on long-simmering animosity toward Bush" for the invasion, Sheppard reported; the "rifle-toting American troops" in residential neighborhoods are a particular irritant, and the mood was not improved when security forces accompanied by "about eight American personnel" invaded the home of a National Assembly member, rifling through papers, taking passports, firing shots, and intimidating his wife, who was home alone, he alleged.

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[24](#) Burke, *Current History*, Feb. 1991; Morales, *Third World Quarterly*, vol. 13.2, 1992. See also Peter Andreas et al., "Dead-End Drug Wars," *Foreign Policy*, Winter 1991-92.

[25](#) McAfee, *Storm Signals*, ch. 7. Bourne, *Orlando Sentinel*, April 12, 1992. Suskind, *WSJ*, Oct. 29, 1991. *DD*, 162. On the suppressed history, see *NI*, 177f.

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A post-invasion report on Panama presented to the UN Committee of Economic, Social and Cultural Rights by Mexican Ambassador Javier Wimer reports that the economy has collapsed, with "catastrophic effects in the areas of food, housing, and basic services such as health, education, and culture." Human rights violations are on the rise as a result of the invasion and subsequent efforts to "liquidate the vestiges of the former nationalism," with labor rights under particular attack along with any institutions that might be "nuclei of civic protest and political opposition." The governments of Panama and the US are jointly responsible for "serious and systematic" human rights violations, his report concluded. According to the respected *Central America Report* (Guatemala, *CAR*), the US drug war may be providing a cover for attacks on community activists by the security forces and other human rights abuses.

But some indicators are up. The General Accounting Office of Congress reported that drug trafficking "may have doubled" since the invasion while money laundering has "flourished," as was predicted at once by everyone who paid attention to the tiny European elite whom the US restored to their traditional rule. A study financed by USAID reported that narcotics use in Panama is the heaviest in Latin America, up by 400 percent since the invasion. The executive-secretary of the Center of Latin American Studies, which participated in the study, says that US troops "constitute a very lucrative market for drugs," contributing to the crisis. The increase is "unprecedented, ... especially among the poor and the young," the *Christian Science Monitor* reports.<sup>26</sup>

Another triumph of free market democracy was recorded in Nicaragua, where the Chamorro government and US Ambassador Harry Shlaudeman signed accords opening the way for the US Drug Enforcement Agency (DEA) to operate there "in an attempt to control the growing drug trafficking problem," *CAR* reports. The DEA agent in Costa Rica declared that Nicaragua is now "being used as a corridor for transferring Colombian cocaine to the United States," and a Department of Justice prosecutor added that the Nicaraguan financial system is laundering drug money. There is also a growing drug epidemic within Nicaragua, fueled by the high level of drug use by recent returnees from Miami as well as the continued economic decline and the new avenues for drug trafficking since the US regained control. "Since the installation of the Chamorro government and the massive return of Nicaraguans from Miami," *CAR* reports, "drug consumption has increased substantially in a country long free from drug usage." Miskito leader Steadman Fagoth accused two members of the Chamorro cabinet, his former contra associate Brooklyn Rivera and the minister of fishing for the Atlantic Coast, of working for the Colombian cartels. The Nicaraguan delegate to the Ninth International Conference on the Control of Drug Trafficking in April 1991 alleged that Nicaragua "has now become a leading link in cocaine shipments to the US and Europe." In Managua, the number of street children is rapidly increasing, as is drug addiction, which had been virtually eliminated by 1984. Ten-year-old children sniff glue on the street, saying that "it takes away hunger."

In fairness, we should mention a sign of economic progress now that the US has regained control: marketing of shoe cement to fill the children's bottles, imported through a multinational supplier, has become a lucrative business.<sup>27</sup>

A conference attended by government officials and NGOs in Managua in August 1991 concluded that the country now has 250,000 addicts and is becoming an international bridge for drug transport, (in comparison 400,000 addicts are reported in Costa Rica, 450,000 in Guatemala, 500,000 in El Salvador). Addiction is increasing particularly among young people. A conference organizer commented that "In 1986 there wasn't one reported case of hard drugs consumption" while "in 1990, there were at least 12,000 cases." 118 drug dealing operations were identified in Managua alone, though it is the Atlantic Coast that has become the international transit point for hard drugs, leading to increased addiction. US journalist Nancy Nusser reports from Managua that cocaine has become "readily available only since president Violeta Chamorro took office in April 1990," according to dealers. "There wasn't any coke during the Sandinistas' time, just marijuana," one dealer said. Minister of Government Carlos Hurtado said that "the phenomenon of cocaine trafficking existed before, but at a low level." Now it is burgeoning, primarily through the Atlantic Coast according to "a ranking Western diplomat with knowledge of drug trafficking" (probably from the US Embassy), who describes the Coast now as "a no man's land." In the *Miami Herald*, Tim Johnson reports that El Salvador too "is finding itself afflicted by a new scourge: drug trafficking." It is now outranked only by Panama and Guatemala as a corridor for cocaine shipments to the US.<sup>28</sup>

Drugs are becoming "the newest growth industry in Central America," *CAR* reports, as a result of the "severe economic conditions in which 85 percent of the Central American population live in poverty" and the lack of jobs, conditions exacerbated by the neoliberal onslaught. But the problem has not reached the level of Colombia, where security forces armed and trained by the US are continuing their rampage of terror, torture, and disappearances, targeting political opposition figures, community activists, trade union leaders, human rights workers, and the peasant communities generally while US aid "is furthering the corruption of the Colombian security forces and strengthening the alliance of blood between right-wing politicians, military officers and ruthless narcotics traffickers," according to human rights activist Jorge Gómez Lizarazo, a former judge. The situation in Peru is still worse.<sup>29</sup>

These are only symptoms of much deeper malaise, to which we return in [Part III](#).

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<sup>26</sup> *CAR*, Sept. 27, 1991; June 5, 1992. *Latinamerica press* (Lima), June 4, 1992. AFP, *Chicago Sun-Times*, Dec. 22, 1991. Sheppard, *CT*, June 18, May 22, Sept. 1, 1992. *Proceso* (Mexico), Dec. 2, 1992 (*LANU*.) Kenneth Sharpe, *CT*, Dec. 19, 1991. Andreas, *op. cit.* Joachim Bamrud, *CSM*, Jan. 24, 1991.

[27](#) CAR, Sept.20, Nov. 29, May 3, 1991. *Links* (National Central America Health Rights Network), Summer 1992.

[28](#) Felipe Jaime, IPS, *Subtext* (Seattle), Sept. 3-16; Nusser, *NYT* news service, Sept. 26; Johnson, *MH*, Dec. 3, 1991.

[29](#) CAR, Oct. 11, 1991. Gómez, *NYT*, Jan. 28, 1992. See Americas Watch, '*Drug War*'; WOLA, *Clear and Present Dangers*.

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## 5. After the Cold War

There is little reason to expect that "the great work of subjugation and conquest" will change in any fundamental way with the passing of the Cold War phase of the North-South conflict. But as always, stable policies must be adapted to changing contingencies, as they were when a New World Order was established in 1945, and again when Richard Nixon announced his "New Economic Policy" in 1971, in both cases, reflecting real changes in the distribution of power. The Soviet decline that accelerated from the late 1970s yields a situation that is also new in a number of respects, though major tendencies persist, including the internationalization of production and finance, the disorders of the affluent alliance, the relative weakening of the still-dominant US economy, and the marginalization of much of the domestic public of the world-dominant societies.

One consequence of the Soviet collapse is the project of imposing the neoliberal mode of subordination on large parts of the region. A second is that new pretexts are needed for intervention. Despite much bombast, the problem of the vanishing pretext was recognized through the 1980s. The population was therefore regaled with international terrorists, Hispanic narco-traffickers, Islamic fundamentalists, crazed Arabs, and other useful constructions, as attempts were made to adapt the standard formula for diverting and subduing the public: fear of some Great Satan, followed by awe as our Grand Leaders heroically overcome him and march on to new triumphs. Regular confrontations were manufactured with the convenient Libyan punching bag; Grenada was about to cut off sea lines and bomb us from a Cuban-built airbase; Sandinistas were spreading their "revolution without borders" and advancing on Texas; Noriega (after he was fired) was leading the Colombian cartel to poison our children; Saddam Hussein stepped out of line and became the Beast of Baghdad, etc. But in general, as the variety of targets illustrates, the formula is not available as routinely as before. President Bush has been criticized for his failure to formulate grand designs in the manner of his predecessors, but that is unfair, given the disappearance of the "monolithic and ruthless conspiracy" to which JFK could appeal, and its variants. The standard formula may lose its effectiveness for other reasons too, as conditions of life decline for the superfluous population.

Other consequences were pointed out forthrightly by rational analysts. In a 1988 end-of-year analysis of the Cold War in the *New York Times*, Dimitri Simes wrote that the impending disappearance of the Soviet enemy offers the US three advantages: first, we can shift NATO costs to European competitors; second, we can end "the manipulation of America by third world nations," "resist unwarranted third world demands for assistance," and strike a harder bargain with "defiant third world debtors"; and third, military power can be used more freely "as a United States foreign policy instrument...against those who contemplate challenging important American interests," with no fear of "triggering counterintervention,"

the deterrent having been removed. In brief, the US can regain some power within the rich men's club, tighten the screws on the Third World, and resort more freely to violence against defenseless victims. The senior associate of the Carnegie Endowment for International Peace was right on target.[30](#)

The fall of the Berlin wall in November 1989 can be taken as the symbolic end of the Cold War. After that, it took real dedication to conjure up the Soviet threat, though habits die slowly. Thus, in early 1990, much excitement was generated by a document published anonymously by University of California Sovietologist Martin Malia, railing about how Brezhnev had "intervened at will throughout the Third World" and "Russia bestrode the world" while "the liberal-to-radical mainstream of Anglo-American Sovietology" regarded Stalinism as having "a democratic cast," indulging in "blatant fantasies...about democratic Stalinism" and "puerile fetishization of Lenin," along with a host of similar insights apparently picked up in some Paris café. But in the 1990s, only the most disciplined minds can handle this kind of fare with appropriate gravity.[31](#)

Much can be learned about the Cold War era by observing what happened after the Berlin wall fell. The case of Cuba is instructive. For 170 years, the US has sought to prevent Cuban independence. From 1959, the pretext for invasion, terror, and economic warfare was the security threat posed by this outpost of the Kremlin. With the threat gone, the reaction was uniform: we must step up the attack. The banner is now democracy and human rights, upheld by political leaders and moralists who have demonstrated their commitment to these values with such integrity over the years, for example, during the murderous US crusade against the Church and others who dared organize the undeserving public in Central America through the 1980s. It would not be easy to invent a clearer demonstration of the fraudulence of the Cold War pretext; being doctrinally unacceptable, the conclusions remain invisible (see [chapter 6](#)).

US opposition to Haitian independence for two centuries also continued, quite independently of the Cold War. Events of the 1980s, notably after the fall of the Berlin wall, also illustrate with much clarity traditional US distaste for democracy and indifference to human rights. We return to details ([chapter 8](#)).

Another instructive example is Saddam Hussein, a favored friend and trading partner of the West right through his worst atrocities. As the Berlin wall was tottering in October 1989, the White House intervened directly, in a highly secret meeting, to ensure that Iraq would receive another \$1 billion in loan guarantees, overcoming Treasury and Commerce department objections that Iraq was not creditworthy. The reason, the State Department explained, was that Iraq was "very important to US interests in the Middle East"; it was "influential in the peace process" and was "a key to maintaining stability in the region, offering great trade opportunities for US companies." As is the norm, Saddam Hussein's crimes were of no account until he committed the crime of disobedience. And the West soon returned to tacit support for him against an even greater enemy, freedom and democracy in the Third World, as already discussed.[32](#)

Again the lesson is clear: the priorities are profits and power; democracy in more than form is a threat to be overcome; human rights are of instrumental value for propaganda purposes, nothing more.

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[30](#) Simes, *NYT*, Dec. 27, 1988. For further detail, see *DD*, 97f.

[31](#) See *Daedalus*, Winter 1990; *NYT*, Jan. 4, Aug. 31, 1990. *DD*, 61, for more.

[32](#) Lionel Barber and Alan Friedman, *FT* (London), May 3, 1991. Serious mainstream coverage of the topic in the US began with the *Los Angeles Times*, Feb. 23, 25, 26, 1992. On information available before the invasion of Kuwait, often ignored in the mainstream, see *DD*, 152, 194f.

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As Simes had observed, one consequence of the Soviet collapse is that overt intervention became a more feasible option. It comes as small surprise, then, that Bush should inaugurate the post-Cold War era by invading Panama to save us from the arch-demon Noriega, after a carefully designed propaganda campaign to which the press lent its considerable talents, even suppressing the fact that the invasion was accompanied by the announcement of new aid for Bush's friends in Beijing and Baghdad, who made Noriega look like a choir boy in comparison. Real interests again were served: US business partners were placed back in power, the security forces were returned to US control, and the Washington was able to direct the fate of the Panama Canal. The meaning of the Cold War is once again dramatically illustrated, though the doctrinal system remains immune.<sup>33</sup>

The second act of post-Cold War aggression was Iraq's invasion of Kuwait on August 2, 1990, shifting Saddam Hussein overnight from moderate-who-is-improving to reincarnation of Attila the Hun. The US-UK alliance moved quickly to bar the diplomatic track for fear that peaceful means might "defuse the crisis" with "a few token gains" for their former friend, as the Administration position was outlined by *Times* diplomatic correspondent Thomas Friedman in late August. Had these fears been realized, the invasion would have resembled the US invasion of Panama, an unacceptable outcome of course. The *Times* and its colleagues dutifully suppressed the opportunities for a negotiated Iraqi withdrawal that opened from mid-August, according to high-ranking US officials. On the eve of the January 15, 1991 bombing, the US population, by about 2 to 1, favored a diplomatic settlement along the lines of an Iraqi proposal that had been released by US officials, but were unaware of the existence of this proposal, and the instant US rejection of it, thanks to media discipline. The rascal multitude, once again, was kept in its proper place. At no time was the Administration called upon to present an argument for war rather than diplomacy -- at least one that could not be refuted instantly by a literate teenager. The doctrinal institutions succeeded brilliantly in excluding every fundamental question that would have arisen in a functioning democracy.

The war policy was also strongly opposed by the population in the region. The Iraqi democratic opposition, always rebuffed by Washington (hence the press), opposed US policy throughout: the pre-August 1990 support for the Iraqi dictator, the refusal to explore peaceful means, and finally the tacit support for Saddam Hussein as he crushed the Shi'ite and Kurdish rebellions. One leading spokesman, banker Ahmad Chalabi, who described the outcome of the war as "the worst of all possible worlds" for the Iraqi people, attributed the US stand to its traditional policy of "supporting dictatorships to maintain stability." In Egypt, the one Arab ally with a degree of internal freedom, the semi-official press wrote that the outcome demonstrated that the United States only wanted to cut Iraq down to size and thus to establish its own unchallenged hegemony, in "collusion with Saddam himself" if necessary, agreeing with the "savage beast" on the need to "block any progress and abort all hopes, however dim, for freedom

or equality and for progress towards democracy" (April 9). The media suppressed the basic facts throughout with their usual discipline. Thus, immediately after Egypt denounced the US for colluding with Saddam, *Times* correspondent Alan Cowell informed the public of the "strikingly unanimous view" among the Arab allies in support of the US position that "whatever the sins of the Iraqi leader, he offered the West and the region a better hope for his country's stability than did those who have suffered his repression" (April 11). The *Times* does deserve credit, however, for Friedman's lucid explanation of why we must seek some clone of Saddam Hussein to rule with an "iron fist" rather than face the threat of freedom for the people of Iraq ("instability").

The United Nations suffered further blows. The invasion of Kuwait was unusual in that the US and UK opposed an act of international violence, and thus did not pursue their usual resort to the veto or other means to block UN efforts to reverse the crime. But under US pressure, the Security Council was compelled to wash its hands of the matter, radically violating the UN Charter by leaving individual states free to act as they chose. Further US pressures prevented the Council from responding to the call of member states for meetings, as stipulated by council rules that the United States had vigorously upheld when they served its interests. That Washington has little use for diplomatic means or institutions of world order, unless they can be used as instruments of its own power, has been dramatically illustrated in Southeast Asia, the Middle East, Central America, and elsewhere. Nothing is likely to change in this regard, including the efficiency with which the facts are concealed.<sup>34</sup>

In the case of Iraq, the disappearance of the Soviet deterrent was a crucial factor in the US-UK decision for war, as widely discussed. It might have been a factor in the invasion of Panama, as claimed by Reagan Latin America hand Elliott Abrams, who exulted that the US was now free to use force without fear of a Russian reaction.

Hostility to functioning democracy in Central America continued without any change. As the Berlin Wall fell, elections were held in Honduras in "an inspiring example of the democratic promise that today is spreading throughout the Americas," in George Bush's words. The candidates represented large landowners and wealthy industrialists, with close ties to the military, the effective rulers, under US control. Their political programs were virtually identical, and the campaign was largely restricted to insults and entertainment. Human rights abuses by the security forces escalated before the election. Starvation and misery were rampant, having increased during the "decade of democracy," along with capital flight and the debt burden. But there was no major threat to order, or to investors.

At the same time, the electoral campaign opened in Nicaragua. Its 1984 elections do not exist in US commentary. They could not be controlled, and therefore are not an inspiring example of democracy. Taking no chances with the long-scheduled 1990 elections, Bush announced as the campaign opened in November that the embargo would be lifted if his candidate won. The White House and Congress renewed their support for the contra forces in defiance of the Central American presidents, the World Court, and the United Nations, rendered irrelevant by the US veto. The media went along, continuing to suppress the US subversion of the peace process with the diligence required on important affairs of state. Nicaraguans were thus informed that only a vote for the US candidate would end the terror and illegal

economic warfare. In Latin America, the electoral results were generally interpreted as a victory for George Bush, even by those who celebrated the outcome. In the United States, in contrast, the outcome was hailed as a "Victory for U.S. Fair Play," with "Americans United in Joy," Albanian-style, as *New York Times* headlines put it.

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[33](#) *DD*, chs. 4-5.

[34](#) *DD*, ch. 6 and "Afterword." For fuller detail, my article in Peters, *Collateral Damage*. "Iron fist," p. 38, above.

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It is not that the celebrants were unaware of how the US victory was achieved. Rather, there was unconcealed joy at the grand success in subverting democracy. *Time* magazine, for example, was quite frank about the means employed to bring about the latest of the "happy series of democratic surprises" as "democracy burst forth" in Nicaragua. The method was to "wreck the economy and prosecute a long and deadly proxy war until the exhausted natives overthrow the unwanted government themselves," with a cost to us that is "minimal," leaving the victim "with wrecked bridges, sabotaged power stations, and ruined farms," and thus providing the U.S. candidate with "a winning issue": ending the "impoverishment of the people of Nicaragua." To appreciate the character of the political culture, it is only necessary to imagine the same story appearing in Stalinist Russia with a few names changed, an intellectual exercise far beyond the capacity of Western commissars.<sup>35</sup>

The frankness is refreshing, and reveals with exactitude just what is meant by the "Americans United in Joy" who proclaim their dedication to "democracy."

Washington has employed similar methods to bring "democracy" to Angola; here too the country has been devastated, with a death toll reaching hundreds of thousands. From 1975, Angola was under attack by South Africa and the terrorist forces of Jonas Savimbi's UNITA, operating from Namibia and then Zaire with US support. Virtually alone, the US refused to recognize the MPLA government and subjected it to economic warfare. South Africa finally withdrew after a military defeat by the Cuban forces that had resisted its aggression since 1975, and a peace agreement was signed (May 1991) calling for elections. As in Central America, the US moved at once to subvert it, continuing its support for UNITA terror. The results are described by South African journalist Phillip van Niekerk: peasants "don't like UNITA," "But most of the people are afraid that if UNITA loses the elections, the war will go on" (quoting a Dutch development worker in the countryside).

People who are "aware of the atrocities committed by UNITA" may be "appalled" at the prospects, van Niekerk continues, but continuation of the war is more than the population can bear. The ruling MPLA "sacrificed a generation to repel the years of South African aggression and US-funded destabilization by Unita," Victoria Brittain writes. It lost any early credibility; what it might have done without the US-South African attack is anyone's guess. A "new wave of white settlers" is "re-colonizing" Angola, van Niekerk reports, now Afrikaners, later perhaps Portuguese returning to reclaim their lands. "The only optimism," Brittain concludes, "comes from the South African businessmen who occupy the lobbies of the newly refurbished hotels" in Luanda, where cynics say that "If Unita wins they'll have the country handed to them on a plate, if the MPLA wins they'll still have the country, for a handful of rands."<sup>36</sup>

It is, again, only natural that at the dissident extreme, Anthony Lewis should laud the "consistent American policy" from the 1970s "to help negotiate an end to the brutal civil war" in Angola, and the successful pursuit by the Bush Administration of "a peaceful policy" aiming at "a political solution in Nicaragua."<sup>37</sup>

The traditional attitude toward democracy was reiterated by a Latin America Strategy Development Workshop at the Pentagon in September 1990. It concluded that current relations with the Mexican dictatorship are "extraordinarily positive," untroubled by stolen elections, death squads, endemic torture, scandalous treatment of workers and peasants, and so forth. But "a 'democracy opening' in Mexico could test the special relationship by bringing into office a government more interested in challenging the U.S. on economic and nationalist grounds," the fundamental concern over many years.<sup>38</sup>

Each year, the White House sends to Congress a report explaining that the military threat we face requires vast expenditures -- which, accidentally, sustain high-tech industry at home and repression abroad. The first post-Cold War edition was in March 1990. The Russians having disappeared from the scene, the report at last recognized frankly that the enemy is the Third World. US military power must target the Third World, it concluded, primarily the Middle East, where the "threats to our interests...could not be laid at the Kremlin's door," a fact that can now be acknowledged, the Soviet pretext having disappeared. For the same reason, the threat now becomes "the growing technological sophistication of Third World conflicts." The US must therefore strengthen its "defense industrial base," with incentives "to invest in new facilities and equipment as well as in research and development," and develop further forward basing and counterinsurgency and low-intensity conflict capacities.<sup>39</sup>

In brief, the prime concerns continue to be power within the rich men's club, control of the service areas, and state-organized public subsidy for advanced industry at home. Democracy must be opposed with vigor, except in the PC sense of unhampered business rule. Human rights retain their usual irrelevance. Policies remain stable, adapted to new contingencies, with parallel adjustments by the cultural managers. The points are so glaringly obvious, and made with such manic consistency, that it takes real talent to miss them.

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<sup>35</sup> *DD*, 141f., ch. 10. See *COT*, *NI*, *DD*, for an ongoing record of subversion of the peace process and media complicity. See Robinson, *Faustian Bargain*, on US subversion of the election itself.

<sup>36</sup> Van Niekerk, *G&M*, Jan. 25, 29, 1992. Britain, *Guardian* (London), March 30; *Guardian Weekly*, April 5, 1992. See George Wright, *Z magazine*, May/June, 1992, for background.

<sup>37</sup> Lewis, *NYT*, Aug. 24, 1992.

[38](#) *Latin America Strategy Development Workshop*, Sept. 26 & 27, 1990, minutes, 3.

[39](#) *DD*, 29-30, for further detail.

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## 6. The Soft Line

With the end of the Cold War, the US is more free to use force to control the South, but several factors are likely to inhibit the resort to these traditional methods. Among them are the successes of the past years in crushing popular nationalist and reform tendencies, the elimination of the "Communist" appeal to those who hope to "plunder the rich," and the economic catastrophes of the last decade. In light of these achievements, limited forms of diversity and independence can be tolerated with less concern that they will lead to a challenge to ruling business interests. Control can be exercised by economic measures: the IMF regimen, selective resort to free trade measures, and so forth. Democratic forms are tolerable, even preferable, as long as "stability" is ensured. If this dominant value is threatened, the iron fist must strike.

Another inhibiting factor is that the domestic base for foreign adventures has eroded. An early Bush Administration National Security Policy Review concluded that "much weaker enemies" (meaning any acceptable target) must be defeated "decisively and rapidly," because domestic "political support" is so thin.<sup>40</sup> Another problem is that other centers of economic power have their own interests, though the Defense Planning study cited earlier is correct in noting that basic interests are shared, notably, the concern that the Third World fulfill its service function. And the increasing internationalization of the economy gives a somewhat new cast to interstate competition, as already discussed. These are factors of growing importance.

The use of force to control the Third World is a last resort. Economic weapons are more efficient, when feasible. Some of the newer mechanisms can be seen in the GATT negotiations. Western powers call for liberalization when that is in their interest, and for enhanced protection when *that* is in their interest. One major US concern is the "new themes": guarantees for "intellectual property rights," such as patents and software, that will enable TNCs to monopolize new technology; and removal of constraints on services and investment, which will undermine national development programs in the Third World and effectively place economic and social policy decisions in the hands of TNCs and the financial institutions of the North. These are "issues of greater magnitude" than the more publicized conflict over agricultural subsidies, according to William Brock, head of the Multilateral Trade Negotiations Coalition of major US corporations.<sup>41</sup>

In general, each of the wealthy industrial powers advocates a mixture of liberalization and protection (the Multifiber Arrangement and its extensions, the US-Japan semiconductor agreement, Voluntary Export Arrangements, etc.), designed for the interests of dominant domestic forces, and particularly for the TNCs that are to run the world economy. The effects would be to restrict Third World governments to a police

function to control their working classes and superfluous population, while TNCs gain free access to their resources and monopolize new technology and global investment and production -- and of course are granted the central planning, allocation, production, and distribution functions denied to governments, unacceptable agents because they might fall under the influence of popular pressures reflecting domestic needs. The outcome may be called "free trade" for doctrinal reasons, but it might more accurately be described as "a system of world economic governance with parameters defined by the unregulated market and rules administered by supranational banks and corporations" (Howard Wachtel), a system of "corporate mercantilism" (Peter Phillips), with managed commercial interactions within and among huge corporate groupings, and regular state intervention in the three major Northern blocs to subsidize and protect domestically-based international corporations and financial institutions.<sup>42</sup>

The facts have not been lost on Third World commentators, who have been protesting eloquently. But their voices are as welcome as those of Iraqi democrats.

Meanwhile, the US is establishing a regional bloc that will enable it to compete more effectively with the Japan-led region and the EC. Canada's role is to provide resources and some services and skilled labor, as it is absorbed more fully into the US economy with reduction of the welfare system, labor rights, and cultural independence. The Canadian Labour Congress reported the loss of over 225,000 jobs in the first two years of the Free Trade Agreement, along with a wave of takeovers of Canadian-based companies (see [chapter 2.5](#)). Mexico, Central America, and the Caribbean are to supply cheap labor for assembly plants, as in the maquiladora industries of northern Mexico, where harsh working conditions, low wages, and the absence of environmental controls offer highly profitable conditions for investors. Internal repression and structural adjustment will ensure ample cheap and docile labor. These regions are also to provide export crops and markets for US agribusiness. Mexico and Venezuela are also to provide oil, with US corporations granted the right to take part in production, reversing efforts at domestic control of natural resources. The press failed to give Bush sufficient credit for his achievements in his Fall 1990 tour of Latin America. Mexico was induced to allow US oil companies new access to its resources, a policy goal of a half-century. US companies will now be able "to help Mexico's nationalized oil company," as the *Wall Street Journal* prefers to construe the matter. Our fondest wish for many years has been to help our little brown brothers, and at last the ignorant peons will allow us to cater to their needs.<sup>43</sup>

Such policies are to be extended to appropriate sectors of South America. And, crucially, the United States will attempt to maintain its dominant influence over Gulf oil production and the profits that derive from it. Other economic powers, of course, have their own ideas, and potential sources of conflict abound.

There are many familiar reasons why wealth and power tend to reproduce. It should, then, come as little surprise that the Third World continues to fall behind the North. UN statistics indicate that as a percent of developed countries, Africa's GDP per capita (minus South Africa) declined by about 50 percent from 1960 to 1987. The decline was almost as great in Latin America.<sup>44</sup>

For similar reasons, within the rich societies themselves, large sectors of the population are becoming superfluous by the reigning values and must be marginalized or suppressed, increasingly so in the past 20-

year period of economic stagnation and pressures on corporate profit. As noted earlier, societies of the North -- notably the United States -- are taking on certain Third World aspects. The distribution of privilege and despair in a society with the enormous advantages of ours is not, of course, what one finds in Brazil or Mexico. But the tendencies are not hard to see.

In general, prospects for the overwhelming majority at home and abroad are not auspicious, in the "new imperial age."

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[40](#) Maureen Dowd, *NYT*, Feb. 23, 1991; see *DD*, "Afterword."

[41](#) Khor, *Uruguay Round*, 10. See also Raghavan, *Recolonization*.

[42](#) Wachtel, *Money Mandarins*, 266; Peter Phillips, *Challenge*, Jan.-Feb. 1992.

[43](#) Virginia Galt, *G&M*, Dec. 15, 1990. John Maclean, *CT*, May 27, 1991; *WSJ*, Nov. 28, 1990.

[44](#) *Monthly Review*, March 1992.

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# PART II

## *High Principles*

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### Chapter Four

## Democracy and the Market

### 1. The Freedom that Counts

Among global planners, few captured the essence of policy more clearly than George Kennan when he advised in 1948 that if we are to maintain the "disparity" between our wealth and the poverty of others we must put aside "idealistic slogans" and keep to "straight power concepts." Deviation from these guidelines is rare. Such ideals as democracy and the market are well and good, as long as the tilt of the playing field guarantees that the right folks win. If the rascal multitude try to raise their heads, they must be beaten into submission in one or another way: in the Third World, outright violence often suffices. If market forces interfere with domestic privilege, free trade is quickly cast to the flames.

The truth of the matter was well articulated by a US banker in Venezuela under the murderous Pérez Jiménez dictatorship: "You have the freedom here to do what you want to do with your money, and to me, that is worth all the political freedom in the world." That about sums it up.<sup>1</sup>

These doctrines are too deeply-rooted in institutional structures to be seriously challenged within the ruling state-corporate nexus. It can, on occasion, produce someone who will deliver moral lessons on human rights. But when some real interest is at stake, the rhetoric is quickly shelved: say, when it is necessary to support virtual genocide in Timor, to protect Somoza's National Guard while it is slaughtering thousands of civilians, or to tilt towards China and Pol Pot, to select a few examples from the period of an unusual deviation toward High Principle.

The consistent practice is illustrated over a broad range throughout this discussion and in sources cited. To select another case that brings out fundamental principles sharply, consider the response when

General Chun's military dictatorship in South Korea crushed the democracy movement in Kwangju in May 1980. Paratroopers "carried out three days of barbarity with the zeal of Nazi storm troopers," an Asia Watch investigative mission reported, "beating, stabbing and mutilating unarmed civilians, including children, young girls, and aged grandmothers." Two thousand people were killed in this rampage, they estimate. The US received two requests for assistance: the citizens committee that had called for democracy requested help in negotiations; General Chun requested the release of 20,000 troops under US command to join the storm troopers. The latter request was honored, and US naval and air units were deployed in a further show of US support.

"Koreans who had expected help from Carter were dumbfounded," Tim Shorrock writes, as "the news of direct support from the US was broadcast to the people of Kwangju from helicopters and proclaimed throughout the nation in blazing newspaper headlines." A few days later, Carter sent the head of the Export-Import Bank to Seoul to assure the military junta of US economic support, approving a \$600 million loan. As Chun took over the presidency by force, Carter said that while we would prefer democracy, "The Koreans are not ready for that, according to their own judgment, and I don't know how to explain it any better."

Chun arrested thousands of "subversives" calling for democracy, sending them to military-run "purification" camps. Hundreds of labor leaders were purged; new legislation severely weakened unions, leading to a 30 percent drop in membership. Censorship became even more harsh. Gratified with this progress, the Reagan Administration honored Chun by selecting him as the first head of state to visit after the inauguration. Visiting Korea in 1986, Secretary of State George Shultz praised the "terrific job being done in security" and in the economy, and the "impressive movement" towards democracy. He expressed his strong support for General Chun. He harshly criticized the democratic opposition, refusing to meet with its leaders Kim Dae Jung and Kim Young Sam, and explaining that "how [countries] design things can vary and you can still call it democracy."

To show how much has changed with the Cold War over, President Bush chose the amiable Mobutu of Zaire as the first African leader to be received at the White House, hailing him as "one of our most valued friends" and making no reference to human rights violations. Among others rewarded for their contributions to democracy and human rights were Bush's friends in Baghdad and Beijing, and Romania's mad dictator Ceausescu.<sup>2</sup>

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<sup>1</sup> Rabe, *Road*, 129.

<sup>2</sup> Asia Watch, *Human Rights*; Shorrock, *Third World Quarterly*, Oct. 1986. *Harvard Human Rights Journal* 4, Spring 1991; see my article in Peters, *Collateral Damage*.

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## 2. The Flight of the Bumble Bee

In the current phase of intellectual corruption, it must be stressed that, like democracy and human rights, the economic doctrines preached by the rulers are instruments of power, intended for others, so that they can be more efficiently robbed and exploited. No wealthy society accepts these conditions for itself, unless they happen to confer temporary advantage; and their history reveals that sharp departure from these doctrines was a large factor in development.

At least since the work of Alexander Gerschenkron in the 1950s, it has been widely recognized by economic historians that "late development" has been critically dependent on state intervention. Japan and the Newly Industrialized Countries (NICs) on its periphery are standard contemporary examples. In a major study, 24 leading Japanese economists review the decision by the Ministry of International Trade and Industry (MITI) after World War II to disregard prevailing economic theory and to assign a "predominant role in the formation of industry policy" to the state bureaucracy, "in a system that is rather similar to the organisation of the industrial bureaucracy in socialist countries." Each sector of industry has its section of the government bureaucracy, which works "in close co-operation" with an industry association. Heavy protection, subsidies and tax concessions, financial controls, and a variety of other devices were employed to overcome market deficiencies that would have prevented development. Rejecting standard doctrine, MITI determined that "long-term self-reliance for Japan would be delayed or even undermined by following its apparent comparative advantage into labour intensive sectors." The radical defiance of economic precepts set the stage for the Japanese miracle, the economists conclude. Western specialists do not disagree. Chalmers Johnson notes that Japan could be described as "the only communist nation that works."

Some have suggested -- only half in jest -- that Japan's support for the Brookings Institution and other advocates of standard doctrine is intended to reinforce belief in the classical theory, to the detriment of its commercial rivals.<sup>3</sup>

The same has been true of the NICs in Japan's periphery. In her important work on South Korean economic progress, Alice Amsden cites such factors as land distribution and wage-salary differentials that are equitable by Western standards, state intervention on the Japanese model to "get prices `wrong' in order to stimulate investment and trade," and high discipline of labor, but more strikingly, of capital, which is controlled by "price ceilings, controls on capital flight, and incentives that made diversification into new industries contingent on performing well in old ones." Much the same has been true throughout East Asia, she notes. Case by case, the record of export-led growth refutes the doctrines of the neoliberal

"New Orthodoxy," economist Stephen Smith points out. Success was based "on activist trade and industrial policies" that deliberately alter market incentives to place "long-run development goals over short-run comparative advantage." The most extensive comparative study concludes that "periods of significant export expansion are almost always preceded by periods of strong import substitution" -- measures of state intervention in violation of the market (Chenery, et al.). The comparison of Brazil and the East Asian NICs is telling. Until 1980, they developed in parallel, with "active industrial and export policies" and import substitution. But the debt crisis compelled Brazil to adopt IMF-World Bank New Orthodoxy, elevating "trade liberalization over domestic growth objectives" and turning to the export of primary products, with grim consequences. The NICs, with much more powerful state controls, prevented the market disaster, barring capital flight and directing capital to investment.<sup>4</sup>

Meanwhile China, the one "Communist" country that has kept the Western experts at arms length, remains the only one with rapid economic development (along with vigorous repression and no pretense of democracy). "One phenomenal success has been `township and village enterprises', for the most part factories owned by rural farmers," which "now account for close to 20 percent of China's GNP, employing more than 100 million people," financial correspondent David Francis writes, quoting a World Bank spokesman who predicts that they "will most assuredly be the single most dynamic form of enterprise on the Chinese scene."

The German economic miracle also relied on its departures from standard precepts, from the 19th century. The post-World War II system involves elements of "corporatism," defined as the "broad concertation between employer and employee representatives across industries, which is usually established and sometimes continually supervised under state auspices" (Charles Meier), though this conception underplays the role of central financial institutions, "a particularly significant actor in the German political economy," Michael Huelshoff writes. "The Reagan nightmare of supply side economics and military Keynesianism" and its "fiscal recklessness and monetary astringency" have received particularly harsh criticism in Germany (James Sperling). The smaller successful economies adopt similar means. Thus Holland relied on cartels coordinated through the Ministry of Economic Affairs for its postwar economic reconstruction, regulating production, sales, supplies, prices, etc. Not all of the more than 400 still operating in 1992 will survive the EC, but the government announced that a "green light" will be given to "positive cartels" that offer protection for companies launching new technologies.

"A strict free-marketeer would declare the German economy, like the bumble-bee, theoretically incapable of flight," the *Economist* observes with puzzlement, reviewing such departures from orthodoxy as "well-trained and well-paid workers, who sit on oversight boards," "giant, bank-owned industries unbothered by shareholders, secure from predators and heedless of profit," high taxes, "cradle-to-grave welfare," and other sins: "the German economy's riposte to this ancient caricature is to fly." The theory remains in force, however.

Low wages do not appear to have been a major factor in late development, however attractive they may be to TNCs. "Neither Germany nor the United States industrialized by competing against Britain on the basis of low wages," Amsden points out, and the same was true of Japan, which undercut British textiles

in the 1920s by modern production facilities more than low wages. In Germany and other successful economies, labor conditions and benefits are high, by comparative standards. A study of industrial productivity by MIT specialists notes further that Germany, Japan, and other countries that maintained the "craft tradition" with more "direct participation of skilled workers in production decisions" have been more successful in modern industry than the United States, with its tradition of deskilling and marginalizing workers in the "mass-production model"; lessened hierarchy, responsibility in the hands of production workers, and training in new technologies has also improved results in the US, they conclude. Economist David Felix makes a similar point in comparing Latin America and East Asia. Asians who were less subordinated to Europe and the US than Latin American elites did not assign such high status to foreign-made consumption goods, "allowing much larger segments of the craft sector to survive, accumulate, and modernize the technology," while also easing balance-of-payments pressures. Amsden attributes South Korea's success in part to reliance on workers' initiative on the shop floor in preference to managerial hierarchies.<sup>5</sup>

It is, however, not only "late development" that is crucially dependent on departures from doctrinal orthodoxy. The same was true of the "early development" of England, as already discussed. The United States as well. High tariffs and other forms of state intervention may have raised costs to American consumers, but they allowed domestic industry to develop, from textiles to steel to computers, barring cheaper British products in earlier years, providing a state-guaranteed market and public subsidy for research and development in advanced sectors, creating and maintaining capital-intensive agribusiness, and so on. Elimination of tariffs in the 1830s would have bankrupted "about half the industrial sector of New England," economic historian Mark Bills concludes.

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<sup>3</sup> Fitzgerald, *Between*, citing Ryutaro Komiya, et al., *Industry Policy of Japan* (Tokyo, 1984; Academic press, 1988). Johnson, *National Interest*, Fall 1989.

<sup>4</sup> Amsden, "Diffusion of Development: the Late-Industrializing Model and Greater East Asia," AEA Papers and Proceedings, 81.2, May 1991. See particularly her *Asia's Next Giant*. Smith, *Industrial Policy*; citing Hollis Chenery, Sherman Robinson, and Moises Syrquin, *Industrialization and Growth: A Comparative Study* (Oxford, 1986). Brazil, see ch. 7. Comparisons, see *DD*, ch. 7.7.

<sup>5</sup> Francis, *CSM*, May 14, 1992. Amsden, *op.cit.* Huelshoff, Sperling, in Merkl, *Federal*. Ronald van de Krol, *FT*, Sept. 28; *Economist*, May 23, 1992. Dertouzos et al., *Made in America*. Felix, "On Financial Blowups and Authoritarian Regimes in Latin America," in Jonathan Hartlyn and Samuel A. Morley, eds., *Latin American Political Economy* (Westview, 1986). Also Lazonick, *Business Organization*, 43. *Ibid.*, on the role of banks in German industrial development. Gerschenkron, *Economic Backwardness*, Landes, *Unbound*, for extensive discussion.

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There were experiments with unconstrained markets in 19th century England, quickly abandoned. Free trade was (selectively) introduced and dropped as domestic power interests dictated. In the US, business regularly turned to the state to overcome its problems, initiating government bureaucracies from the 1880s and demanding protection and subsidy. By the 1930s, faith that capitalism might be viable had virtually disappeared, as the advanced countries moved towards one or another form of state-integrated economic system. It should be a virtual truism that "Since World War II, military spending had become the backbone of our goods production. It could be, and was, managed to sustain the level of aggregate demand and unemployment, adjusted periodically as the business cycle might require, and used to help meet the growth targets..." (Richard Bartel). Military spending in World War II convinced corporate executives of the validity of the Keynesian model of state intervention, and they have taken for granted since that the state must intervene actively to protect and subsidize the wealthy and privileged, notoriously during the Reagan years.<sup>6</sup>

The crucial role in industrial development of the "visible hand" -- planning and coordination of production, marketing and R&D -- is well-known from the studies of business enterprise by Alfred Chandler over the past 30 years. Summarizing and extending work by Chandler, David Landes, and other historians of development, Williamazon argues that industrial capitalism has passed through three major phases: the "proprietary capitalism" of 19th century England, with family-owned firms and a substantial degree of market coordination; the "managerial capitalism" of the United States, with "administrative coordination" for planning and organization; and the "collective capitalism" of the Japanese model, which allows still more efficient long-term planning and coordination. In each case, private enterprise has relied extensively on the state power that it largely controls, though in different ways. The TNCs extend these internally coordinated, state-supported systems worldwide.<sup>7</sup>

"Import substitution [through state intervention] is about the only way anybody's ever figured out to industrialize," development economist Lance Taylor observes: "In the long run, there are no laissez-faire transitions to modern economic growth. The state has always intervened to create a capitalist class, and then it has to regulate the capitalist class, and then the state has to worry about being taken over by the capitalist class, but the state has always been there." Furthermore, state power has regularly been invoked by investors and entrepreneurs to protect them from destructive market forces, to secure resources, markets, and opportunities for investment, and in general to safeguard and extend their profits and power.<sup>8</sup>

With the conventional pretext gone, Washington sought new ways to maintain the subsidy to advanced industry. One method is foreign arms sales, which also help alleviate the balance-of-payments crisis. As

the Cold War came to a definitive end, the Bush Administration created a Center for Defense Trade to stimulate arms sales while proposing government guarantees of up to \$1 billion in loans for purchase of US arms. The Defense Security Assistance Agency was reported to have sent more than 900 officers to some 50 countries to promote US weapons sales. Pentagon officials trace the policy to a July 1990 order that Embassy officials should expand their assistance to US arms exporters; the Gulf war was then prominently featured as a sales promotion device. At a Pentagon-industry conference in May 1991, industry officials asked the government to pick up the costs of US military equipment and personnel sent to contractor trade shows around the world for sales promotion. The Pentagon agreed, reversing a 25-year policy. The first taxpayer-funded display was at the June 1991 Paris Air Show.

Lawrence Korb of the Brookings Institution, formerly Assistant Secretary of Defense in charge of logistics, observed that the promise of arms sales had kept stocks of military producers high despite the end of the Cold War, with arms sales rising from \$12 billion in 1989 to almost \$40 billion in 1991. Moderate declines in purchases by the US military were more than offset by other arms sales by US companies. Since "President Bush called last May [1991] for restraint in weapons sales to the Middle East," AP correspondent Barry Schweid reported in early 1992, "the United States has transferred roughly \$6 billion in arms to the region," part of the \$19 billion in US weapons sent to the Middle East since Iraq's invasion of Kuwait. From 1989 through 1991, US arms exports to the Third World increased by 138 percent, making the US far and away the leading arms exporter. The sales since May 1991 are "fully consistent with the president's initiative and the guidelines" in his call for restraint, State Department spokesman Richard Boucher announced -- quite accurately, given the actual intent.

Bush Administration calls for restraint were timed for the triumphal celebration of the Gulf war, as part of the PR campaign on the new era of peace and tranquility that we are entering, thanks to the valor of our grand leader. On February 6, 1991, Secretary of State James Baker told the House Foreign Committee that the time had come for concrete steps to stem the flow of armaments to the Middle East, "an area that is already overmilitarized." On March 6, in his triumphant address to a cheering joint session of Congress, the President announced that control of arms sales would be one of his major postwar goals: "it would be tragic," he said, "if the nations of the Middle East and Persian Gulf were now, in the wake of war, to embark on a new arms race."

In recognition of the scale of the tragedy, the Administration, a few days earlier, had provided the Senate Foreign Relations Committee with a confidential listing of planned sales reaching to record levels, more than half for the Middle East; and informed Congress of a \$1.6 billion sale of advanced fighter aircraft to Egypt. A week after the speech, Congress was informed of a \$760 million deal for Apache helicopters to the United Arab Emirates. The Pentagon then used the Paris Air Show for an unprecedented sales pitch, displaying with pride (and hope) the goods that had so magnificently destroyed a defenseless Third World country. Secretary of Defense Cheney announced new arms transfers to Israel and plans to stockpile \$200 million worth of US weapons there; another \$7 billion in weapon sales, mainly to the Middle East, was announced in July. The UK followed the same path. China was the only weapons exporter to call for concrete limits on arms sales to the Middle East, a proposal quickly dismissed by the US and its allies.<sup>9</sup>

Military Keynesian initiatives have not been limited to the taxpayer subsidy (R&D) and a state-guaranteed market. While the US "lags far behind nations like Japan and Germany in per-capita spending on foreign economic aid," William Hartung points out, about one-third of its foreign aid budget "is devoted to direct grants or loans to foreign governments for the purchase of U.S. military equipment"; other programs are shaped to the same ends.

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<sup>6</sup> Bils, cited by Du Boff, *Accumulation*, 56. Bartel, editor, *Challenge*, July/August 1992. See Du Boff on the general topic. Brady, *Business*, on 1920s and '30s. A classical study of the abandonment of the free market is Polanyi, *Great Transformation*. For further references, see *DD*, ch. 1, n. 19.

<sup>7</sup> Lazonick, *Business Organization*.

<sup>8</sup> Taylor, *Dollars & Sense*, Nov. 1991.

<sup>9</sup> Steven Elliott-Gower, Assistant Director, Center for East-West Trade Policy, U. of Georgia, *NYT News Service*, Dec., 23, 1991. Jeffrey Smith, *WP* weekly, May 18-24; Korb, *CSM*, Jan. 30; Schweid, *BG*, Feb. 15, 1992. Hartung, *World Policy Journal*, Spring 1992. The ambitious plans were not realized, the Congressional Research Service reported in July 1992, with sales declining in 1991 though the US still accounted for 57 percent of all arms sales to the Third World; Robert Pear, *NYT*, July 21, 1992.

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Such considerations, however, should not obscure the more fundamental role of the Pentagon system (including NASA and DOE) in maintaining high-tech industry generally, just as state intervention plays a crucial role in supporting biotechnology, pharmaceuticals, agribusiness, and most competitive segments of the economy. The Reagan Administration sharply increased protectionist measures along with steps to support failing banks and industries, and generally to assist US corporate power.

By IMF standards, the United States, after a decade of Reaganite folly, is a prime candidate for severe austerity measures. But it is far too powerful to submit to the rules, intended for the weak.

As noted, the World Bank now estimates that protectionist measures of the industrial countries -- keeping pace with free market bombast -- reduce the national income of the South by twice the amount of the official "development assistance." The latter may help or harm the recipients, but that is incidental. Typically, it is a form of export promotion. One notable example is the Food for Peace program, designed to subsidize US agribusiness and induce others to "become dependent on us for food" (Senator Hubert Humphrey), and to promote the global security network that keeps order in the Third World by requiring that local governments use counterpart funds for armaments (thus also subsidizing US military producers).

A more significant case is the Marshall Plan. Its goal was "to avert `economic, social and political' chaos in Europe, contain Communism (meaning not Soviet intervention but the success of the indigenous Communist parties), prevent the collapse of America's export trade, and achieve the goal of multilateralism," and provide a crucial economic stimulus for "individual initiative and private enterprise both on the Continent and in the United States," undercutting the fear of "experiments with socialist enterprise and government controls," which would "jeopardize private enterprise" in the United States as well (Michael Hogan, in the major scholarly study). The Marshall Plan also "set the stage for large amounts of private U.S. direct investment in Europe," Reagan's Commerce Department observed in 1984, establishing the basis for the modern TNCs, which "prospered and expanded on overseas orders, ...fueled initially by the dollars of the Marshall Plan" and protected from "negative developments" by "the umbrella of American power," *Business Week* observed in 1975, lamenting that this golden age of state intervention might be fading away. Aid to Israel, Egypt, and Turkey, the leading recipients in recent years, is motivated by their role in maintaining US dominance of the Middle East, with its enormous oil energy reserves.<sup>10</sup>

So it goes case by case.

The utility of free trade as a weapon against the poor is illustrated by a World Bank study on global warming, designed to "forge a consensus among economists" (of the rich men's club) in advance of the June 1992 Rio conference on global warming, *New York Times* business correspondent Silvia Nasar reported under the headline "Can Capitalism Save the Ozone?" (the implication being: "Yes"). Harvard economist Lawrence Summers, chief economist of the World Bank, explained that the world's environmental problems are largely "the consequence of policies that are misguided on narrow economic grounds," particularly the policies of the poor countries that "have been practically giving away oil, coal and natural gas to domestic buyers in hopes of fostering industry and keeping living costs low for urban workers" (Nasar). If the poor countries would only have the courage to resist the "extreme pressure to improve the performance of their economies" and to protect their population from starvation, then environmental problems would abate. "Creating free markets in Russia and other poor countries may do more to slow global warming than any measures that rich countries are likely to adopt in the 1990's," the World Bank concludes -- correctly, since the rich are hardly likely to pursue policies detrimental to their interests. In the small print, the consensus economists also recognize that "more effective government regulation" reduces pollution, but grinding down the poor has obvious advantages.

The same page of the *Times* business section carries an item on a confidential memo of the World Bank leaked to the *Economist*. Its author is the same Lawrence Summers. He writes: "Just between you and me, shouldn't the World Bank be encouraging *more* migration of the dirty industries to the [Third World]?" This makes good sense, Summers explains: for example, a cancer-producing agent will have larger effects "in a country where people survive to get prostate cancer than in a country where under-5 mortality is 200 per thousand." Poor countries are "*under-polluted*," and it is only reasonable to encourage "dirty industries" to move to them. "The economic logic behind dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that." To be sure, there are "arguments against all of these proposals" for exporting pollution to the Third World: "intrinsic rights to certain goods, moral reasons, social concerns, lack of adequate markets, etc." But these arguments have a fatal flaw: they "could be turned around and used more or less effectively against every Bank proposal for liberalisation."

"Mr Summers is asking questions that the World Bank would rather ignore," the *Economist* observes, but "on the economics, his points are hard to answer." Quite true. We have the choice of taking them to be a *reductio ad absurdum* argument and thus abandoning the ideology, or accepting the conclusions: on grounds of economic rationality, the rich countries should export pollution to the Third World, which should cut back on its "misguided" efforts to promote economic development and protect the population from disaster. That way, capitalism can overcome the environmental crisis. Free market capitalism is, indeed, a wondrous instrument. Surely there should be two Nobel prizes awarded annually, not just one.

Confronted with the memo, Summers said that it was only "intended to provoke debate" -- elsewhere, that it was a "sarcastic response" to another World Bank draft. Perhaps the same is true of the World Bank "consensus" study. In fact, it is often hard to determine when the intellectual productions of the experts are intended seriously, or are a perverse form of sarcasm. The huge numbers of people subjected to these doctrines do not have the luxury to ponder this intriguing question.<sup>11</sup>

Though not intended for us, "free trade does, however, have its uses," Arthur MacEwan observes in a review of the uniform record of industrial and agricultural development through protectionism and other measures of state intervention: "Highly developed nations can use free trade to extend their power and their control of the world's wealth, and businesses can use it as a weapon against labor. Most important, free trade can limit efforts to redistribute income more equally, undermine progressive social programs, and keep people from democratically controlling their economic lives." It is hardly surprising that the "New Evangelists" of neoliberal theology have won an overwhelming victory within the doctrinal system. The evidence about successful development and the actual consequences of neoliberal doctrine is dismissed with the contempt that irrelevant nuisance so richly deserves. "The carrying out of [God's] plan...is the History of the world," Hegel explained: "That which does not accord with it, is negative, worthless existence."<sup>12</sup>

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<sup>10</sup> On Food for Peace, see *NI*, 363, and sources cited, particularly Borden, *Pacific Alliance*. Hogan, *Marshall Plan*, 42-3, 45. Commerce Department analysis, Wachtel, *Money Mandarins*, 44f. *BW*, April 7, 1975.

<sup>11</sup> Nasar, *NYT*, Feb. 7; "Furor on Memo at World Bank," *NYT*, Feb. 7; Reuters and Peter Gosselin, *BG*, Feb. 7, 1992. *Economist*, Feb. 8, Feb. 15 (Summers's letter), 1992.

<sup>12</sup> MacEwan, *Dollars & Sense*, Nov. 1991. Hegel, *Philosophy*, 36.

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### 3. The Good News

In the post-affluence period, the ideological institutions have dedicated themselves with renewed vigor to convincing the intended victims of the great benefits of the Higher Truths designed for subject peoples. The wonderful news about the marvels of free market economies is broadcast to the people of the South who have been devastated by these doctrines for years, and East Europeans are invited to share in the good fortune as well. Elites in the targeted countries are quite supportive, anticipating that they will benefit, whatever happens to the lesser orders.

One aspect of the internationalization of the economy is the extension of the two-tiered Third World model to the core countries. Market doctrine thus becomes an essential ideological weapon at home as well, its highly selective application safely obscured by the doctrinal system. Wealth and power are increasingly concentrated among investors and professionals who benefit from internationalization of capital flow and communication. Services for the general public -- education, health, transportation, libraries, etc. -- become as superfluous as those they serve, and can therefore be limited or dispensed with entirely. Some, it is true, are still needed, notably prisons, a service that must in fact be extended, to deal with useless people. As care for the mentally ill declines, prisons become "surrogate mental hospitals," a study of the National Alliance for the Mentally Ill and Ralph Nader's *Public Citizen* observes. The psychiatrist who led the research observes that "there were far fewer psychotic people in jail 100 years ago than we have today," as we revert to practices reformed in the 19th century. Almost 30 percent of jails detain mentally ill people without criminal charges. The drug war has also made a major contribution to this technique of social control. The dramatic increase in the prison population in the late 1980s is largely attributable not to criminal acts, but to cocaine dealing and possession, as well as the harsher sentencing favored by "conservatives." The US has by far the highest rate of imprisonment in the world, "largely because of drug-related crimes" (Mathea Falco). How fortunate we are not to be in China, where the "lingering police-state mentality leaves little room for the kinds of creative solutions the West favors in addressing social maladies such as drug addiction," the *Wall Street Journal* explains.

Prisons also offer a Keynesian stimulus to the economy, both the construction business and white collar employment; the fastest growing profession is reported to be security personnel. They also offer a method of economic conversion that does not infringe on corporate prerogatives and hence is acceptable. "Fort Devens top pick for US prison," a front-page *Boston Globe* headline happily proclaims; the new federal prison may overcome the harm to the local economy when the army base closes.<sup>13</sup>

High on the list of targets for the New Evangelists is public education, dispensable, since the rich can buy

what they want in the "education market" and the thought that one might be concerned about the larger society has been relegated to the ashcan of history along with other ancient prejudices. An upbeat story in the liberal *Boston Globe* describes an experiment in the "desperate city" of Baltimore, where schools are collapsing. Several schools are being handed over to a for-profit company that will introduce the "entrepreneurial spirit": "private-sector efficiency and a new educational model...means, for example, hiring nonunion custodians and placing special education students into mainstream classrooms." The former special education teachers, and the union custodians with their higher benefits, will be picked up by the schools that remain public. Another achievement of the "entrepreneurial spirit" is to replace high-cost teachers with low-wage interns and volunteers (parents). These miracles of capitalism should "provide valuable lessons as America seeks ways to improve its education system."<sup>14</sup>

A central feature of the recent ideological offensive has been the attack on "big government" and pleas for relief for the poor taxpayer -- undertaxed (with the least progressive taxes, by a good margin) in comparison with other developed countries,<sup>15</sup> a major reason for the steady deterioration of education, health, highways, indeed anything that might benefit the irrelevant public. At the same time, protectionist devices, subsidy, bail-outs, and other familiar elements of the welfare state for the rich are quietly extended, while praise for the free market resounds to the skies. The combination is a major achievement of the state-corporate-media alliance.

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<sup>13</sup> "Criminalizing the Seriously Mentally Ill"; Anita Diamant, *BG*, Sept. 10, 1992. Falco, and other articles, *Daedalus*, "Political Pharmacology," Summer 1992. James McGregor, *WSJ*, Sept. 29, 1992; this front-page story on Burmese opium in China manages to avoid entirely the major CIA role in creating the curse; see McCoy, *Politics*. Victoria Benning, *BG*, June 27, 1992.

<sup>14</sup> Paul Hemp, *BG*, Aug. 30, 1992.

<sup>15</sup> Louis Ferleger and Jay Mandle, *Challenge*, July/Aug. 1991. US tax rate is 95 percent of Japan's and 71 percent of Western Europe's, according to figures cited by economist Herbert Stein, criticizing the "myth" that US taxes are high by international or historical standards; *WP Weekly*, Sept. 7, 1992.

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## 4. Reshaping Industrial Policy

The world is complicated; even the most successful plans carry hidden costs. "The Reagan nightmare of supply side economics and military Keynesianism" had no more enthusiastic champion than the *Wall Street Journal*, which now complains about the predictable effects as they impinge on wealth and power. "Public higher education -- one of the few areas where America still ranks supreme -- is being pounded by state spending cuts," the *Journal* reports, echoing the concerns of businesses that "rely heavily on a steady stream of graduates." This is one of the long-predicted consequences of the cutback of federal services for all but the wealthy and powerful, which devastated states and local communities. Class war is not easy to fine tune.

The economic managers of the 1980s not only left the US with a legacy of unprecedented public and private debt, but also with the lowest rate of net private investment of any major industrial economy. Net new investment in the 1980s fell to its lowest level (as a share of national income) since World War II. In 1989-1990, the US fell behind Japan in absolute level of industrial investment, with a population twice as large. The US position in high-tech industry also declined. Another legacy of "the nightmare" is a decline of spending for research and development -- like health and education, "investment" for the future. R&D has fallen to "perilous" levels, the policymaking arm of the National Science Foundation (National Science Board) reported in a 1992 study. Corporate spending, which had risen steadily before, virtually levelled (in constant dollars) from 1985. These trends, if continued, would be "fatal to the technological competitiveness of the US," the co-chairman said. Blaming bad management practices and corporate debt, the NSB reports that the US falls below its major trade competitors in total R&D, and 25 percent below in non-military industrial R&D. Corporate debt reached such levels that "by the time the recession began in July 1990, corporate interest rates were absorbing 44 percent of pretax profits, more than double the average for the 1960s and 1970s," economist Robert Pollin writes. Borrowing was used for consumption and financial speculation, including \$1 trillion spent on mergers and acquisitions, with no indication of economic rationalization but ample evidence of a heavy debt burden, and a decline of 5 percent in corporate R&D as compared to a 5 percent increase for companies not involved in these practices, the NSF reported (for 1986-1987).<sup>16</sup>

For 40 years, US industrial policy has been based on the Pentagon system, with its regular stimulus to high-tech industry and state-guaranteed market to cushion management decisions. When a government stimulus was needed, a threat to our existence could readily be concocted: the Korean War in 1950, Kennedy's "missile gap," the impending Russian takeover of the world and the "window of vulnerability" in the late Carter-early Reagan years. The fakery was evident in each case, but Soviet power and tyranny

were real enough, and that sufficed. Massive state intervention in the economy provided the US with a comfortable lead in advanced sectors of technology. It served as "an important pillar of the economy," ideologists and business leaders now concede as they lament the passing of the Soviet threat, which could always be invoked to keep the government crutch in place. In the post-World War II period, military spending has led the way out of recession, a senior economist at the Boston Federal Reserve Bank observes, and "There has never been a time when a rise in defense spending would mean more for the economy than now." Many economists consider the major factor in the Bush recession to be the cutback in military procurement -- orders placed with factories, which have not only accounted for a healthy segment of the output of goods and services but have had a substantial multiplier effect, creating jobs in companies that produce consumer goods for the relatively high-paid workers in companies that are profitable thanks to the taxpayer subsidy. "The impact is bigger than you can see by just looking at the numbers," conservative economist Herbert Stein of the American Enterprise Institute notes. "The abrupt dissolution of the Soviet Union" has undermined the device instituted to maintain the economy after World War II, *Times* economics correspondent Louis Uchitelle reports, and "leading military companies" like General Electric are in trouble, as is high-tech industry generally.<sup>17</sup>

The old pretexts are gone, and it is no longer so simple to hail the virtues of free market capitalism while feeding at the public trough. New methods are needed.

At the same time, the cutting edge is shifting towards other areas, notably biotechnology. Like other competitive sectors of the economy, the pharmaceutical and health industries and agribusiness have always benefitted from a state-organized subsidy for research, development, and marketing. These areas are now gaining a greater role in planning for the years ahead. In the early postwar years, research would "spin off" electronics and computer firms. Today, biotech firms are springing up around the same research institutions, by rather similar mechanisms.

The US National Institutes of Health are engaged in what the *Wall Street Journal* calls "the biggest race for property since the great land rush of 1889," in this case, "staking U.S. patent claims to thousands of pieces of genetic material -- DNA -- that NIH scientists are certain are fragments of unknown genes." The purpose, the NIH explains, is to ensure that US corporations dominate the biotechnology business, which the government expects "to be generating annual revenue of \$50 billion by the year 2000," and vastly more beyond. A patent for a basic human blood cell could allow a California company to "corner the market for a broad array of life-saving technologies," to cite merely one example. The biotech business took off after a 1980 Supreme Court decision granting a patent for an oil-dissolving microorganism developed through genetic engineering, the *Journal* observes. Medical procedures such as bone-marrow transplants and gene-based therapies will also be protected by patent. The same could be true of engineered animals and seeds.

We are now speaking of control of the essentials of life. By comparison, electronics deals with mere conveniences.

Foreign governments that are able to intend to retaliate. The scientific community at home and abroad

has also expressed its opposition to these efforts. One cynical researcher remarked that as government-industry efforts are proceeding, some day parents might have to pay royalties for having children. A meeting at the National Academy of Sciences sent "a strong message that the U.S. and international genetics community is still vehemently opposed to NIH's moves," *Science* magazine reports. Representatives of leading US and European scientific organizations "argued that if the NIH is allowed to go ahead, it will start a patent stampede that will destroy international collaboration and hinder product development." The first South-North Human Genome Conference passed a unanimous resolution saying that "intellectual property should be based on the uses of sequences rather than the sequences themselves," and leading European scientists called for an international treaty to block patenting of gene sequences as such. A representative of the (US) Industrial Biotechnology Association noted that industry has reservations too, but the organization "believes that NIH had no choice but to file the applications," and NIH Director Bernardine Healy said that NIH will proceed in order "to protect its options -- and those of the taxpayer," the latter phrase being one of the euphemisms for those who stand to profit, and for whom social policy is regularly designed in state capitalist welfare states (for the rich).

In March 1992, Senator Mark Hatfield introduced legislation calling for a moratorium on patenting of genetically-related organisms, but withdrew it after "it drew widespread industry opposition and in particular sparked an all-out lobbying effort by the Industrial Biotechnology Association," the newsletter of the health research industry reported. Administration officials also lobbied against the amendment, as did the Congressional Biotechnology Caucus. A moratorium "would lead us to forfeit our lead in biotechnology, where patent rights are a key to the large [private] investment needed for product development," the Secretary of Health and Human Services asserted. Meanwhile, a study of the National Academy of Sciences and Engineering proposed a \$5 billion quasi-governmental company "to channel federal money into private applied research": publicly-funded research that will yield private profit. Another report, entitled *The Government Role in Civilian Technology: Building a New Alliance*, calls for new efforts to extend "the close and longstanding" government-industry relationship that has "helped to establish the commercial biotechnology industry." It recommends a government-funded "Civilian Technology Corporation" to assist US industry to commercialize technology by encouraging "cooperative R&D ventures in pre-commercial areas." The ventures will be "cooperative" -- with the public paying the costs -- up to the point of product development. At that point costs change to profits, and the public hands the enterprise over to private industry.<sup>18</sup>

The "vile maxim of the masters" has a corollary in the state capitalist societies: public subsidy, private profit.

A few weeks after these reports appeared, the head of the NIH project resigned along with virtually his entire staff to set up a private laboratory, with a stake of \$70 million from a group of venture capitalists. The chairman of the funding corporation "said he had suddenly realized that there was an international race to lock up the human genome," and that the NIH lacked the funds to win; "I suddenly said to myself, 'My God -- if this thing doesn't get done in a substantive way in the United States, that is the end of biotechnology in the U.S.'" There may also be a buck or two for the benefactors attempting to save the US economy, who will keep the rights to any product developed. Scientists "are aghast at the possibility that the human genome could be locked up and owned by private investors," also noting that the

technique used to isolate the gene leaves the scientific work -- discovering the function of the already patented gene -- to be done by others. Scientists generally are calling for an international agreement to prohibit such patents. For now, the race to lock up the future biotech industry continues.<sup>19</sup>

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<sup>16</sup> Sonia Nazario, *WSJ*, Oct. 5, 1992. Wachtel, *op. cit.*, "Afterword"; John Zysman, "US power, trade and technology," *International Affairs* (London), Jan. 1991. Benjamin Friedman, *NYRB*, Aug. 13; *CSM*, Aug. 14; *Science*, Aug. 21; Pollin, *Guardian* (NY), August 1992.

<sup>17</sup> Uchitelle, *NYT*, A1, Aug. 12, 1992.

<sup>18</sup> Michael Waldholz and Hilary Stout, "Rights to Life," *WSJ*, April 7; Leslie Roberts, *Science*, May 29, 1992. *The Blue Sheet*, April 8, 15, 1992.

<sup>19</sup> Gina Kolata, *NYT*, July 28, 1992.

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These developments give new urgency to the US demand for increased protection for "intellectual property" -- including patents -- at the ongoing GATT negotiations. "America's interest in intellectual property is by no means altruistic," the *Economist* observes. "From movies to microchips, America ran a healthy \$12 billion surplus on its trade in ideas in 1990," while most other developed countries ran a loss, and the Third World is not even in the game. The new protectionist measures are intended to ensure that US corporations dominate the health and agricultural industries, thus controlling the essentials for human life; and to guarantee to US pharmaceutical corporations huge profits. Prices of the 20 most used prescription drugs rose at four times the inflation rate from 1984 to 1991, a 1992 study revealed, yielding skyrocketing profits for the drug companies; nearly half the 10 percent annual increase was devoted to marketing, profits, and administrative expenses.

"Basic biomedical research has long been heavily subsidized by United States taxpayers," the *New York Times* business pages observe, and "high-tech pharmaceuticals owe their origin largely to these investments and to Government scientists," funded by billions of taxpayer dollars. But drugs created with a public subsidy are priced beyond the reach of those who pay for their development, let alone the bulk of the world's population. Protection of "intellectual property" is designed to guarantee monopoly profits to the publicly-subsidized corporations, not to benefit those who pay; and the South must be denied the right to produce drugs, seeds, and other necessities at a fraction of the cost.

On similar grounds, the US refused to sign the a treaty on preserving the world's biological species. The Assistant Secretary of State for the Environment, Curtis Bohlen, said that the treaty "fails to give adequate patent protection to American companies that transfer biotechnology to developing companies," and "tries to regulate genetically engineered materials, a competitive area in which the United States leads," the *Times* reports.<sup>20</sup>

The US International Trade Commission estimates that US companies stand to gain \$61 billion a year from the Third World if "intellectual property" rights are protected in accord with US demands, a cost to the South of somewhere between \$100-300 billion when extrapolated to the other industrial countries, dwarfing the debt service flow of capital from South to North. The same US demands will require poor farmers to pay royalties to TNCs for seeds, denying them the traditional right to re-use seeds from their harvests. Cloned varieties of commercial crops exported by the South (palm oil, cotton, rubber, etc.) will also be commercial property, subject to increased royalties. "The main beneficiaries will be the core group of less than a dozen seeds and pharmaceuticals companies which control over 70 percent of world seeds trade," and agribusiness generally, Kevin Watkins observes.<sup>21</sup>

While the US seeks to ensure monopoly control for the future, the drug companies it protects are cheerfully exploiting the accumulated knowledge of indigenous cultures for products that bring in some \$100 billion profits annually, offering virtually nothing in return to the native people who lead researchers to the medicines, seeds, and other products they have developed and refined over thousands of years. "The annual world market value for medicines derived from medicinal plants discovered from indigenous peoples is US \$43 billion," ethnobotanist Darrell Posey estimates. "Less than 0.001 percent of the profits from drugs that originated from traditional medicine have ever gone to the indigenous people who led researchers to them." Profits of at least the same scale derive from natural insecticides, insect repellents, and plant genetic materials, he believes. The international seed industry alone accounts for some \$15 billion a year, based in large measure on genetic materials from crop varieties "selected, nurtured, improved and developed by innovative Third World farmers for hundreds, even thousands of years," Maria Elena Hurtado adds.<sup>22</sup>

Only the knowledge of the rich and powerful merits protection.

The director of India's Working Group on Patent Laws comments that "the levels of contradiction and hypocrisy are breathtaking." The rich "call for competitiveness, but what they want is monopoly. It is blackmail. They are seeking to do through economic rules what formerly the powerful did through armies of invasion and occupation." The manager of a Bombay drug company adds that the West "protected their own infant industries, and they pirated the world to create wealth; and they now preach to other countries to practice what they never did themselves." The developed countries "only permitted product patents after their domestic industry and infrastructure were well established. Germany allowed product patents in pharmaceuticals only in 1966, Japan in 1976, Italy in 1982." The effect of the new economic rules will be to prevent such countries as India from manufacturing life-saving drugs at a fraction of the cost charged by the state-subsidized corporations of the rich countries.

Like other developed countries, the US did not abide by the rules it now seeks to impose. In the 19th century, the US rejected foreign claims to intellectual property rights on grounds that they would hamper its economic development. Japan followed the same course. And today, the concept of "intellectual property rights" is finely crafted to suit the needs of the powerful. Exactly as in the case of "free trade," Churchill's disruptive "hungry nations" with their indecent clamor are to be denied the methods that were used by the "rich men dwelling at peace within their habitations."<sup>23</sup>

The array of plans of the rulers is viewed from the South as "an act of unbridled piracy," Watkins observes, given that the genetic materials used by the Western corporations to create their patented and protected products are derived from Third World crops and wild plants, cultivated, refined, and identified over countless generations. The seed and pharmaceutical companies thus "reap monopoly profits, while the genius of the Third World farmers, past and present, in selecting and developing individual seed strains goes unrewarded." The New World Order as a whole is described by Egypt's leading newspaper, *al-Ahram*, as "codified international piracy," referring in this case to Bush Administration maneuvers to set up a confrontation with Qaddafi for domestic political purposes in the routine manner. The terminology is apt enough.<sup>24</sup>

The unbridled piracy takes on increased urgency as indigenous agriculture and knowledge are undermined by pressures on the South to abandon production for domestic needs in favor of ecologically unsustainable agroexport in the interests of the TNCs. One consequence is that the world's biological resources -- mostly in the South -- are in decline, raising the danger of disease and blight to potentially quite serious levels. To whatever extent biotechnology may provide a remedy, the effect again will be to transfer power and wealth to the world rulers, if the demands of the corporations for increased protection are implemented. That they will be is almost a foregone conclusion, given the distribution of power and the insulation of decision-making from public interference in the new imperial age of Year 501.

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[20](#) *Economist*, Aug. 22, 1992. Richard Knox, *BG*, Sept. 11, 1992, study by Families USA Foundation; drug manufacturers conceded its accuracy. Fazlur Rahman, *NYT*, April 26; William Stevens, *NYT*, May 24, 1992.

[21](#) Watkins, *Fixing*, 94-5.

[22](#) "Intellectual Property Rights," *Anthropology Today* (UK), Aug. 1990.

[23](#) Jeremy Seabrook, *Race & Class*, July 1992. Watkins, *Fixing*, 96.

[24](#) David Hirst, *Guardian* (London), March 23, 1992.

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## Chapter Five

# Human Rights: The Pragmatic Criterion

## 1. Reality and its Abuse

Prominent among the high principles to which we are dedicated, alongside of Democracy and the Market, stands Human Rights, which became "the Soul of our foreign policy," fortuitously, just at the moment when popular revulsion over monstrous crimes had become difficult to contain.

It is recognized, to be sure, that our service to the cause of humanity is not entirely without flaw. By "granting idealism a near exclusive hold on our foreign policy," we go too far, press thinkers warn, quoting high-ranking officials. This nobility puts us at a disadvantage in dealing with the "fierce savages" of whom Justice Marshall warned, a problem that has bedeviled Europe throughout its history of "encounters." The Korean war raised "serious questions as to how the soft, humanitarian West could compete with such people" as the "ruthless" Asian leaders, top Kennedy adviser Maxwell Taylor wrote. Taylor's "uncomfortable thoughts about the future of the West in Asia" were echoed by leading liberal critics of the Vietnam war as it spiralled out of control. The "Asian poor" used "the strategy of the weak," inviting us to carry our "strategic logic to its conclusion, which is genocide," but we are unwilling to "destroy ourselves...by contradicting our own value system." Soft humanitarians, we feel that "genocide is a terrible burden to bear" (William Pfaff, Townsend Hoopes). Strategic analyst Albert Wohlstetter explains that "the Vietnamese were able to bear the costs imposed on their subjects more easily than we could impose them." We are simply too noble for this cruel world.

The dilemma we face has engaged the deepest thinkers. Hegel pondered "the contempt of humanity displayed by the Negroes" of Africa, "who allow themselves to be shot down by thousands in war with Europeans. Life has a value only when it has something valuable as its object," a thought beyond the grasp of these "mere things." Unable to comprehend our lofty values, the savages confound us in our quest for justice and virtue.<sup>1</sup>

The burdens of the righteous are not easy to bear.

There are ways to test the theses that are confidently proclaimed. Thus one might look into the correlation between US aid and the human rights climate. That was done by the leading academic scholar

on human rights in Latin America, Lars Schoultz, who found that US aid "has tended to flow disproportionately to Latin American governments which torture their citizens, ...to the hemisphere's relatively egregious violators of fundamental human rights." The flow of aid includes military aid, is not correlated with need, and runs through the Carter period, when at least some attention was given to human rights concerns. A broader study by Edward Herman found the same correlation worldwide. Herman carried out another study that directs us to the reasons. Aid is closely correlated with improvement in the investment climate, a result commonly achieved by murdering priests and union leaders, massacring peasants trying to organize, blowing up the independent press, and so on. We therefore find the secondary correlation between aid and egregious violation of human rights. These studies precede the Reagan years, when the questions are not even worth posing.

Another approach is to investigate the relation between the source of atrocities and the reaction to them. There is extensive work on that topic, again with sharp and consistent results: the atrocities of official enemies arouse great anguish and indignation, vast coverage, and often shameless lying to portray them as even worse than they are; the treatment is the opposite in all respects when responsibility lies closer to home. (Atrocities that do not bear on domestic power interests are generally ignored.) Without comparable inquiry, we know that exactly the same was true of Stalinist Russia and Nazi Germany. The importance of the finding is greatly heightened by the fact, which commissars on all sides labor to obscure, that on elementary moral grounds, abuses cry out for attention insofar as we can do something about them; primarily our own, and those of our clients.

There have also been numerous case studies of the close match between policy and Kennan's advice on "unreal objectives such as human rights" when wealth and power are at stake.<sup>2</sup>

None of the facts have the slightest impact on the Higher Truths. But that makes sense too. As in the case of Democracy and the Market, the factual record merely deals with Hegel's "negative, worthless existence," not "God's plan" and "the pure light of this divine Idea." The point has sometimes been made explicit by contemporary scholars, notably Hans Morgenthau, a founder of the realist school, who urged that to adduce the factual record is "to confound the abuse of reality with reality itself." Reality itself is the "transcendent purpose" of the nation, which is indeed noble; the abuse of reality is the irrelevant factual record.<sup>3</sup>

The record is misleading if it keeps to the support for horrendous atrocities and fails to reveal the welcome accorded them when they are seen to be in a good cause, a leading feature of the 500-year conquest. The reaction to the US-directed atrocities in Central America in the past decade is one well-studied example. To illustrate how firmly this pillar of the traditional culture is in place, it would only be fitting to consider the earliest Asian outpost of European colonialism, the Dutch East Indies, during the era of US global management.

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<sup>1</sup> Thomas Friedman, *NYT*, Jan. 12, 1992; see p. 183. Taylor, *Swords*, 159. Pfaff and Hoopes, virtually identical commentary with no cross-reference, so it is unclear who should receive the credit; see *AWWA*, 297-300, *FRS*, 94-5. Wohlstetter, *WSJ*, Aug. 25, 1992. Hegel, *Philosophy*, 96.

<sup>2</sup> Schoultz, *Comparative Politics*, Jan. 1981. Herman, in *PEHR*, I, ch. 2.1.1; *Real Terror Network*, 126ff. *PEHR*, *MC*, for comparative analysis. And a huge literature on case studies.

<sup>3</sup> See *TNCW*, 73f., for further discussion. Also *NI*, *DD*, among others.

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## 2. Securing the Anchor

"The problem of Indonesia" is "the most crucial issue of the moment in our struggle with the Kremlin," Kennan wrote in 1948. "Indonesia is the anchor in that chain of islands stretching from Hokkaido to Sumatra which we should develop as a politico-economic counter-force to communism" and a "base area" for possible military action beyond. A Communist Indonesia, he warned, would be an "infection" that "would sweep westward" through all of South Asia. Resource-rich Indonesia was also designated to be a critical part of the "Empire toward the South" that the US intended to recreate for Japan, now within the US-dominated system.

In accord with standard reasoning, "ultra-nationalism" in Indonesia would prevent Southeast Asia from "fulfilling its main function" as a service area for the core industrial powers. Accordingly, the US urged the former Dutch rulers to grant independence, but under Dutch tutelage, an outcome critical to "Western Europe's economic rehabilitation, and to America's strategic well-being," Leffler observes, and to Japan's reconstruction as well. The principled antagonism to independent nationalism that animates US foreign policy took on particular significance in this case.<sup>4</sup>

After its liberation from the Dutch, Indonesia was ruled by the nationalist leader Sukarno. At first, the United States was willing to tolerate this arrangement, particularly after Sukarno and the army suppressed a land reform movement supported by the Indonesian Communist Party [PKI] in the Madiun region in 1948, virtually destroying the party's leadership and jailing 36,000 people. But Sukarno's nationalist and neutralist commitments soon proved entirely unacceptable.

The two major power centers in Indonesia were the army and the PKI, the only mass-based political force. Internal politics were dominated by Sukarno's balancing of these two forces. Western aims were largely shared by the army, who therefore qualified as moderates. To achieve these aims, it was necessary somehow to overcome the anti-American extremists. Other methods having failed, mass extermination remained as a last resort.

In the early 1950s, the CIA tried covert support of right-wing parties, and in 1957-1958 the US backed and participated in armed insurrection against Sukarno, possibly including assassination attempts. After the rebellions were put down, the US turned to a program of military aid and training coupled with a cutback of economic aid, a classic mode of pre-coup planning, followed in Chile a few years later, and attempted in Iran with the dispatch of arms via Israel from shortly after the Khomeini takeover -- one of the many crucial elements of the Iran-contra affair suppressed in the subsequent cover-up.<sup>5</sup> Universities

and corporations also lent their willing hands.

In a RAND study published by Princeton University in 1962, Guy Pauker, closely involved with US policy-making through RAND and the CIA, urged his contacts in the Indonesian military to take "full responsibility" for their country, "fulfill a mission," and "strike, sweep their house clean." In 1963, former CIA staff officer William Kintner, then at a CIA-subsidized research institute at the University of Pennsylvania, warned that "If the PKI is able to maintain its legal existence and Soviet influence continues to grow, it is possible that Indonesia may be the first Southeast Asia country to be taken over by a popularly based, legally elected communist government... In the meantime, with Western help, free Asian political leaders -- together with the military -- must not only hold on and manage, but reform and advance while liquidating the enemy's political and guerrilla armies." The prospects for liquidation of the popularly based political forces were regarded as uncertain, however. In a 1964 RAND memorandum, Pauker expressed his concern that the groups backed by the US "would probably lack the ruthlessness that made it possible for the Nazis to suppress the Communist Party of Germany... [These right-wing and military elements] are weaker than the Nazis, not only in numbers and in mass support, but also in unity, discipline, and leadership."

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<sup>4</sup> Leffler, *Preponderance*, 260, 165. See ch. 10.4, and for the background, ch. 2.1-2. On Japan-SEA, see *RC*, ch. 2.1. Below, unless otherwise indicated, see Peter Dale Scott, "Exporting Military-Economic Development," in Caldwell, *Ten Years*, and "The United States and the Overthrow of Sukarno," *Pacific Affairs*, Summer 1985; *PEHR*, vol. I, ch. 4.1; Kolko, *Confronting*.

<sup>5</sup> *FTR*, 457ff.; *COT*, ch. 8. Marshall, et al., *Iran-Contra*, chs. 7, 8.

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Pauker's pessimism proved unfounded. After an alleged Communist coup attempt on September 30, 1965, and the murder of six Indonesian generals, pro-American General Suharto took charge and launched a bloodbath in which hundreds of thousands of people, mostly landless peasants, were slaughtered. Reflecting on the matter in 1969, Pauker noted that the assassination of the generals "elicited the ruthlessness that I had not anticipated a year earlier and resulted in the death of large numbers of Communist cadres."

The scale of the massacre is unknown. The CIA estimates 250,000 killed. The head of the Indonesia state security system later estimated the toll at over half a million; Amnesty International gave the figure of "many more than one million." Whatever the numbers, no one doubts that there was incredible butchery. Seven-hundred-fifty-thousand more were arrested, according to official figures, many of them kept for years under miserable conditions without trial. President Sukarno was overthrown and the military ruled unchallenged. Meanwhile the country was opened to Western exploitation, hindered only by the rapacity of the rulers.

The US role in these events is uncertain, one reason being the gaps in the documentary record. Gabriel Kolko observes that "U.S. documents for the three months preceding September 30, 1965, and dealing with the convoluted background and intrigues, much less the embassy's and the CIA's roles, have been withheld from public scrutiny. Given the detailed materials available before and after July-September 1965, one can only assume that the release of these papers would embarrass the U.S. government." Ex-CIA officer Ralph McGehee reports that he is familiar with a highly classified CIA report on the agency's role in provoking the destruction of the PKI, and attributes the slaughter to the "C.I.A. [one word deleted] operation." The deletion was imposed by CIA censorship. Peter Dale Scott, who has carried out the most careful attempt to reconstruct the events, suggests that the deleted word is "deception," referring to CIA propaganda that "creates the appropriate situations," in McGehee's uncensored words, for this and other mass murder operations (citing also Chile). McGehee referred specifically to atrocity fabrication by the CIA to lay the basis for violence against the PKI.<sup>6</sup>

There is no doubt that Washington was aware of the slaughter, and approved. Secretary of State Dean Rusk cabled to Ambassador Marshall Green on October 29 that the "campaign against PKI" must continue and that the military, who were orchestrating it, "are [the] only force capable of creating order in Indonesia" and must continue to do so with US help for a "major military campaign against PKI." The US moved quickly to provide aid to the army, but details have not been made public. Cables from the Jakarta Embassy on October 30 and November 4 indicate that deliveries of communications equipment to the Indonesian army were accelerated and the sale of US aircraft approved, while the Deputy Chief of Mission noted that "The embassy and the USG were generally sympathetic with and admiring of what

the army was doing."<sup>7</sup>

For clarity, we must distinguish several issues. On the one hand, there are questions of historical fact: What took place in Indonesia and Washington in 1965-1966? There are also questions of cultural history: How did the US government, and articulate sectors at home, react to what they took to be the facts? The political history is murky. On the matter of cultural history, however, the public record provides ample evidence. The cultural history is by far the more informative with regard to the implications for the longer term. It is from the reactions that we draw lessons for the future.

There is no serious controversy about Washington's sympathy for "what the army was doing." An analysis by H.W. Brands is of particular interest in this connection.<sup>8</sup> Of the more careful studies of the events themselves, his is the most skeptical concerning the US role, which he regards as basically that of a confused observer, with "only a marginal ability to change a very dangerous situation for the better." But he leaves no doubt about Washington's enthusiasm about the turn "for the better" as the slaughter proceeded.

According to Brands's reconstruction of events, by early 1964 the US was engaged in "quiet efforts to encourage action by the army against the PKI," ensuring that when the expected conflict broke out, "the army [would know] it had friends in Washington." The goal of the continuing civic action and military training programs, Secretary of State Dean Rusk commented, was "strengthening anti-Communist elements in Indonesia in the continuing and coming struggle with the PKI." Chief of Staff Nasution, regarded by US Ambassador Howard Jones as "the strongest man in the country," informed Jones in March 1964 that "Madiun would be mild compared with an army crackdown today," referring to the bloody repression of 1948.

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<sup>6</sup> McGehee, *Nation*, April 11, 1981. Also *News from Asia Watch*, June 21, 1990.

<sup>7</sup> *Ibid.* Rusk cited by Kolko.

<sup>8</sup> Brands, "The Limits of Manipulation: How the United States Didn't Topple Sukarno," *J. of American History*, Dec. 1989.

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Through 1965, the main question in Washington was how to encourage army action against the PKI. US emissary Ellsworth Bunker felt that Washington should keep a low profile so that the generals could proceed "without the incubus of being attacked as defenders of the neo-colonialists and imperialists." The State Department agreed. Prospects, however, remained uncertain, and September 1965 ended, Brands continues, "with American officials anticipating little good news soon."

The September 30 strike against the army leadership came as a surprise to Washington, Brands concludes, and the CIA knew little about it. Ambassador Green, who had replaced Jones, told Washington he could not establish any PKI role, though the official story then and since is that it was a "Communist coup attempt."

The "good news" was not long in coming. "American officials soon recognized that the situation in Indonesia was changing drastically and, from their perspective, for the better," Brands continues. "As information arrived from the countryside indicating that a purge of the PKI was beginning, the principal worry of American officials in Jakarta and in Washington was that the army would fail to take advantage of its opportunity," and when the army seemed to hesitate, Washington sought ways "to encourage the officers" to proceed. Green recommended covert efforts to "spread the story of the PKI's guilt, treachery, and brutality," though he knew of no PKI role. Such efforts were undertaken to good effect, according to McGehee's account of the internal CIA record. George Ball, the leading Administration dove, recommended that the US stay in the background because "the generals were doing quite well on their own" (Brands's paraphrase), and the military aid and training programs "should have established clearly in the minds of the army leaders that the US stands behind them if they should need help" (Ball). Ball instructed the Jakarta embassy to exercise "extreme caution lest our well-meaning efforts to offer assistance or steel their resolve may in fact play into the hands of Sukarno and [his political associate] Subandrio." Dean Rusk added that "If the army's willingness to follow through against the PKI is in anyway contingent on or subject to influence by the United States, we do not want to miss the opportunity to consider U.S. action."

Brands concludes that US covert aid "may have facilitated the liquidation of the PKI," but "at most it speeded what probably would have happened more slowly." "Whatever the American role in these developments," he continues, "the administration found the overall trend encouraging. In mid-December Ball reported with satisfaction that the army's campaign to destroy the PKI was `moving fairly swiftly and smoothly.' At about the same time Green cabled from Jakarta: `The elimination of the communists continues apace'." By early February 1966, President Johnson was informed that about 100,000 had been massacred. Shortly before, the CIA reported that Sukarno was finished, and "The army has virtually destroyed the PKI."

Nevertheless, Brands continues, "Despite that good news the administration remained reluctant to commit itself publicly to Suharto," fearing that the outcome was still uncertain. But doubts soon faded. Johnson's new National Security Adviser Walt Rostow "found Suharto's `New Order' encouraging," US aid began to flow openly, and Washington officials began to take credit for the great success.

According to this skeptical view, then, "The United States did not overthrow Sukarno, and it was not responsible for the hundreds of thousands of deaths involved in the liquidation of the PKI," though it did what it could to encourage the army to liquidate the only mass popular organization in Indonesia, hesitated to become more directly involved only because it feared that these efforts would be counterproductive, greeted the "good news" with enthusiasm as the slaughter mounted, and turned enthusiastically to assisting the "New Order" that arose from the bloodshed as the moderates triumphed.

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### 3. Celebration

The public Western reaction was one of relief and pride. Deputy Undersecretary of State Alexis Johnson celebrated "The reversal of the Communist tide in the great country of Indonesia" as "an event that will probably rank along with the Vietnamese war as perhaps the most historic turning point of Asia in this decade" (October 1966). Appearing before a Senate Committee, Secretary of Defense Robert McNamara was asked whether US military aid during the pre-coup period had "paid dividends." He agreed that it had, and was therefore justified -- the major dividend being a huge pile of corpses. In a private communication to President Johnson in March 1967, McNamara went further, saying that US military assistance to the Indonesian army had "encouraged it to move against the PKI when the opportunity was presented." Particularly valuable, he said, was the program bringing Indonesian military personnel to the United States for training at universities, where they learned the lessons they put to use so well. These were "very significant factors in determining the favorable orientation of the new Indonesian political elite" (the army), McNamara argued. A congressional report also held that training and continued communication with military officers paid "enormous dividends." The same reasoning has long been standard with regard to Latin America, with similar results.<sup>9</sup>

Across a broad spectrum, commentators credited the US intervention in Vietnam with having encouraged these welcome developments, providing a sign of American commitment to the anti-Communist cause and a "shield" behind which the generals could act without undue concern about Sukarno's Chinese ally. A Freedom House statement in November 1966 signed by "145 distinguished Americans" justified the US war in Vietnam for having "provided a shield for the sharp reversal of Indonesia's shift toward Communism," with no reservations concerning the means employed. Speaking to US troops in November 1966, President Johnson told them that their exploits in Indochina were the reason why "In Indonesia there are 100 million people that enjoy a measure of freedom today that they didn't enjoy yesterday." These reactions reflect the logic of the US war in Indochina.<sup>10</sup>

In line with his general skepticism, Brands believes these claims to be exaggerated. McNamara's "attempts to appropriate responsibility for the general's rise to power," he thinks, were a reaction to President Johnson's "enthusiasm for the Suharto regime." US assurances to the Indonesian military "certainly had *some* effect on Suharto's assessment of his prospects," but not much, because they "merely reiterated the obvious fact that the United States prefers rightists to leftists" -- including rightists who conduct a huge slaughter and install a terrorist "New Order." As for the war in Vietnam, the CIA doubted that "the US display of determination in Vietnam directly influenced the outcome of the Indonesian crisis in any significant way," CIA director Helms wrote to Walt Rostow in 1966. As Brands himself puts it,

the Johnson administration had been concerned that Indonesia might suffer "the fate from which the United States was then attempting to rescue South Vietnam." Fortunately, Indonesia rescued itself.

There was no condemnation of the slaughter on the floor of Congress, and no major US relief agency offered aid. The World Bank restored Indonesia to favor, soon making it the third largest borrower. Western governments and corporations followed along.

Those close at hand may have drawn further lessons about peasant massacre. Ambassador Green went on to the State Department, where he presided over the bombing of rural Cambodia, among other achievements. As the bombing was stepped up to historically unprecedented levels in 1973, slaughtering tens of thousands of peasants, Green testified before Congress that the massacre should continue because of our desire for peace: our experience with "these characters in Hanoi" teaches that only the rivers of blood of Cambodian peasants might bring them to the negotiating table. The "experience" to which he referred was the 1972 Christmas bombings of Hanoi, undertaken to force those characters in Hanoi to modify the agreements reached with the Nixon Administration in October but rejected by Washington, then restored without change after the US stopped the bombing because it proved too costly. The events and their remarkable aftermath having been concealed by the Free Press, Green could be confident that there would be no exposure of his colossal fabrications in the interest of continued mass murder.<sup>11</sup>

Returning to Indonesia, the media were pleased, even euphoric. As the army moved to take control, *Times* correspondent Max Frankel described the delight of Johnson Administration officials over the "dramatic new opportunity" in Indonesia. The "military showed power," so that "Indonesia can now be saved from what had appeared to be an inevitable drift towards a peaceful takeover from within" -- an unthinkable disaster, since internal politics was not under US control. US officials "believe the army will cripple and perhaps destroy the Communists as a significant political force," leading to "the elimination of Communist influences at all levels of Indonesian society." Consequently, there is now "hope where only two weeks ago there was despair."<sup>12</sup>

Not everyone was so enthusiastic about the opportunity to destroy the one popular political force in the country. Japan's leading newspaper, *Asahi Shimbun*, urged caution: "In view of the fact that the Communist influence is deeply entrenched among the Indonesian grassroots, it would cause further deterioration in the confused national state of affairs if a firm crackdown were carried out against them."<sup>13</sup> But such more somber reflections were rare.

In mid-1966, well after the results were known, *U.S. News & World Report* headlined a long and enthusiastic story "Indonesia: `HOPE...WHERE ONCE THERE WAS NONE.'" "Indonesians these days can talk and argue freely, no longer fearful of being denounced and imprisoned," the journal reported, describing an emerging totalitarian terror state with hundreds of thousands in prison and the blood still flowing. In a cover story, *Time* magazine celebrated "The West's best news for years in Asia" under the heading "Vengeance with a Smile," devoting 5 pages of text and 6 more of pictures to the "boiling bloodbath that almost unnoticed took 400,000 lives." The new army regime is "scrupulously constitutional," *Time* happily announced, "based on law not on mere power," in the words of its "quietly

determined" leader Suharto with his "almost innocent face." The elimination of the 3 million-member PKI by its "only possible rival," the army, and the removal from power of the "genuine folk hero" Sukarno, may virtually be considered a triumph of democracy.<sup>14</sup>

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<sup>9</sup>Johnson cited by Kolko, *Confronting*. McNamara and congressional report cited in Wolpin, *Military Aid*, 8, 128. McNamara to Johnson, Brands, *op. cit.* Ch. 7.3.

<sup>10</sup> *Public Papers of the Presidents*, 1966 (Washington, 1987), Book II, 563.

<sup>11</sup> *NYT*, March 29, 1973. See ch. 10, n. 64.

<sup>12</sup> Frankel, *NYT*, Oct. 11, 1965.

<sup>13</sup> Quoted in *NYT*, Oct. 17, 1965.

<sup>14</sup> Robert Martin, *U.S. News*, June 6, 1966. *Time*, July 15, 1966.

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The leading political thinker of the *New York Times*, James Reston, chimed in under the heading "A Gleam of Light in Asia." The regular channel for the State Department, Reston admonished Americans not to let the bad news in Vietnam displace "the more hopeful developments in Asia," primary among them being "the savage transformation of Indonesia from a pro-Chinese policy under Sukarno to a defiantly anti-Communist policy under General Suharto":

Washington is being careful not to claim any credit for this change in the sixth most populous and one of the richest nations in the world, but this does not mean that Washington had nothing to do with it. There was a great deal more contact between the anti-Communist forces in that country and at least one very high official in Washington before and during the Indonesian massacre than is generally realized. General Suharto's forces, at times severely short of food and munitions, have been getting aid from here through various third countries, and it is doubtful if the coup would ever have been attempted without the American show of strength in Vietnam or been sustained without the clandestine aid it has received indirectly from here.

The news story on Indonesia the same day carried more glad tidings. Headlined "Indonesians View U.S. Films Again," it described "the biggest public social event in the Indonesian capital these days," the showing of American films to "smartly dressed Indonesians" who "alight from expensive limousines," "one sign of the country's rejection of the anti-American pro-Communist policy of the Indonesian Government" before the gleam of light broke through the clouds.<sup>15</sup>

Recall that according to the skeptical view of Brands and others, Reston's proud claim that the US government could fairly claim credit for the massacre and the establishment of the "New Order" was exaggerated, though understandable.

Editorial reaction to the bloodbath was judicious. The *Times* was pleased that the Indonesian army had "de-fused the country's political time-bomb, the powerful Indonesian Communist party," and praised Washington for having "wisely stayed in the background during the recent upheavals" instead of assisting openly and trumpeting its glee; the idea that Washington, or anyone, should have protested and sought to abort the useful slaughter was beyond the pale. Washington should continue this wise course, the editors urged, supporting international aid to the "Indonesian moderates" who had conducted the massacre. A February 1966 editorial outlined the likely advantages for the United States now that the Indonesian military had taken power and "proceeded to dismantle the entire P.K.I. apparatus." A follow-up in August recognized that there had been a "staggering mass slaughter of Communists and pro-Communists," with hundreds of thousands killed. This "situation...raises critical questions for the United

States," which, fortunately, have been correctly answered: Washington "wisely has not intruded into the Indonesian turmoil" by "embrac[ing] the country's new rulers publicly," which "could well hurt them" -- the only "critical question" that comes to mind. A month later the editors described the relief in Washington over the fact that "Indonesia was lost and has been found again." The successes of the "moderates" had been rewarded "with generous pledges of rice, cotton and machinery" and preparations to resume the economic aid that was held back before the "staggering mass slaughter" set matters right. The US "has adequate reasons of state to come to terms with the new regime," not to speak of more than adequate reasons of profit.<sup>16</sup>

Within a few years, a complete role reversal had been achieved. George McArthur of the *Los Angeles Times*, a respected Asia hand, wrote in 1977 that the PKI had "attempted to seize power and subjected the country to a bloodbath," placing their necks under the knife in a major Communist atrocity.<sup>17</sup>

By then, the Indonesian generals, in addition to compiling one of the worst human rights records in the world at home, had escalated their 1975 attack on the former Portuguese colony of East Timor to near-genocidal levels, with another "staggering mass slaughter," which bears comparison to the atrocities of Pol Pot in the same years. In this case, the deed was done with the crucial support of the Human Rights Administration and its allies. They understand "reasons of state" as well as the *Times* editors, who, with their North American and European colleagues, did what they could to facilitate the slaughter by suppressing the readily available facts in favor of (occasional) fairy tales told by Indonesian generals and the State Department. US-Canadian reporting on Timor, which had been substantial before the invasion in the context of Western concerns over the collapse of the Portuguese empire, reduced to zero in 1978 as atrocities peaked along with the flow of US arms.<sup>18</sup>

*Times* editors were not alone in extolling the moderates who had stirred up the "boiling bloodbath." "Many in the West were keen to cultivate Jakarta's new moderate leader, Suharto," the *Christian Science Monitor* later reported. *Times* Southeast Asia correspondent Philip Shenon adds, more cautiously, that Suharto's human rights record is "checkered." The London *Economist* described this great mass murderer and torturer as "at heart benign," doubtless thinking of his compassion for TNCs. Unfortunately, there are those who try to impugn his benign nature: "propagandists for the guerrillas" in East Timor and West Papua (Irian Jaya) "talk of the army's savagery and use of torture" -- including the Bishop and other church sources, thousands of refugees in Australia and Portugal, Western diplomats and journalists who have chosen to see, Amnesty International and other human rights organizations. They are all "propagandists," rather than intrepid champions of human rights, because they have quite the wrong story to tell.<sup>19</sup>

In the *Wall Street Journal*, Barry Wain, editor of its Asia affiliate, described how General Suharto "moved boldly in defeating the coup makers and consolidating his power," using "strength and finesse" to take total control. "By most standards, he has done well," though there have been a few problems, specifically, government involvement in the killing of several thousand alleged criminals from 1982 to 1985. Some lingering questions about earlier years aside, a few weeks before Wain's laudatory column, *Asiaweek* reported another massacre in Sumatra, where armed troops burnt a village of 300 people to the

ground, killing dozens of civilians, part of an operation to quell unrest in the province. Suharto is "a Figure of Stability," a *Wall Street Journal* headline reads, using the term in the PC sense already discussed. The upbeat story does not overlook the events of 1965. One sentence reads: Suharto "took command of the effort to crush the coup attempt, and succeeded."<sup>20</sup>

When the victims are classified as less than human -- wild beasts in the shape of men, Communists, terrorists, or whatever may be the contemporary term of art -- their extermination raises no moral qualms. And the agents of extermination are praiseworthy moderates -- our Nazis, to translate from Newspeak. The practice is standard. Recall the "moderate" General Gramajo, to mention someone who might aspire to Suharto's league.

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<sup>15</sup> *NYT*, June 19, 1966.

<sup>16</sup> Editorials, *NYT*, Dec. 22, 1965; Feb. 17, Aug. 25, Sept. 29, 1966.

<sup>17</sup> *IHT*, Dec. 5, 1977, from *LAT*.

<sup>18</sup> *PEHR*, I, ch. 3.4.4; *TNCW*, ch. 13; Peck, *Chomsky Reader*, 303-13. For an overview, Taylor, *Indonesia's Forgotten War*.

<sup>19</sup> John Murray Brown, *CSM*, Feb. 6, 1987; Shenon, *NYT*, Sept. 3, 1992; *Economist*, Aug. 15, 1987.

<sup>20</sup> Wain, *WSJ*, April 25, 1989; *Asia Week*, Feb. 24, 1989, cited in *TAPOL Bulletin*, April 1989. Richard Borsuk, *WSJ*, June 8, 1992.

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Chapter 5: Human Rights: The Pragmatic Criterion Segment 7/9

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## 4. Closing the Books

In 1990-1991, several events elicited some uncharacteristic concern over US-backed Indonesian atrocities. In May 1990, States News Service released a study in Washington by Kathy Kadane, which found that

The U.S. government played a significant role by supplying the names of thousands of Communist Party leaders to the Indonesian army, which hunted down the leftists and killed them, former U.S. diplomats say... As many as 5000 names were furnished to the Indonesian army, and the Americans later checked off the names of those who had been killed or captured, according to U.S. officials... The lists were a detailed who's-who of the leadership of the party of 3 million members, [foreign service officer Robert] Martens said. They included names of provincial, city and other local PKI committee members, and leaders of the "mass organizations," such as the PKI national labor federation, women's and youth groups.

The names were passed on to the military, which used them as a "shooting list," according to Joseph Lazarsky, deputy CIA station chief in Jakarta at the time, who adds that some were kept for interrogation or "kangaroo courts" because the Indonesians "didn't have enough goon squads to zap them all." Kadane reports that top US Embassy officials acknowledged in interviews that they had approved of the release of the names. William Colby compared the operation to his Phoenix program in Vietnam, in exculpation of his own campaign of political assassination (which Phoenix clearly was, though he denies it).

"No one cared as long as they were Communists, that they were being butchered," said Howard Federspiel, then Indonesia expert for State Department intelligence; "No one was getting very worked up about it." "It really was a big help to the army," Martens said. "They probably killed a lot of people, and I probably have a lot of blood on my hands, but that's not all bad." "There's a time when you have to strike hard at a decisive moment."

The story was picked up by a few newspapers, though no one got worked up about it. Just more business as usual; after all, the US Embassy had done much the same in Guatemala a decade earlier, as another useful slaughter was getting underway.<sup>21</sup>

While ruffling some feathers briefly, the report was soon consigned to oblivion. The Newspaper of Record (the *New York Times*) waited almost two months to take notice, long enough to marshal the

required denials. Reporter Michael Wines repeats every government propaganda cliché about the events themselves, however tenuous, as unquestioned fact. Ambassador Green dismisses the Kadane report as "garbage." He and others claim that the US had nothing to do with the list of names, which were of no significance anyway. Wines cites a Martens letter to the *Washington Post* saying that the names were publicly available in the Indonesian press, but not his amplification of this remark, in which he stressed the importance of handing over the list of names; Martens wrote that he "saw nothing wrong with helping out," and still doesn't, because "the pro-Communist terror leading to the final coup...against the non-Communist army leaders...had prevented systematic collection of data on the Communists" (a fanciful tale, but no matter). Wines says nothing about the *Times* celebration of the slaughter, or the pride of their leading political commentator on the US role in expediting it.<sup>22</sup>

Stephen Rosenfeld of the *Washington Post* was one of the few in the national press to be troubled by the Kadane revelations. His reaction too is instructive.

After the Kadane story appeared, the *Post* carried a letter by Indonesian human rights activist Carmel Budiardjo, who pointed out that direct US complicity in the massacre was already known from the cable traffic between the US Embassy in Jakarta and the State Department published by Gabriel Kolko, specifically, the Green-Rusk interchange cited earlier. A month later, Rosenfeld expressed some concern, adding that "in the one account I read" -- namely, Kolko's book -- some doubts are raised about Communist complicity in the alleged coup attempt that served as the pretext for the massacres (note the evasion of the crucial issues, a deft stroke). But, Rosenfeld continued, Kolko's "typical revisionist blame-America-first point of view makes me distrust his conclusions." He expressed the hope that "someone whose politics are more mainstream would sift through the material and provide an independent account." His plea for rescue appears under the heading, "Indonesia 1965: Year of Living Cynically?"

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<sup>21</sup> Kadane, *SFE*, May 20, 1990. *WP*, May 21; AP, May 21; *Guardian* (London), May 22; BG, May 23, 1990. One exception to the general dismissal was the *New Yorker*, "Talk of the Town," July 2, 1990. Guatemala, ch. 7.7.

<sup>22</sup> Wines, *NYT*, July 12; Martens, letter, *WP*, June 2, 1990.

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Fortunately, relief was soon on its way. A week later, under the heading "Indonesia 1965: Year of U.S. Irrelevance," Rosenfeld wrote that he had received in the mail an "independent account" by a historian "without political bias" -- that is, one who could assure him that the state he loves had done no wrong. This antidote was "full of delights and surprises," concluding that the US had no responsibility for the deaths or the overthrow of Sukarno. It "clears Americans of the damaging lingering suspicion of responsibility for the Indonesian coup and massacre," Rosenfeld concludes happily: "For me, the question of the American role in Indonesia is closed."<sup>23</sup>

How easy is the life of the true believer.

The article that closed the books, to Rosenfeld's immense relief, was the Brands study reviewed earlier. That Brands is an "independent" commentator "without political bias" is demonstrated throughout: The US war in Vietnam was an attempt "to rescue South Vietnam"; the information reaching Washington that "The army has virtually destroyed the PKI" in a huge massacre was "good news"; "the most serious deficiency of covert warfare" is "its inevitable tendency to poison the well of public opinion," that is, to tar the US with "bum raps" elsewhere; etc. Much more significant are the "delights and surprises" that put any lingering doubts to rest. Since the study closes all questions for good, we may now rest easy in the knowledge that Washington did all it could to encourage the greatest massacre since the days of Hitler and Stalin, welcomed the outcome with enthusiasm, and immediately turned to the task of supporting Suharto's aptly named "New Order." Thankfully, there is nothing to trouble the liberal conscience.

One interesting non-reaction to the Kadane report appeared in the lead article in the *New York Review of Books* by Senator Daniel Moynihan. He fears that "we are poisoning the wells of our historical memory," suppressing unpleasant features of our past. He contrasts these failures with the "extraordinary period of exhuming the worst crimes of its hideous history" now underway in the Soviet Union. Of course, "the United States has no such history. To the contrary." Our history is quite pure. There are no crimes to "exhume" against the indigenous population or Africans in the 70 years following *our* revolution, or against Filipinos, Central Americans, Indochinese, and others later on. Still, even we are not perfect: "not everything we have done in this country has been done in the open," Moynihan observes, though "not everything could be. Or should have been." But we conceal too much, the gravest crime of our history.<sup>24</sup>

It is hard to believe that as he was writing these words, the Senator did not have the recent revelations about Indonesia in mind. He, after all, has a special personal relation to Indonesian atrocities. He was UN Ambassador at the time of the Indonesian invasion of East Timor, and takes pride, in his memoirs, in

having forestalled any international reaction to the aggression and massacre. "The United States wished things to turn out as they did," he writes, "and worked to bring this about. The Department of State desired that the United Nations prove utterly ineffective in whatever measures it undertook. This task was given to me, and I carried it forward with no inconsiderable success." Moynihan was well aware of how things turned out, noting that within a few weeks some 60,000 people had been killed, "10 percent of the population, almost the proportion of casualties experienced by the Soviet Union during the Second World War." Thus he took credit for achievements that he compares to those of the Nazis. And he is surely familiar with the subsequent US government role in escalating the slaughter, and the contribution of the media and political class in concealing it. But the newly released information about the US role in mass slaughter did not stir his historical memory, or suggest some reflections on our practices, apart from our single blemish: insufficient candor.

Moynihan's successes at the UN have entered history in the conventional manner. Measures taken against Iraq and Libya "show again how the collapse of Communism has given the Security Council the cohesion needed to enforce its orders," *Times* UN correspondent Paul Lewis explains in a front-page story: "That was impossible in earlier cases like...Indonesia's annexation of East Timor." [25](#)

There was also a flicker of concern about Indonesia after Iraq invaded Kuwait in August 1990. It was hard not to notice the similarity to Indonesia's (vastly more murderous) aggression and annexation. A decade earlier, when glimmerings of what had happened finally began to break through, there had been occasional notice of the comparison between Suharto's exploits in Timor and the simultaneous Pol Pot slaughters. As in 1990, the US and its allies were charged at most with "ignoring" Indonesian atrocities. The truth was well concealed throughout: Indonesia was given critical military and diplomatic support for its monstrous war crimes; and crucially, unlike the case of Pol Pot and Saddam, these could readily have been halted, simply by withdrawal of Western aid and breaking the silence.

Ingenious efforts have been made to explain away the radically different response to Suharto, on the one hand, and Pol Pot and Saddam, on the other, and to avoid the obvious explanation in terms of interest, which of course covers a vastly wider range. William Shawcross offered a "more structurally serious explanation" for the Timor-Cambodia case: "a comparative lack of sources" and lack of access to refugees, Lisbon and Australia being so inaccessible in comparison with the Thai-Cambodian border. Gérard Chaliand dismissed France's active support for the Indonesian slaughter in the midst of a great show of anguish about Pol Pot on grounds that the Timorese are "geographically and historically marginal." The difference between Kuwait and Timor, according to Fred Halliday, is that Kuwait "has been up and running as an independent state since 1961"; to evaluate the proposal, recall that the US prevented the UN from interfering with Israel's invasion of Lebanon or following through on its condemnation of Israel's (virtual) annexation of the Syrian Golan Heights, and that, unlike Suharto in Timor, Saddam had offered to withdraw from Kuwait, how seriously we do not know, since the US rejected the offers instantly out of fear that they might "defuse the crisis." A common stance is that "American influence on [Indonesia's decision to invade] may easily be exaggerated," though the US "averted its eyes from East Timor" and "could have done far more than it did to distance itself from the carnage" (James Fallows). The fault, then, is failure to act, not the decisive contribution to the ongoing carnage by increasing the flow of arms as atrocities mounted and by rendering the UN "utterly

ineffective" because "The United States wished things to turn out as they did" (Ambassador Moynihan), while the intellectual community preferred to denounce the crimes of official enemies. Others tried different techniques to evade the obvious, adding further footnotes to the inglorious story.<sup>26</sup>

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<sup>23</sup> Budiarjo, letters, *WP*, June 13; Rosenfeld, *WP*, July 13, July 20, 1990.

<sup>24</sup> Moynihan, *NYRB*, June 28, 1990.

<sup>25</sup> See *TNCW*, ch. 13. Lewis, *NYT*, April 16, 1992.

<sup>26</sup> Shawcross, see *MC*, 284f.; for more detail, Peck, *op. cit.* Chaliand, *Nouvelles littéraires*, Nov. 10, 1981; Fallows, *Atlantic Monthly*, Feb., June 1982. Halliday, *Guardian Weekly*, Aug. 16, 1992.

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The Australian government was more forthright. "There is no binding legal obligation not to recognize the acquisition of territory that was acquired by force," Foreign Minister Gareth Evans explained, adding that "The world is a pretty unfair place, littered with examples of acquisition by force..." (in the same breath, following the US-UK lead, he banned all official contacts with the PLO with proper indignation because of its "consistently defending and associating itself with Iraq's invasion of Kuwait"). Prime Minister Hawke declared that "big countries cannot invade small neighbors and get away with it" (referring to Iraq and Kuwait), proclaiming that in the "new order" established by the virtuous Anglo-Americans, "would-be aggressors will think twice before invading smaller neighbours." The weak will "feel more secure because they know that they will not stand alone if they are threatened," now that, at last, "all nations should know that the rule of law must prevail over the rule of force in international relations."

Australia has a special relation to Timor; tens of thousands of Timorese were killed during World War II protecting a few Australian guerrillas fighting in Timor to deter an impending Japanese invasion of Australia. Australia has been the most outspoken defender of the Indonesian invasion. One reason, known early on, is the rich natural gas and oil reserves in the Timor Gap, "a cold, hard, sobering reality that must be addressed," Foreign Minister Bill Hayden explained frankly in April 1984. In December 1989, Evans signed a treaty with the Indonesian conquerors dividing up Timor's wealth; through 1990, Australia received \$Aus. 31 million from sales of permits to oil companies for exploration. Evans's remarks, quoted above, were made in explanation of Australia's rejection of a protest against the treaty brought to the World Court by Portugal, generally regarded as the responsible authority.<sup>27</sup>

While British political figures and intellectuals lectured with due gravity on the values of their traditional culture, now at last to be imposed by the righteous in the "new world order" (referring to Iraq-Kuwait), British Aerospace entered into new arrangements to sell Indonesia jet fighters and enter into co-production arrangements, "what could turn out to be one of the largest arms packages any company has sold to an Asian country," the *Far Eastern Economic Review* reported. Britain had become "one of Indonesia's major arms suppliers, selling £290 million worth of equipment in the 1986-1990 period alone," Oxford historian Peter Carey writes.<sup>28</sup>

The public has been protected from such undesirable facts, kept in the shadows along with a Fall 1990 Indonesian military offensive in Timor under the cover of the Gulf crisis, and the Western-backed Indonesian operations that may wipe out a million tribal people in West Papua, with thousands of victims of chemical weapons among the dead according to human rights activists and the few observers. Solemn discourse on international law, the crime of aggression, and our perhaps too-fervent idealism can therefore proceed, untroubled. The attention of the civilized West is to be focused, laser-like, on the

crimes of official enemies, not on those it could readily mitigate or bring to an end.<sup>29</sup>

The Timor-Kuwait embarrassment, such as it was, quickly subsided; reasonably, since it is only one of a host of similar examples that demonstrate the utter cynicism of the posturing during the Gulf War. But problems arose again in November 1991, when Indonesia made a foolish error, carrying out a massacre in the capital city of Dili in front of TV cameras and severely beating two US reporters, Alan Nairn and Amy Goodman. That is bad form, and requires the conventional remedy: an inquiry to whitewash the atrocity, a tap on the wrist for the authorities, mild punishment of subordinates, and applause from the rich men's club over this impressive proof that our moderate client is making still further progress. The script, familiar to the point of boredom, was followed routinely. Meanwhile Timorese were harshly punished and the atmosphere of terror deepened.

Business proceeded as usual. A few weeks after the Dili massacre, the Indonesia-Australia joint authority signed six contracts for oil exploration in the Timor Gap, with four more in January. Eleven contracts with 55 companies were reported by mid-1992, including Australian, British, Japanese, Dutch, and US. The naive might ask what the reaction would have been had 55 western companies joined with Iraq in exploiting Kuwaiti oil, though the analogy is imprecise, since Suharto's atrocities in Timor were a hundred times as great. Britain stepped up its arms sales, announcing plans in January to sell Indonesia a naval vessel. As Indonesian courts sentenced Timorese "subversives" to 15-year terms for having allegedly instigated the Dili massacre, British Aerospace and Rolls-Royce negotiated a multi-million pound deal for 40 Hawk fighter-trainers, adding to the 15 already in service, some used in crushing the Timorese. Meanwhile Indonesia was targeted for a new sales campaign by British firms because of its prospects for aerospace industries. As the slight tremor subsided, others followed suit.<sup>30</sup>

The "Gleam of Light in Asia" in 1965-1966 and the glow it has left until today illuminate the traditional attitudes towards human rights and democracy, the reasons for them, and the critical role of the educated classes. They reveal with equal brilliance the reach of the pragmatic criterion that effectively dismisses any human values in the culture of respectability.

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<sup>27</sup> *Daily Hansard* SENATE (Australia), 1 November, 1989, 2707. *Indonesia News Service*, Nov. 1, 1990. Green left mideast.gulf.346, electronic communication, Feb. 18, 1991. *Monthly Record*, Parliament (Australia), March 1991. Reuters, Canberra, Feb. 24; Communiqué, International Court of Justice, Feb. 22, 1991. *PEHR*, I, 163-6. Taylor, *Indonesia's Forgotten War*, 171.

<sup>28</sup> *FEER*, 25 July, 1991. Carey, letter, *Guardian Weekly*, July 12, 1992.

<sup>29</sup> ABC (Australia) radio, "Background briefing; East Timor," Feb. 17, 1991; Osborne, *Indonesia's*

*Secret Wars; Monbiot, Poisoned Arrows; Anti-Slavery Society, West Papua.*

[30](#) *Age* (Australia), Jan. 11, Feb. 18; IPS, Kupang, Jan. 20; *Australian*, July 6; Carey, *op. cit.*; *The Engineer*, March 26, 1992. See also *TAPOL Bulletin*, Aug. 1992.

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# PART III

## *Persistent Themes*

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### Chapter Six

## A "Ripe Fruit"

When new bottles replace the old, the taste of the wine may change, though for victims of the "savage injustice" of the conquerors, it rarely loses its bitterness. Nor does it matter much, for the most part, whose hand wields the rod. Sometimes it does. During the American revolution, Francis Jennings writes, most of the indigenous population "were eventually driven by events to fight for their 'ancient protector and friend' the king of England," recognizing what lay ahead if the rebels won. Much the same was true of the black population, their awareness heightened by the British emancipation proclamation of 1775 offering to free "all indentured servants, Negroes or others...able and willing to bear arms," while condemnation of the slave trade was deleted from the Declaration of Independence "in complaisance to South Carolina and Georgia" (Thomas Jefferson). Even employees were considered chattel by the rebels. Local committees opposed granting them permission to enlist in George Washington's army because "all Apprentices and servants are the Property of their masters and mistresses, and every mode of depriving such masters and mistresses of their Property is a Violation of the Rights of mankind, contrary to the...Continental Congress, and an offence against the Peace of the good People of this State" (Pennsylvania); an indication of "how Patriot employers may have felt about the Revolutionary fervor of their employees," Richard Morris observes.

As well as Samuel Johnson, enslaved people could notice that "we hear the loudest *yelps* for liberty among the drivers of negroes," including those who urged their slaves to "be content with their situation, and expect a better condition in the next world," Federal Judge Leon Higginbotham comments. Among the huge mass of refugees fleeing rebel terror, including many "boat people" whose misery has never entered standard history, were thousands of blacks who fled "to freedom in Great Britain, the West Indies, Canada, and, eventually, Africa" (Ira Berlin). The indigenous population well understood what Alexander Hamilton had in mind when he wrote, in the *Federalist Papers*, that "the savage tribes on our

Western frontier ought to be regarded as our natural enemies," and the natural allies of the Europeans, "because they have most to fear from us, and most to hope from them." Their worst fears were soon to be confirmed.<sup>1</sup>

Latin America provides the richest evidence of the persistence of dominant foreign policy themes, which fall within the broader framework of the world conquest. One of the most grave of Latin America's many problems since the overthrow of Spanish rule was foreseen by the Liberator, Simón Bolívar, in 1822: "There is at the head of this great continent a very powerful country, very rich, very warlike, and capable of anything." "In England," Piero Gleijeses observes, "Bolívar saw a protector; in the United States, a menace." Naturally so, given the geopolitical realities.<sup>2</sup>

Britain had its own reasons for containing the aggressive upstart across the seas. With regard to the Caribbean, Foreign Minister George Canning pointed out in 1822 that "the possession by the United States of both shores of the channel through which our Jamaica trade must pass, would...amount to a suspension of that trade, and to a consequent total ruin." As discussed earlier, the Jacksonian Democrats intended not only to strangle and control England, but far more: to "place all other nations at our feet" and "control the commerce of the world."<sup>3</sup>

The United States did not look forward to the independence of the Spanish colonies. "In the Congressional debates of the period," Gleijeses notes, "there was much more enthusiasm for the cause of the Greeks than that of the Spanish Americans." One reason was that Latin Americans "were of dubious whiteness," at best "from degraded Spanish stock," unlike the Greeks, who were assigned a special role as the Aryan giants who created civilization in the version of history constructed by European racist scholarship.<sup>4</sup> Yet another reason was that, unlike the Founding Fathers, Bolívar freed his slaves, revealing himself to be a rotten apple that might spoil the barrel.

A broader issue was brought forth by the major intellectual reviews of the day. They concluded that "South America will be to North America...what Asia and Africa are to Europe" -- *our* Third World. This perception retains its vitality through the 20th century. Commenting on Secretary of State James Baker's efforts to enhance "regional problem-sharing," *Times* correspondent Barbara Crossette notes "the realization in the United States and throughout the hemisphere that European and Asian trading blocs can be best tackled by a large free-trade area in this part of the world" -- the "realization" by sectors that count, by *Times* standards; others have their reservations about the design constructed in the interests of the masters. The World Bank is also less sanguine about the prospects. A 1992 report concludes that the US will gain more from free trade agreements than Latin America, apart from Mexico and Brazil -- meaning, those elements in Mexico and Brazil linked to international capital; and that the region would do better with a customs union on the model of the European Community with a common external tariff, excluding the US, something definitely not in the cards.<sup>5</sup>

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<sup>1</sup> Jennings, "The Indians' Revolution"; Berlin, "The revolution in black life"; both in Young, *American Revolution*. Morris, *American Revolution*, 72. Higginbotham, *In the Matter of Color*. Hamilton, cited by Vine Deloria, in Lobel, *Less than Perfect*. See references of n. 32, ch. 1.

<sup>2</sup> Gleijeses, "The Limits of Sympathy: the United States and the Independence of Spanish America," ms., Johns Hopkins, 1991.

<sup>3</sup> Lawrence Kaplan, *Diplomatic History*, Summer 1992; see ch. 1.2.

<sup>4</sup> See Bernal, *Black Athena*.

<sup>5</sup> *North American Review*, April 12, 1821, cited by Gleijeses. Crossette, *NYT*, Jan. 18; Stephen Fidler, *FT*, Jan. 29, 1992.

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In the 19th century, the British deterrent prevented US dominance of the hemisphere. But the conception of "our confederacy" as "the nest, from which all America, North and South, is to be peopled" (Thomas Jefferson) was firmly implanted, along with his corollary that it is best for Spain to rule until "our population can be sufficiently advanced to gain it from them piece by piece."<sup>6</sup>

There were internal conflicts over the matter. American merchants "were eager to contribute to the cause of freedom -- as long as the rebels were able to pay, preferably cash," Gleijeses notes. And the well-established tradition of piracy provided a reservoir of American ship owners and seamen (British too) who were happy to offer their services as privateers to attack Spanish shipping, though extension of their terrorist vocation to American vessels led to much moral outrage and a government crackdown. Apart from England, liberated Haiti also provided assistance to the cause of independence, but on the condition that slaves be freed. Haiti too was a dangerous rotten apple, punished for independence in a manner to which we return in [chapter 8](#).

The concept of Panamericanism advanced by Bolívar was diametrically opposed to that of the Monroe Doctrine at the same time. A British official wrote in 1916 that while Bolívar originated the idea of Panamericanism, he "did not contemplate the consummation of his policy under the aegis of the United States." In the end, it was "Monroe's victory and Bolívar's defeat," Gleijeses comments.

The status of Cuba was of particular significance, a striking illustration of the resilience of traditional themes. The US was firmly opposed to the independence of Cuba, "strategically situated and rich in sugar and slaves" (Gleijeses). Jefferson advised President Madison to offer Napoleon a free hand in Spanish America in return for the gift of Cuba to the United States. The US should not go to war for Cuba, he wrote to President Monroe in 1823, "but the first war on other accounts will give it to us, or the Island will give itself to us, when able to do so." Secretary of State John Quincy Adams described Cuba as "an object of transcendent importance to the commercial and political interests of our Union." He too urged Spanish sovereignty until Cuba would fall into US hands by "the laws of political...gravitation," a "ripe fruit" for harvest. Support for Spanish rule was near universal in the Executive branch and Congress; European powers, Colombia, and Mexico were approached for assistance in the endeavor of blocking the liberation of Cuba. A prime concern was the democratic tendencies in the Cuban independence movement, which advocated abolition of slavery and equal rights for all. There was again a threat that "the rot would spread," even to our own shores.<sup>7</sup>

By the end of the 19th century, the US was powerful enough to ignore the British deterrent and conquer Cuba, just in time to prevent the success of the indigenous liberation struggle. Standard doctrines

justified relegating Cuba to virtual colonial status. Cubans were "ignorant niggers, half-breeds, and dagoes," the New York press observed; "a lot of degenerates...no more capable of self-government than the savages of Africa," the military command added. The US imposed the rule of the white propertied classes, who had no weird notions about democracy, freedom, and equal rights, and were thus not degenerates. The "ripe fruit" was converted to a US plantation, terminating the prospects for successful independent development.<sup>8</sup>

With US economic and political domination of the region well established a generation later, President Franklin Delano Roosevelt initiated his "Good Neighbor Policy"; market forces are the most efficient device of control, if they suffice. First, however, it was necessary to overturn the government of Dr. Ramón Grau San Martín, which would be a threat to US "commercial and export interests in Cuba," Ambassador Sumner Welles advised. The ranking expert on Latin America, Welles was particularly disturbed that workers had taken over sugar mills and set up what he called a "soviet government" in them. There can be "no confidence either in the policies nor stability of this regime," he informed Secretary of State Cordell Hull, who told the press that the US would "welcome any government representing the will of the people of the Republic and capable of maintaining law and order throughout the island" -- not the Grau government. Welles conceded that law and order were being maintained, but this appearance of stability was only "the quiet of panic," he explained. It was a situation of "passive anarchy," State Department adviser Adolf Berle added, another term that perhaps finds its place alongside of "logical illogicality."

FDR told the press that Grau was backed only by "his local army" of 1500 men "and a bunch of students," a government lacking any legitimacy. Welles's replacement, Jefferson Caffery, testified later as to the "unpopularity with all the better classes in the country of the de facto [Grau] government," which was "supported only by the army and ignorant masses." When the US-backed Mendieta government that replaced Grau had problems subduing the population, Caffery explained further that "in numbers, the ignorant masses of Cuba reach a very high figure."

Roosevelt's refusal to recognize the Grau government "meant in effect an economic strangulation of the island," David Green points out, "since the United States would not negotiate a new sugar purchase agreement with a government it did not recognize," and the dependent economy could not survive without one. Army Chief of Staff Fulgencio Batista understood the message, and threw his support to opposition leader Carlos Mendieta, who replaced Grau and was immediately recognized by Washington. Relations were readjusted, with the result that Cuba became more fully incorporated "within the protective system of the United States," a member of the US Tariff Commission noted. The US retained effective control over Cuban affairs, keeping its highly stratified and repressive internal social system intact along with the dominant role of foreign enterprise.<sup>9</sup>

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[6](#) Jefferson cited by van Alstyne, *Rising American Empire*, 81.

[7](#) Gleijeses, "Limits of Sympathy." Drinnon, *White Savage*, 158. Also *PI*, 12f., 71f., and sources cited.

[8](#) *Ibid.*

[9](#) Green, *Containment*, 13-18. On the Good Neighbor Policy and its backgrounds, see LaFeber, *Inevitable Revolutions*; Krenn, *US Policy*. See also Salisbury, *Anti-Imperialism*.

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The Batista dictatorship that took over a few years later served US "commercial and export interests in Cuba" admirably, thus enjoying full support.

Castro's overthrow of the dictatorship in January 1959 soon elicited US hostility, and a return to the traditional path. By late 1959, the CIA and the State Department concluded that Castro had to be overthrown. One reason, State Department liberals explained, was that "our business interests in Cuba have been seriously affected." A second was the rotten apple effect: "The United States cannot hope to encourage and support sound economic policies in other Latin American countries and promote necessary private investments in Latin America if it is or appears to be simultaneously cooperating with the Castro program," the State Department concluded in November 1959. But one condition was added: "in view of Castro's strong though diminishing support in Cuba, it is of great importance, however, that the United States government not openly take actions which would cause the United States to be blamed for his failure or downfall."

As for Castro's support, public opinion studies provided to the White House (April 1960) concluded that most Cubans were optimistic about the future and supported Castro, while only 7 percent expressed concern about Communism and only 2 percent about failure to hold elections. Soviet presence was nil. In the United States, Jules Benjamin observes, "The liberals, like the conservatives, saw Castro as a threat to the hemisphere, but without the world communist conspiracy component."

By October 1959, planes based in Florida were carrying out strafing and bombing attacks against Cuban territory. In December, CIA subversion was stepped up, including supply of arms to guerrilla bands and sabotage of sugar mills and other economic targets. In March 1960, the Eisenhower Administration formally adopted a plan to overthrow Castro in favor of a regime "more devoted to the true interests of the Cuban people and more acceptable to the U.S." -- the two conditions being equivalent -- emphasizing again that this must be done "in such a manner as to avoid any appearance of U.S. intervention."

Sabotage, terror, and aggression were escalated further by the Kennedy Administration, along with the kind of economic warfare that no small country can long endure. Cuban reliance on the US as an export market and for imports had, of course, been overwhelming, and could hardly be replaced without great cost. The New Frontiersmen were obsessed with Cuba from the first moments. During the presidential campaign of 1960, Kennedy had accused Eisenhower and Nixon of threatening US security by allowing "the Iron Curtain...90 miles off the coast of the United States." "We were hysterical about Castro at the time of the Bay of Pigs [April 1961] and thereafter," Defense Secretary Robert McNamara later testified to the Church Committee. A few days before the decision to invade Cuba, Arthur Schlesinger advised the President that "the game would be up through a good deal of Latin America" if the US were to tolerate

"another Cuba"; or this one, JFK determined. Much of Kennedy's Latin American policy was inspired by the fear that the virus would infect others and limit US hegemony in the region.

At the first cabinet meeting after the failed Bay of Pigs invasion, the atmosphere was "almost savage," Chester Bowles noted privately: "there was an almost frantic reaction for an action program." The President's public posture was no less militant: "the complacent, the self-indulgent, the soft societies are about to be swept away with the debris of history. Only the strong...can possibly survive," he told the country. Kennedy broke all diplomatic, commercial, and financial ties with Cuba, a terrible blow to the Cuban economy, given the dependency that had been established under US suzerainty. He succeeded in isolating Cuba diplomatically, but efforts to organize collective action against it in 1961 were unsuccessful, perhaps because of a problem noted by a Mexican diplomat: "If we publicly declare that Cuba is a threat to our security, forty million Mexicans will die laughing." Fortunately, the educated classes in the United States were capable of a more sober evaluation of the threat posed to the survival of the Free World.[10](#)

Theoretically, medicines and some food were exempt from the embargo, but food and medical aid were denied after Cyclone Flora caused death and destruction in October 1963. Standard procedure, incidentally. Consider Carter's refusal to allow aid to any West Indian country struck by the August 1980 hurricane unless Grenada was excluded (West Indians refused, and received no aid). Or the US reaction when Nicaragua was fortuitously devastated by a hurricane in October 1988. Washington could scarcely conceal its glee over the welcome prospects of widespread starvation and vast ecological damage, and naturally refused aid, even to the demolished Atlantic Coast area with longstanding links to the US and deep resentment against the Sandinistas; its people too must starve in the ruins of their shacks, to satisfy our blood-lust. US allies timidly followed orders, justifying their cowardice with the usual hypocrisy. To demonstrate that its malice is truly bipartisan, Washington reacted in much the same way when a tidal wave wiped out fishing villages leaving hundreds dead and missing in September 1992. The *New York Times* headline reads: "U.S. Sends Nicaragua Aid As Sea's Toll Rises to 116." "Foreign governments, including the United States, responded with immediate help today for the survivors," the *Times* excuse for a reporter wrote, while Washington announced "that it was making \$5 million available immediately as a result of the disaster." Such nobility. Only in the small print at the end do we discover that the \$5 million is being diverted from scheduled aid that had been withheld -- but not, Congress was assured, from the over \$100 million aid package that the Administration had suspended because the Nicaraguan government is not yet sufficiently subservient to its wishes. The humanitarian donation amounts to an impressive \$25,000.[11](#)

Any weapon, however cruel, may be used against the perpetrators of the crime of independence. And, crucially, the awed self-adulation must never falter. "It was a narrow escape," Mark Twain wrote: "If the sheep had been created first, man would have been a plagiarism."[12](#)

The Kennedy Administration also sought to impose a cultural quarantine to block the free flow of ideas and information to the Latin American countries, fearing the rotten apple effect. In March 1963, JFK met with seven Central American presidents who agreed "To develop and put into immediate effect common

measures to restrict the movement of subversive nationals to and from Cuba, and the flow of materials, propaganda and funds from that country." The unwillingness of Latin American governments to emulate US controls on travel and cultural interchange always greatly troubled the Kennedy liberals, as did their legal systems, requiring evidence for crimes by alleged "subversives," and their excessive liberalism generally.<sup>13</sup>

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<sup>10</sup> Benjamin, *US and Origins*, 186ff. Paterson, in Paterson, *Kennedy's Quest*; Mexican diplomat quoted in Leacock, *Requiem*, 33.

<sup>11</sup> *NI*, 177, 101. Shirley Christian, *NYT*, Sept. 4, 1992.

<sup>12</sup> "Patriotic America," 1903; Zwick, *Mark Twain's Weapons*, 161.

<sup>13</sup> *Envío*, Jesuit Central American University (UCA), Managua, Jan.-Feb. 1992; *NI*, 176f., 67-8; *PI*. 22f.

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Immediately after the Bay of Pigs failure, Kennedy initiated a program of international terrorism to overthrow the regime, reaching quite remarkable dimensions. These atrocities are largely dismissed in the West, apart from some notice of the assassination attempts, one of them implemented on the very day of the Kennedy assassination. The terrorist operations were formally called off by Lyndon Johnson. They continued, however, and were escalated by Nixon. Subsequent actions are attributed to renegades beyond CIA control, whether accurately or not, we do not know; one high-level Pentagon official of the Kennedy-Johnson Administrations, Roswell Gilpatric, has expressed his doubts. The Carter Administration, with the support of US courts, condoned hijacking of Cuban ships in violation of the anti-hijacking convention that Castro was respecting. The Reaganites rejected Cuban initiatives for diplomatic settlement and imposed new sanctions on the most outlandish pretexts, often lying outright, a record reviewed by Wayne Smith, who resigned as head of the US Interests Section in Havana in protest.<sup>14</sup>

From the Cuban perspective, the Kennedy terror seemed to be a prelude to invasion. The CIA concluded in September 1962 -- before Russian missiles were detected in mid-October -- that "the main purpose of the present [Soviet] military buildup in Cuba is to strengthen the Communist regime there against what the Cubans and Soviets conceive to be a danger that the US may attempt by one means or another to overthrow it." In early October, the State Department confirmed this judgment, as did a later State Department study. How realistic these fears were, we may only speculate.

Of interest, in this connection, is Robert McNamara's reaction to the late Andrei Gromyko's allegation that Soviet missiles were sent to Cuba "to strengthen the defensive capability of Cuba -- that is all." In response, McNamara acknowledged that "If I had been a Cuban or Soviet official, I believe I would have shared the judgment you expressed that a U.S. invasion was probable" (a judgment that he says was inaccurate). The probability of nuclear war after a US invasion was "99 percent," McNamara added. Such an invasion was frighteningly close after JFK dismissed Khrushchev's offer of mutual withdrawal of missiles from Cuba and Turkey (the latter obsolete, already ordered withdrawn). Indeed, Cuba itself might have initiated nuclear war when a US terrorist (Mongoose) team blew up a factory, killing 400 people according to Castro, at one of the most tense moments of the crisis, when the Cubans may have had their fingers on the button.<sup>15</sup>

The March 1960 plan to overthrow Castro in favor of a regime "more devoted to the true interests of the Cuban people and more acceptable to the U.S." remains in force in 1992 as the US pursues its venerable task of preventing Cuban independence, with 170 years of experience behind it. Also in force is the Eisenhower directive that the crime should be perpetrated "in such a manner as to avoid any appearance of U.S. intervention." Accordingly, the ideological institutions must suppress the record of aggression, campaigns of terror, economic strangulation, and the other devices employed by the Lord of the

hemisphere in its dedication to "the true interests of the Cuban people."

That dictate has been followed with loyalty perhaps beyond the norm. In respected scholarship, US terrorism against Cuba has been excised from the record in a display of servility that would impress the most dedicated totalitarian. In the media, Cuba's plight is regularly attributed to the demon Castro and "Cuban socialism" alone. Castro bears full responsibility for the "poverty, isolation and humbling dependence" on the USSR, the *New York Times* editors inform us, concluding triumphantly that "the Cuban dictator has painted himself into his own corner," without any help from us. That is true by virtue of doctrinal necessity, the ultimate authority. The editors conclude that we should not intervene directly as some "U.S. cold warriors" propose: "Fidel Castro's reign deserves to end in home-grown failure, not martyrdom." Taking their stand at the dovish extreme, the editors advise that we should continue to stand aside, watching in silence as we have been doing for 30 years, so the naive reader would learn from this (quite typical) version of history, crafted to satisfy the demands of authority.

News reports commonly observe the same conventions. Cuba is a basket case, *Times* Caribbean correspondent Howard French reports, "a Communist oddity in an increasingly free-market world," "a Communist dead end" struggling vainly against "economic realities." These "realities," we are to understand, are the failures of sterile Communist doctrine, unaffected by US terror and economic warfare. The former is passed over in silence. The latter is mentioned, but only as posing a tactical question: we must decide whether the embargo should be tightened, or simply maintained on the assumption that the "economic realities" alone will work "inexorably to bring about a dramatic transformation." Any opinion outside this spectrum is another "oddity," not to be sampled by a responsible journalist operating in the free market of ideas.

*Boston Globe* Latin America specialist Pamela Constable adopts the same conventions. Reviewing *Miami Herald* correspondent Andres Oppenheimer's *Castro's Final Hour*, she opens by explaining that he "is far from a rabid anticommunist, but his credentials as a seasoned journalistic observer of Latin America make his [book], a relentless exposure of the cynical, obsessive workings of Fidel Castro's aging socialist regime, all the more persuasive." He portrays Cuba "as a classic, decaying dictatorship, ruled by a man whose ideals have long succumbed to the hard logic of power," "clinging to a failed system with determined but fatal defiance." In "hilarious and tragic detail," Oppenheimer shows how "life for average Cubans has become a gantlet of woes and absurdities," which she recounts with much amusement. "Oppenheimer leaves little room for doubt that like other messianic tyrants, Castro has sown the seeds of his own destruction." The words "United States" do not appear; there is no hint of any US contribution to the "hilarious" trials of the average Cubans, or to the "failed system" or Castro's mad course of self-destruction. The "hard logic of power" is simply a fact of nature, evoking none of the passion aroused by Castro's evil nature. The norms are universal; Cuba is just a special case. Surveying the terrible decline of Nicaragua after the US-backed government took over, Constable writes that "Two problems underlie the disaster gripping this poor, tropical nation": "lingering hostility" between the Sandinistas and the right, and corruption. Could the rampages of a terrorist superpower have had some marginal effect on the "collapsed socialist economy" and US efforts to recreate the glories that preceded? The idea cannot be expressed, probably even thought, at the dissident extreme of the commissar culture.

The same book is reviewed in the *New York Times* by Clifford Krauss. Again, Cuba's plight is attributed to the crimes and lunacies of the demon alone. The US does receive an oblique mention, in one phrase: Castro (not Cuba) "has survived a host of calamities: the missile crisis, the trade embargo, the Mariel exodus, repeated harvest shortfalls and endless rationing." That concludes the US role. Oppenheimer is praised for describing Cuba's travail "with insight and wit" -- odd, how amusing it is to watch our victims suffer -- but more importantly, for having unearthed hitherto undreamt-of iniquity. Insatiable in his quest for power and love of violence, Castro sent "experienced officers" to train Nicaraguans to resist the terrorist army the US dispatched from its Honduran bases with orders to attack "soft targets" such as health clinics and agricultural cooperatives (with explicit approval of the State Department and left-liberal opinion, in the latter case). The monster even considered retaliation "in case the United States under Ronald Reagan invaded Nicaragua," and he was "far more involved than we knew" in supplying the army of Panama "in anticipation of the United States invasion."

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<sup>14</sup> For a review of terrorist operations, see Blum, *CIA. Nixon*, Garthoff, *Détente*, 76n. See McClintock, *Instruments*, for recent discussion, including Gilpatric interview. Also Garthoff, *Reflections* and Smith, *Closest of Enemies*, for accounts from well-informed US government sources.

<sup>15</sup> Paterson, *op. cit.*; Martin Tolchin, *NYT*, Jan. 15, 1992. Garthoff, *Reflections*, 17.

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But for those who believe that there are limits to what the criminal mind might contemplate, there is still more. "With Cuban soldiers in Angola to support the Marxist Government, Mr. Castro made himself an obstacle to a negotiated settlement of that country's civil war in the 1980's." Connoisseurs who miss *Pravda* in the good old days will recognize this as the *Times* spin on Cuba's support for the government recognized by virtually everyone apart from the US, and its success in repelling US-backed South African aggression, thus setting the stage for a negotiated settlement, which Washington at once disrupted by continuing its support for its terrorist clients to ensure that the war, which had already cost hundreds of thousands of lives and destroyed the country, will leave the remains in the hands of South Africa and Western investors.<sup>[16](#)</sup>

Whatever one may think of Cuba, such performances provide an enlightening "exposure of the cynical, obsessive workings" of a propaganda system of mechanical predictability, run by an intellectual class of truly awe-inspiring moral cowardice. Matters have changed little since the days when the *New York Times* editors, 60 years ago, hailed our magnificent record in the Caribbean region, where we were acting with "the best motives in the world" as Marines pursued the "elusive bandit Sandino" with the cheers of Nicaraguans ringing in their ears, contrary to the whining of the "professional `liberals'" -- though it was unfortunate, the editors felt, that the clash "comes just at a time when the Department of State is breathing grace, mercy and peace for the whole world." In Cuba, we were able "to save the Cubans from themselves and instruct them in self-government," granting them "independence qualified only by the protective Platt amendment" -- which "protected" US corporations and their local allies. "Cuba is very near at hand," the editors proceed, "to refute" the charge of "the menace of American imperialism." We were "summoned" by the Cuban people who have, finally, "mastered the secret of stability" under our kind tutelage. And while "our commercial interests have not suffered in the island," "we have prospered together with a free Cuban people," so "no one speaks of American imperialism in Cuba."<sup>[17](#)</sup>

Commentators affect great anguish over Castro's crimes and abuses. Would that it were believable. Demonstrably, for most it is utterly cynical pretense. The conclusion is established conclusively by comparison of the hysterical outrage over Castro's human rights violations and the evasion or outright suppression of vastly worse atrocities right next door, at the very same time, by US clients, acting with US advice and support. History has been kind enough to provide some dramatic test cases to prove the point.<sup>[18](#)</sup>

The professed concern for "the true interests of the Cuban people" and for "democracy" need not detain us. Concern for the "true interests" of US business, in contrast, is real enough. The same is true of the concerns over public opinion in Cuba and Latin America. Kennedy knew what he was doing when he

sought to block travel and communication. The fears are understandable in the light of the Cuban public opinion polls cited earlier, or the reaction to its Agrarian Reform Law of May 1959, acclaimed by one UN organization as "an example to follow" in all Latin America. Or by the conclusion of the World Health Organization's representative in Cuba in 1980 that "there is no question that Cuba has the best health statistics in Latin America," with the health organization "of a very much developed country" despite its poverty. Or by a UNICEF report on the "State of the World's Children 1990," reviewed in a Peruvian Church journal, which lists a series of Latin American countries as among those with the highest infant mortality rates in the world, though Costa Rica and Chile have low rates for the region, and "Cuba is the only country on a par with developed nations." Or by the interest in Brazil and other Latin American countries in Cuban biotechnology, unusual if not unique for a small and poor country. Or by the kind of discussion we can read in the Australian press, safely remote, reviewing the efforts to achieve the "historic strategic objective" of restoring Cuba "to Washington's sphere of influence":

That Cuba has survived at all under these circumstances is an achievement in itself. That it registered the highest per capita increase in gross social product (wages and social benefits) of any economy in Latin America -- and almost double that of the next highest country -- over the period 1981-1990 is quite remarkable. Moreover, despite the economic difficulties, the average Cuban is still better fed, housed, educated and provided for medically than other Latin Americans, and -- again atypically -- the Cuban Government has sought to spread the burden of the new austerity measures equally among its people.

Worse yet, such perceptions are hardly unusual in the region itself, a product of direct experience and relative freedom from the rigid doctrinal requirements that constrain US orthodoxy and its European camp-followers. They are commonly articulated by leading figures. To select one poignant example, Father Ignacio Ellacuría, the rector of the Jesuit university of El Salvador (UCA), wrote in a Latin American Church journal in November 1989 that for all its abuses, "the Cuban model has achieved the best satisfaction of basic needs in all of Latin America in a relatively short time," while "Latin America's actual situation points out prophetically the capitalist system's intrinsic malice and the ideological falsehood of the semblance of democracy that accompanies, legitimates, and cloaks it."

It was for expressing such thoughts that he was assassinated by US-trained elite troops as the article appeared, and buried deep beneath shrouds of silence by those who feigned great indignation here.<sup>19</sup>

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<sup>16</sup> On scholarly discipline, see, among others, *NI*, App. V.2 (on Walter Laqueur), and several articles in George, *Western*. *NYT* editorial, Sept. 8, 1991. French, *NYT*, April 19; Constable, *BG*, July 15, Oct. 26; Krauss, *NYT Book Review*, Aug. 30, 1992. See ch. 3.5.

[17](#) See *DD*, 280-1.

[18](#) For a particularly shameful example, see *NI*, App. I.1. On the general pattern, see *PEHR*, *MC*, and a voluminous further literature. On media coverage of Cuba, see Platt, *Tropical Gulag*.

[19](#) *Envío*, *op. cit.*; Stavrianos, *Global Rift*, 747; *Latinamerica press*, April 5, 1990; Morris Morley and Chris McGillion, *Sydney Morning Herald*, Jan. 7, 1992. Ellacuría, "Utopia and Prophecy in Latin America" (1989), in Hassett & Lacey, *Towards a Society*.

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As in numerous other cases, it is not Castro's crimes that disturb the rulers of the hemisphere, who cheerfully support the Suhartos and Saddam Husseins and Gramajos, or look the other way, as long as they "fulfill their main function." Rather, it is the elements of success that arouse fear and anger and the call for vengeance, a fact that must be suppressed by ideologists -- not an easy task, given the overwhelming evidence confirming this elementary principle of the intellectual culture.

In the 1980s, the US extended its economic warfare, barring industrial products containing any Cuban nickel, a major Cuban export. Those not affected by political Alzheimer's might recall the US Treasury Department order of April 1988 barring import of Nicaraguan coffee processed in a third country if it is not "sufficiently transformed to lose its Nicaraguan identity" -- recalling the language of the Third Reich, a *Boston Globe* editor observed. The US prohibited a Swedish medical supply company from providing equipment to Cuba because one component is manufactured in the US. Aid to the former Soviet Union was conditioned on its suspension of aid to Cuba. Gorbachev's announcement that such aid would be canceled was greeted with banner headlines: "Baker Hails Move," "Soviets Remove Obstacle to U.S. Economic Aid," "The Cuban-Soviet Connection: 31-Year Irritant to the U.S." At last, the grievous injury to us may be relieved.

In early 1991, the US resumed Caribbean military maneuvers, including rehearsal of a Cuba invasion, a standard technique of intimidation. In mid-1991, the embargo was tightened further, cutting remittances from Cuban-Americans, among other measures. In April 1992, gearing up for the election, President Bush barred ships that go to Cuba from US ports. New laws proposed by congressional liberals, cynically entitled the Cuban Democracy Act, would extend the embargo to US subsidiaries abroad, allowing seizure of cargo of ships that had landed in Cuba if they enter US territorial waters. The ferocity of the hatred for Cuban independence is extreme, and scarcely wavers across the narrow mainstream spectrum.<sup>20</sup>

There has never been any effort to conceal the fact that the disappearance of the Soviet deterrent (like the removal of the British deterrent a century earlier) and the decline of East bloc economic relations with Cuba merely facilitates Washington's efforts to achieve its longstanding aims through economic warfare or other means. Candor is entirely in order: only the most devilish anti-American, after all, could question our right to act as suits our fancy. If, say, we choose to invade some defenseless country to capture one of our agents who no longer follows orders, and then try him for crimes committed while on our payroll, who could question the majesty of our system of justice? True, the UN did, but our veto took care of that childish tantrum. Even the Supreme Court has since accorded the US the right to kidnap alleged criminals abroad to bring them to justice here. Not for us the qualms of Adolf Hitler, who returned a German emigré abducted by Himmler's gangsters from Switzerland in 1937 after the Swiss

government protested, appealing to basic principles of international law.<sup>21</sup>

In a typical commentary on Cuba's happy plight, the editors of the *Washington Post* urged that the US seize the opportunity to crush Castro: "For his great antagonist, the United States, to give relief and legitimacy to this used-up relic at this late hour would be to break faith with the Cuban people -- and with all the other democrats in the hemisphere." Pursuing the same logic, the editors, through the 1980s, called upon the US to coerce Nicaragua until it was restored to the "Central American mode" of the Guatemalan and Salvadoran terror states, observing their admirable "regional standards"; and scoffed at Gorbachev's "New Thinking" because he had not yet offered the US a free hand to achieve its objectives by the means condemned by the World Court (in a judgment that discredited the Court, the press and liberal commentators concluded). The *Post* speaks for the people of Cuba just as the State Department did in the Eisenhower-Kennedy years; as William McKinley spoke for "the vast majority of the population" of the Philippines who "welcome our sovereignty" and whom he was "protecting...against the designing minority" while slaughtering them by the hundreds of thousands; and as his proconsul Leonard Wood spoke for the decent (i.e., wealthy European) people of Cuba who favored US domination or annexation and had to be protected from the "degenerates."<sup>22</sup> The US has never been short of good will for the suffering people of the world who have to be protected from the machinations of evil-doers. As for the *Post's* love of democracy, charity dictates silence. Its peers scarcely differ.

The Cuban record demonstrates with great clarity that the Cold War framework has been scarcely more than a pretext to conceal the standard refusal to tolerate Third World independence, whatever its political coloration. Traditional policies remain beyond serious challenge within the mainstream. The most obvious questions are ruled illegitimate, if not unthinkable. We can anticipate, then, efforts of the usual kind to ensure that the "ripe fruit" drops into the hands of its rightful owners, or is plucked more vigorously from the tree.

A cautious policy would be to tighten the stranglehold, resorting to economic and ideological warfare to punish the population while intimidating others to refrain from interfering. As suffering increases, it can be assumed, so will protest, repression, more unrest, etc., in the predictable cycle. At some stage, internal collapse will reach the point where the Marines can be sent in cost-free to "liberate" the island once again, restoring the old order while the faithful chant odes to our grand leaders and their righteousness. Transitory tactical concerns might accelerate the process, if a need is felt to arouse jingoist passions. But it is unlikely that Washington will veer far from the policies outlined in the Bush Administration National Security Policy Review already cited (p. 94).

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<sup>20</sup> Smith, *Closest of Enemies*; Gillian Gunn, *Current History*, Feb. 1992. Thomas Friedman, *NYT*, Sept. 12, 1991. Michael Kranish, *BG*, April 19; *NYT*, April 19, 1992. Nicaraguan coffee, *NI*, 98.

[21](#) Detlev Vagts, "Reconsidering the Invasion of Panama," *Reconstruction*, vol. 1.2, 1990. See *DD*, ch. 5.

[22](#) *WP weekly*, Jan. 20-26, 1992; *Post*, see *DD*, 103, 141; *NI*, for more extensive review of *Times-Post* dogmas. Benjamin, *US and Origins*, 59; *PI*, 72.

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## Chapter Seven

# World Orders Old and New: Latin America

### 1. "The Colossus of the South"

"When the resources of that vast country are taken into account," the editors of the *Washington Post* wrote in 1929, "it becomes evident that within a few years Brazil will become one of the leading powers of the world." "The United States rejoices in the rise of this great republic in South America," which "has found the road to permanent prosperity and peace." The euphoric predictions seemed not unreasonable. "Brazil is notable for its tremendously favorable combination of large size, low population density, and rich endowment of natural resources," Peter Evans observes, and it had nothing to fear from external enemies. In the second half of the 19th century, real per capita income rose more rapidly in Brazil than in the United States. Its leading export, coffee, was under control of local capital (Brazil provided over 80 percent of world output by the turn of the century). Some weaknesses were showing: the economy relied so heavily on exporting primary products that this rich agricultural country had to import even food staples. Nevertheless, the "colossus of the South," as the *New York Herald Tribune* termed it in 1926, appeared to be a true counterpart to the Colossus of the North, well-placed to rise to prosperity and power. It seemed, indeed, "a mighty realm of limitless potentialities," "a nation which staggers the imagination," as other US journals described it.

The *Wall Street Journal*, in 1924, offered a more caustic glimpse of the future: "No territory in the world is better worth exploitation than Brazil's." Five years later, "American businessmen boasted a larger share of the export market than their British rivals" and "New York had replaced London as the major source of new capital investment" (Joseph Smith). US investment grew tenfold from 1913 to 1930; trade more than doubled, while that of Britain declined by nearly 20 percent. The picture was much the same throughout the region. Direct US investment in Latin American enterprises almost doubled to \$3.5 billion in the 1920s, while portfolio investment (bonds and securities) more than quadrupled to over \$1.7 billion. Venezuelan oil under the Gómez dictatorship, mines in Bolivia, Chile and elsewhere, and the riches of Cuba were among the favored targets. From 1925-1929, US capital inflow to Latin America was about \$200 million a year, while the annual outflow to US investors was about \$300 million.<sup>1</sup>

Serious US interest in Brazil dates from 1889, when the monarchy was overthrown and a republic

established, and a Pan-American conference was held in Washington "as part of a wider strategy designed to oust European competition and thereby secure American commercial ascendancy in Latin American markets," Smith writes. The US was hesitant to recognize the republican government, in part because "the conservative instincts of American politicians were alarmed at the overthrow of a symbol of authority and stability by military violence." But as incoming Secretary of State James Blaine recognized, "Brazil holds in the South much the same relationship to the other countries that the United States does in the North," and commercial opportunities were vast. Hesitations were soon overcome.

Recognized to offer "incalculable" commercial opportunities, Brazil was chosen as the site of the third (1906) Pan-American conference, where Secretary of State Elihu Root declared that the US and Brazil, "acting together, would form a single and eternal guarantee for the integrity of America." From 1900 to 1910, US trade and investment with Latin America more than doubled, growing at the fastest rate in the world. As global power shifted toward the United States with World War I, Washington was able to implement the Monroe Doctrine beyond its Caribbean sphere. The already substantial US economic and political influence throughout the hemisphere increased, giving rise to the euphoria of the 1920s.<sup>2</sup>

US dominance of the Brazilian market peaked after World War II, when the US supplied half of Brazil's imports and bought over 40 percent of its exports. By then, the vision of Washington planners was so expansive that Latin America had come to play only a minor part, though it was not forgotten. "Latin America's role in the new world order," Stephen Rabe observes, was "to sell its raw materials" and "to absorb surplus U.S. capital." In short, it was to "fulfill its major function" and be "exploited" for the benefit of the core industrial countries, along with the rest of the South.<sup>3</sup>

Rabe's description of the New World Order of 1945 is no less apt today; the same is true of Bolívar's concerns about the "very powerful country, very rich, very warlike, and capable of anything" that stands "at the head of this great continent." The major theme of the Colombian era -- the service role assigned to the South -- persists as we advance to a "new imperial age."

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<sup>1</sup> Evans, *Dependent Development*, 51ff. *WP*, May 6, 1929; *New York Herald Tribune*, Dec. 23, 1926; *CSM*, Dec. 22, 1928; *NY Post*, Dec. 21, 1928; *WSJ*, Sept. 10, 1924; cited by Smith, *Unequal Giants*, 186f., 135f., 82. Krenn, *US Policy*, 122. Green, *Containment*, 8f.

<sup>2</sup> Smith, *Unequal Giants*, 3ff., 35f., 134.

<sup>3</sup> Evans, *Dependent Development*, 70; Rabe, *Road to OPEC*, 110.

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## 2. "The Welfare of the World Capitalist System"

The New World Order of 1945 is sometimes described with considerable candor in mainstream scholarship. A highly-regarded study of US-Brazilian relations by the senior historian of the CIA, Gerald Haines, opens frankly: "Following World War II the United States assumed, out of self-interest, responsibility for the welfare of the world capitalist system." He could have gone on to quote the 1948 CIA memorandum on "the colonial economic interests" of our Western European allies, or George Kennan's call for reopening Japan's "Empire toward the South," among other analyses reflecting real interests.<sup>4</sup>

"American leaders tried to reshape the world to fit U.S. needs and standards," Haines continues. It was to be an "open world" -- open to exploitation by the rich, but not completely open even to them. The US desired a "closed hemispheric system in an open world," Haines explains, following Latin Americanist David Green, who had described the system "formalized" after World War II as "A closed hemisphere in an open world." It was to be a world closed to others in regions already controlled by the US or held to be of critical importance (Latin America and the Middle East), and open where US dominance had not been established. Haines's phrase captures the vaunted principle of the Open Door in its doctrinally approved sense: What we have (if it is important enough), we keep; elsewhere, open access to all. The operative principle was articulated by the State Department in 1944 in a memorandum called "Petroleum Policy of the United States." The US then dominated Western Hemisphere production, which was to remain the largest in the world for another quarter century. That system must remain closed, the memorandum declared, while the rest of the world must be open. US policy "would involve the preservation of the absolute position presently obtaining, and therefore vigilant protection of existing concessions in United States hands coupled with insistence upon the Open Door principle of equal opportunity for United States companies in new areas."<sup>5</sup>

That Latin America would be ours is an expectation that goes back to the earliest days of the Republic, given an early form in the Monroe Doctrine. The intentions were articulated plainly and illustrated consistently in action. It is hard to improve upon the formulation by Woodrow Wilson's Secretary of State, Robert Lansing, which the President found "unanswerable" though "impolitic" to state openly:

In its advocacy of the Monroe Doctrine the United States considers its own interests. The integrity of other American nations is an incident, not an end. While this may seem based on selfishness alone, the author of the Doctrine had no higher or more generous motive in its declaration.

With some reason, Bismarck had described the Monroe Doctrine in 1898 as a "species of arrogance, peculiarly American and inexcusable."

Wilson's predecessor, President Taft, had foreseen that "the day is not far distant" when "the whole hemisphere will be ours in fact as, by virtue of our superiority of race, it already is ours morally." Given the awesome power that the US had achieved by the mid-1940s, Washington saw no reason to tolerate any interference in "our little region over here" (Stimson).<sup>6</sup>

In the global order of 1945, Haines continues, the goal was "to eliminate all foreign competition" from Latin America. The US undertook to displace its French, British, and Canadian rivals so as "to maintain the area as an important market for U.S. surplus industrial production and private investments, to exploit its vast reserves of raw materials, and to keep international communism out." Here the term "communist" is to be understood in its usual technical sense: those who appeal to "the poor people [who] have always wanted to plunder the rich," in John Foster Dulles's phrase. Plans were similar for the Middle East, to which the US extended the Monroe Doctrine after World War II, with enormous consequences for southern Europe, North Africa, and the region itself.

Though Haines happens to be concentrating on the richest and most important country of Latin America, the conclusions generalize. In Brazil, he writes, the US worked to prevent economic nationalism and what the Truman and Eisenhower Administrations called "excessive industrial development" -- that is, development that might compete with US corporations; competition with foreign capital was not "excessive," therefore allowed. That US demand had been imposed on the hemisphere generally by February 1945, as already discussed ([chapter 2.1](#)).

What was new in these priorities was the scale, not the character. The intent of the prewar Good Neighbor programs, David Green writes, was "to stimulate a certain diversification of Latin American production in the expectation that the Latin Americans would find ready markets in the hemisphere; [but] such diversification was to be limited to products not competitive with existing lines of production in already established Western Hemisphere markets," meaning in practice US lines of production. The proposals of the Inter-American Advisory Commission called for the US to absorb Latin American imports so as to enhance "the development of Latin America's capacity for *purchasing more United States manufactures*" (Green's emphasis). The earliest projects of the US-dominated inter-American agencies "were all of a consumer-goods rather than a producer goods variety." The purpose "was certainly not to cut into the United States' `share' of exports to Latin America," specifically "machinery and heavy industry exports."

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<sup>4</sup> Haines, *Americanization*; Leffler, *Preponderance*, 258, 339. Ch. 2.2.

[5](#) Cited by Kolko, *Politics*, 302f. Green, *Containment*, ch. 11. The situation is more complex; see ch. 2.2.

[6](#) See *TTT*, ch. 2.3. Bismarck quoted by Nancy Mitchell, ms., SAIS, Johns Hopkins, 1991, forthcoming in *Prologue*. Stimson, p. 42, above.

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The occasional exceptions highlighted the point. Washington agreed to finance a Brazilian steel project, but as government economist Simon Hanson pointed out, that meant only a "shift in the type" of American steel exports to Brazil, not a loss in total volume or value: the Brazilian plant would produce "the simpler manufactured products," which in turn would "require import of more complex materials" requiring more advanced technology; that "is where we come in," keeping US export markets safe. An analysis concluded that "the countries who will lose most of the Brazil business which will ultimately be handled by this plant are England and Germany."<sup>7</sup>

Quite generally, Haines observes, US leaders "opposed major industrialization plans of the Third World nations and rejected foreign aid programs based on public loans to promote economic growth." They preferred a "mercantilist approach," with Third World economies integrated "into their U.S.-dominated free trade system"; the concept of "mercantilist free trade" captures nicely the doctrinal framework. The US "tried to guide and control Brazilian industrial development for the benefit of private U.S.corporations and to fit Brazil into its regional economic plans." The humanitarian Point Four program, which was to be "a model for all Latin America," was designed "to develop larger and more efficient sources of supply for the American economy, as well as create expanded markets for U.S. exports and expanded opportunities for the investment of American capital."

What US planners "envisioned, but seldom stated, was a neocolonial relationship, with Brazil furnishing the raw materials for American industry and the United States supplying Brazil with manufactured goods." They pursued a "neocolonial, neomercantilist policy" -- which is, somehow, "a classic liberal approach to development," showing again how flexible an instrument economic theory can be. Industrial development was tolerable only if it was "complementary to U.S. industry." The basic concept was "that Brazilian development was all right as long as it did not interfere with American profits and dominance," and ample profit remittance was guaranteed. Agricultural development was also promoted, as long as it avoided "destabilizing" programs like land reform, relied on US farm equipment, fostered "commodities that complemented US production, such as coffee, cacao, rubber, and jute," and created "new markets for U.S. agricultural commodities" such as dairy products and wheat.

"Brazilian desires were secondary," Haines observes, though it was useful "to pat them a little bit and make them think that you are fond of them," in Dulles's words.

The Cold War framework was in place at once. By 1946, Soviet machinations in Brazil were of much concern to Ambassador Adolf Berle, a leading liberal statesman from the New Deal through Kennedy's New Frontier. The Russians are like the Nazis, he warned: "Horribly, cynically, and terribly, they exploit any center of thought or action which may make trouble for the United States"; they are so unlike us, in

this regard. Intelligence could detect no Soviet trouble-making in Brazil apart from economic missions and other common practices. But as usual, that conclusion was not considered relevant, and Berle's position was endorsed. As Haines summarizes an intelligence report a few months later, "the Soviet Union might conceivably find it to its advantage in the future to fish in troubled inter-American waters," so no chances could be taken, another illustration of the "logical illogicality" that governed global policy planning. The potential Communists must be eliminated before they have a chance to interfere with our pursuit of our goals.

US leaders used Brazil as a "testing area for modern scientific methods of industrial development," Haines observes. US experts provided instructions on all sorts of topics. For example, they encouraged Brazilians to open the Amazon to development and to follow the US model of railroad operation -- the latter a touch of black humor, perhaps. But crucially, they provided Brazil with sincere advice on how to benefit US corporations.

Throughout, Haines's account is interlarded with such phrases as "the best of intentions," "sincerely believed," etc. By lucky accident, what was "sincerely believed" conformed nicely to the interests of US investors, however ruinous it might be to our wards. Again, Haines strikes traditional chords, including the faith in the benign intent that so miraculously serves self-interest.

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<sup>7</sup>Green, *Containment*, 74f., 315n.; ch. 2.1, above.

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### 3. Protecting Democracy

Haines focuses on the early years, but he gives a foretaste of what was to come when he refers to the goal of "cultivating the Brazilian military," which US officials "promoted...as the protector of democracy." This farsighted program to achieve our democratic vision came to fruition as the generals took command in 1964, terminating Brazil's postwar parliamentary interlude and instituting a neo-Nazi National Security State with ample torture and repression, inspiring their counterparts throughout the hemisphere to do the same in a notable illustration of the "domino theory" which, for some reason, is rarely discussed under this rubric. Following approved neoliberal doctrine under continued US tutelage, the Generals proceeded to create an "economic miracle" that was much admired, though with some reservations about the sadistic violence by which it was instituted.

The military-run National Security States were a direct outcome of US policy and doctrine. From World War II, US planners sought to integrate the Latin American military within the US command structure. During the war, they had laid the basis for a permanent coordinated supply system, with standardized US weapons for the continent. These measures, it was assumed, would "prove very profitable" to the booming US military industries (General "Hap" Arnold, referring, in this case, to the postwar aviation industry); and control over military supplies would provide economic and political leverage as well, enabling the US to deter nationalist tendencies and to counter "subversion." A corollary would be a takeover of training missions, displacing European rivals. Truman's Inter-American Military Cooperation Act of 1946 sought to secure a US monopoly of supply and training in a "militarily closed hemisphere under United States domination" (Green). The need to replace European rivals was stressed in internal documents in later years, and soon accomplished.

The problem of combating "subversion" had come to the fore in 1943, when Bolivian mine owners called on government troops to suppress striking tin miners, killing hundreds of them in the "Catavi massacre." There was no US reaction until the nationalist, anti-oligarchic, pro-labor National Revolutionary Movement (MNR) deposed the dictatorship a year later. The US denounced the new regime as "pro-fascist" (on flimsy pretexts) and as opposed to "Anglo-Yankee imperialism" (accurately, in this case), demanded that all MNR members be excluded from positions of power, and quickly secured its overthrow in favor of a military government. A State Department memo identified one decisive theme: the mine owners, it observed, are afraid of the MNR's "announced intention to interest itself in the betterment of the workers, fearing this can only be done at the expense of the mining interests." The broader fear was radical nationalism ([chapter 2.1](#)).

The Kennedy Administration moved the process forward, shifting the mission of the Latin American military from "hemispheric defense" to "internal security," meaning war against the population. Academic experts explained soberly that the military are a "modernizing" force, when guided by their US tutors.

The basic reasoning was explained in a secret 1965 study by Robert McNamara's Defense Department, which found that "U.S. policies toward the Latin American military have, on the whole, been effective in attaining the goals set for them": "improving internal security capabilities" and "establishing predominant U.S. military influence." The military now understands their tasks and are equipped to pursue them, thanks to the substantial increase in training and supply carried out by the Kennedy Administration in 1961-1962. These tasks include the overthrow of civilian governments "whenever, in the judgment of the military, the conduct of these leaders is injurious to the welfare of the nation"; this is a necessity in "the Latin American cultural environment," the Kennedy liberals explained, sure to be carried out properly now that the judgment of the military is based upon "the understanding of, and orientation toward, U.S. objectives." Proceeding along these lines, we can assure the proper outcome to the "revolutionary struggle for power among major groups which constitute the present class structure" in Latin America, and can guarantee "private U.S. investment" and trade, the "economic root" that is the strongest of the roots of "U.S. political interest in Latin America."<sup>8</sup>

The vulgar Marxist rhetoric affected by the Kennedy-Johnson planners is common in internal documents, as in the business press.

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<sup>8</sup> NSC 5432, August 1954; *Memorandum for the Special Assistant to the President for National Security Affairs* (McGeorge Bundy), "Study of U.S. Policy Toward Latin American Military Forces," Secretary of Defense, 11 June 1965. See *PI*, lecture I, for further details. Green, *Containment*, 180f., 259f., 103, 147f., 174f., 188. On Latin American military, see also Leffler, *Preponderance*, 59f. On the aftermath in Bolivia, see, *DD*, 395f.; and ch. 3.4, above.

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Returning to Brazil, plans for a military coup were initiated shortly after João Goulart became President in August 1961. The military were wary of his populist rhetoric and appeal, and angered by his efforts to raise minimum wages of civilian laborers. Concerns of the US business community were enhanced when the Chamber of Deputies passed a bill placing conditions on foreign investment and limiting remittance of profits on the grounds that they were "bleeding the Brazilian economy." Though Goulart, a faithful member of the Brazilian elite, was anti-Communist, US labor leaders and Embassy officials were alarmed at his involvement with labor and peasant organizations and appointment of Brazilian Communists to staff positions; "an openly Communist course," the CIA warned. The appropriate Cold War context had been spelled out by JFK, shortly before assuming office (see p. 73).

By early 1962, Brazilian military commanders had notified Kennedy's Ambassador, Lincoln Gordon, that they were organizing a coup. At JFK's personal initiative, the US began to lend clandestine and overt support to right-wing political candidates. The President's feeling, in agreement with Gordon and the US business community, was that "the military probably represented the key to the future," Ruth Leacock concludes. Robert Kennedy was dispatched to Brazil in December 1962 to influence Goulart to "confront the communist problem," as the US Embassy put it. RFK informed Goulart that the President was seriously concerned about the infiltration of "Communists and anti-American nationalist leftists" into the government, the military, the unions, and student groups, and about the "ill treatment [of] American and other foreign private investors." If Goulart wanted US aid, Kennedy said, he must see to it that "personnel in key Brazilian positions" were pro-American, and impose economic measures that the US recommended.

Relations remained tense, particularly over the austerity plan that the Kennedy Administration demanded as a condition for aid, and its admonitions about left-wing influence. In March 1963, the CIA again reported plans for a military coup; US corporate executives were, by then, privately urging a total US aid cutoff to expedite the coup plans. In August, US Defense Attaché Vernon Walters warned the Pentagon that Goulart was promoting "ultranationalist officers" in preference to "pro-democratic pro-US officers" (the two terms presumably being synonymous). Relations harshened further under the Johnson Administration. Senator Albert Gore informed the Senate Foreign Relations Committee, then considering US aid, that he had heard that "all of the members of the Brazilian Congress who advocated the kind of reforms which we have made a prerequisite for Alliance for Progress aid are now in prison." Ambassador Gordon cabled Washington that the US should increase military aid for Brazil because the military was essential in the "strategy for restraining left wing excesses of Goulart government." Meanwhile the CIA was "financing the mass urban demonstrations against the Goulart government, proving the old themes of God, country, family, and liberty to be as effective as ever," Philip Agee noted in his Diary.

Recall that aid to the military is standard operating procedure for overthrowing a civilian government. The device was also used effectively in Indonesia and Chile, and tried in Iran in the early 1980s, the first stage in what later became (suitably recrafted) the Iran-contra affair.<sup>9</sup>

On March 31, the generals took over, with US support and plans for further action if necessary "to assure success of takeover." The Generals had carried out a "democratic rebellion," Gordon cabled Washington. The revolution was "a great victory for the free world," which prevented a "total loss to the West of all South American Republics" and should "create a greatly improved climate for private investments." "The principal purpose for the Brazilian revolution," he testified before Congress two years later, "was to preserve and not destroy Brazil's democracy." This democratic revolution was "the single most decisive victory of freedom in the mid-twentieth century," Gordon held, "one of the major turning points in world history" in this period. Adolf Berle agreed that Goulart was a Castro clone who had to be removed. Secretary of State Dean Rusk justified US recognition for the coup regime on the grounds that "the succession there occurred as foreseen by the Constitution," a statement that was not "entirely accurate," Thomas Skidmore judiciously observes.

US labor leaders demanded their proper share of the credit for the violent overthrow of the parliamentary regime, while the new government proceeded to crush the labor movement and to subordinate poor and working people to the overriding needs of business interests, primarily foreign, reducing real wages by 25 percent within 3 years and redistributing income "toward upper-income groups who were destined to be the great consumers of the Brazilian miracle" (Sylvia Ann Hewlett, who sees the brutal repression and attack on living standards as "an essential prerequisite for a new cycle of capitalist growth within the Brazilian domestic economy"). Washington and the investment community were naturally delighted. As the relics of constitutional rule faded away and the investment climate improved, the World Bank offered its first loans in 15 years and US aid rapidly increased along with torture, murder, starvation, disease, infant mortality -- and profits.<sup>10</sup>

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<sup>9</sup> See ch. 5, n. 5. Agee, *Inside*, 361-2.

<sup>10</sup> Parker, *Brazil*; Leacock, *Requiem*; Skidmore, *Politics*; Hewlett, *Cruel Dilemmas*. See also Black, *US Penetration*.

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## 4. Securing the Victory

The United States was the "regime's most reliable ally," Thomas Skidmore observes in the most comprehensive scholarly study of what came next. US aid "saved the day" for the ruling Generals; the process also "turned the U.S. into a kind of unilateral IMF, overseeing *every* aspect of Brazilian economic policy." "In almost every Brazilian office involved in administering unpopular tax, wage, or price decisions, there was the ubiquitous American adviser," the new US Ambassador discovered in 1966. Once again, the US was well-positioned to use Brazil as a "testing area for modern scientific methods of industrial development" (Haines), and therefore has every right to take credit for what ensued. Under US guidance, Brazil pursued orthodox neoliberal policies, "doing everything right" by monetarist criteria, and "strengthening the market economy" (Skidmore). The "economic miracle" proceeded in parallel with the entrenchment of the fascist National Security State, not accidentally; a regime that could not wield the knout could hardly have carried out measures with such a deleterious impact on the population.

The neoliberal reforms did not exactly succeed in "building Brazilian capitalism," Skidmore continues (though they did help build foreign corporations). They provoked a severe industrial recession, driving many businesses to ruin. To counter these effects and to prevent still further foreign takeover of the economy, the government turned to the public sector, strengthening the despised state corporations.

In 1967, economic policy was taken over by technocrats led by the highly respected conservative economist Antonio Delfim Neto, an enthusiastic supporter of "the Revolution of March 31," which he saw as a "huge demonstration by society" and "the product of a collective consensus" (among those who qualify as "society"). Declaring its devotion to the principles of economic liberalism, the government instituted indefinite wage controls. "Worker protests, up to now infrequent and small, were handily suppressed," Skidmore notes, as fascist rule hardened further over the whole society, with harsh censorship, elimination of judicial independence, removal of many faculty, and revised curricula to promote patriotism. The new compulsory course in "Moral and Civic Education" aimed to "defend the democratic principle by preserving the religious spirit, the dignity of the human being, and the love of liberty, with responsibility under God's inspiration" -- as administered by the Generals with the technocrats at their side. The authors of the 1992 Republican Campaign platform would have been much impressed, along with 1980s-style "conservatives" rather generally.

The President announced in 1970 that repression would be "harsh and implacable," with no rights for "pseudo-Brazilians." Torture became "a grisly ritual, a calculated onslaught against body and soul,"

Skidmore writes, with such specialties as torture of children and gang rape of wives before the family. The "orgy of torture" provided "a stark warning" to anyone with the wrong thoughts. It was a "powerful instrument," that "made it even easier for Delfim and his technocrats to avoid public debate over fundamental economic and social priorities" while they "preached the virtues of the free market." The resumption of high economic growth, by these means, made Brazil "again attractive to foreign private investors," who took over substantial parts of the economy. By the late 1970s, "The industries dominated by local capital in Brazil [were] the same industries where small businesses flourish in the United States"; multinationals and their local associates dominated the more profitable growth areas, though with the changes in the global economy, about 60 percent of foreign capital was then non-US (Peter Evans).

Macroeconomic statistics continued to be satisfying, Skidmore continues, with rapid growth of GNP and foreign investment. A "dramatic" improvement in terms of trade in the early '70s also provided a shot in the arm to the Generals and technocrats. They held firm to the doctrine that "the real answer to poverty and unequal income distribution was rapid economic growth, thereby increasing the total economic pie," eliciting nods of approval in the West. A closer look shows other characteristic features of neoliberal doctrine. Growth rates in 1965-1982 under the National Security State averaged no higher than under the parliamentary governments from 1947-1964, economist David Felix observes, despite the advantages of authoritarian control the fascist neoliberals enjoyed; and the domestic savings rate hardly rose during the "miracle years" under the "right-wing consumerism" instituted by the Generals and technocrats. The domestic market was dominated by luxury goods for the rich. None of this will be unfamiliar to others subjected to the same doctrines, including North Americans during the "Reagan revolution."

Brazil became "the most rapidly growing of major overseas markets of American manufacturers," Evans observes, with high rates of return for investment, second only to Germany during the late '60s and early '70s. Meanwhile, the country became even more of a foreign-owned subsidiary. As for the population, a World Bank study in 1975 -- at the peak of the miracle years -- reported that 68 percent had less than the minimum caloric requirement for normal physical activity and that 58 percent of children suffered from malnutrition. Ministry of Health expenditures were lower than in 1965, with the expected concomitant effects.<sup>[11](#)</sup>

After a visit to Brazil in 1972, Harvard political scientist Samuel Huntington urged some relaxation of the fascist terror, but with moderation: "relaxation of controls" might "have an explosive effect in which the process gets out of control," he warned. He suggested the model of Turkey or Mexican one-party rule, playing down the importance of liberal rights in comparison with the more significant values of "institutionalization" and stability.

A few years later, the bubble burst. Brazil was swept up in the global economic crisis of the '80s, particularly ruinous in Africa and Latin America. Terms of trade now rapidly declined, eliminating this crutch for those who held the purse strings and the whip. Inflation and debt raced out of control, income levels dropped substantially, many firms faced bankruptcy, and idle capacity reached 50 percent, "giving a new meaning to 'stagflation'," Skidmore observes. Delfim's neoliberal growth strategy was in "total

collapse," he adds. After 4 years of severe economic decline, the economy began to recover, in large part thanks to the import-substituting industrialization decried by neoliberal economic doctrine. The Generals bowed out, leaving a civilian government to administer the economic and social wreckage.

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<sup>11</sup> Felix, "Financial Blowups" (ch. 4, n. 5); Evans, *op. cit.*; Herman, *Real Terror Network*, 97.

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## 5. "A Real American Success Story"

Writing in 1989, Gerald Haines describes the results of more than four decades of US dominance and tutelage as "a real American success story." "America's Brazilian policies were enormously successful," bringing about "impressive economic growth based solidly on capitalism." As for political success, as early as September 1945, when the "testing area" had barely been opened for experiment, Ambassador Berle wrote that "every Brazilian now has available to himself all of the resources available to any American during a political campaign: he can make a speech, hire a hall, circulate a petition, run a newspaper, post handbills, organize a parade, solicit support, get radio time, form committees, organize a political party, and otherwise make any peaceable bid for the suffrage and support of his countrymen" -- just like "any American." We're all equal, one happy family in harmony, which is why government is so responsive to the needs of the people. And so "democratic" -- in the doctrinally approved sense of the term, referring to unquestioned business rule.

This triumph of capitalist democracy stands in dramatic contrast to the failures of Communism, though admittedly the comparison is unfair -- to the Communists, who had nothing remotely like the favorable conditions of this "testing area" for capitalism, with its huge resources, no foreign enemies, free access to international capital and aid, and benevolent US guidance for half a century. And the success is real. From the early years, US investments and profits boomed as "Washington intensified Brazil's financial dependence on the United States, influenced its government's decisions affecting the allocation of resources, and nudged Brazil into the U.S.-dominated trading system," Haines writes.

Within Brazil, the "modern scientific methods of development based solidly on capitalism" also brought great benefits, though to understand them, a bit more precision is necessary. There are two very different Brazils, Peter Evans wrote as the miracle peaked in the 1970s: "the fundamental conflict in Brazil is between the 1, or perhaps 5, percent of the population that comprises the elite and the 80 percent that has been left out of the 'Brazilian model' of development." The first Brazil, modern and westernized, has benefited greatly from the success story of capitalism. The second is sunk in the deepest misery. For three-quarters of the population of this "mighty realm of limitless potentialities," the conditions of Eastern Europe are dreams beyond reach, another triumph of the Free World.

The "real American success story" was spelled out in a 1986 study commissioned by the new civilian government. It presented "a by-now familiar picture of Brazil," Skidmore observes: "although boasting the eighth largest economy in the Western world, Brazil fell into the same category as the less developed African or Asian countries when it came to social welfare indices"; this was the result of "two decades of

a free hand for the technocrats" and the approved neoliberal doctrines, which "increased the cake" while leaving "one of the most unequal income distributions in the world" and "appalling deficiencies" in health and welfare generally. A UN *Report on Human Development* (measuring education, health, etc.) ranked Brazil in 80th place, near Albania, Paraguay, and Thailand. Shortly after, in October 1990, the UN Food and Agriculture Organization (FAO) announced that more than 40 percent of the population (almost 53 million people) are hungry. The Brazilian Health Ministry estimates that hundreds of thousands of children die of hunger every year. Brazil's educational system ranks above only Guinea-Bissau and Bangladesh, according to 1990 UNESCO data.<sup>12</sup>

The "success story" is summarized in a May 1992 Americas Watch report: "Rich in natural resources and with a large industrial base, the country has the largest debt in the developing world and an economy that is entering its second decade of acute crisis. Tragically, Brazil is not able to provide an adequate standard of living for its 148 million people, two-thirds of whom were malnourished in 1985, their misery caused and compounded by lack of access to the land" in a country with "one of the highest degrees of concentration of land ownership in the world," and one of the most lopsided distributions of income as well.

Starvation and disease are rampant, along with slave labor by contract workers who are brutally treated or simply murdered if they seek to escape before working off their debts. In one of the nine cases of rural slavery unearthed by the Catholic Church Land Ministry Commission in the first few months of 1992, 4000 slave workers were found extracting charcoal in an agribusiness project established and subsidized by the military government as a "reforestation project" (of which nothing operates but the charcoal pits). In haciendas, slave laborers work 16 hours a day without pay and are frequently beaten and tortured, sometimes murdered, with almost complete impunity. Almost half the farmland is owned by 1 percent of farmers; government emphasis on export crops, following the precepts of the foreign masters, favors farmers with capital to invest, marginalizing the huge majority even further. In the north and northeast, rich landowners call in gunmen or the military police to burn houses and crops, shoot livestock, murder unionists, priests, nuns or lawyers trying to defend peasant rights, and drive the villagers into shantytowns or to the Amazon, where they are then blamed for deforestation as they clear land in a desperate attempt to survive. Brazilian medical researchers describe the population of the region as a new subspecies: "Pygmies," with 40 percent the brain capacity of humans -- the result of severe malnutrition in a region with much fertile land, owned by large plantations that produce cash crops for export.<sup>13</sup>

Brazil is a world center of such triumphs as child slavery, with some 7 million children working as slaves and prostitutes, exploited, overworked, deprived of health and education, "or just deprived of their childhood," an International Labor Organization study estimates. The luckier children can look forward to work for drug traffickers in exchange for glue to sniff to "make the hunger go away." The figure worldwide is estimated at hundreds of millions, "one of the grimmer ironies of the age," George Moffett comments. Had the grim result been found in Eastern Europe it would have been a proof of the bestiality of the Communist enemy; since it is the normal situation in Western domains, it is only irony, the result of "endemic third-world poverty...exacerbated as financially strapped governments have cut expenditures for education," all with no cause.

Brazil also wins the prize for torture and murder of street children by the security forces -- "a process of extermination of young people" according to the head of the Justice Department in Rio de Janeiro (Hélio Saboya), targeting the 7-8 million street children who "beg, steal, or sniff glue" and "for a few glorious moments forget who or where they are" (London *Guardian* correspondent Jan Rocha). In Rio, a congressional commission identified 15 death squads, most of them made up of police officers and financed by merchants. Bodies of children murdered by death squads are found outside metropolitan areas with their hands tied, showing signs of torture, riddled with bullet holes. Street girls are forced to work as prostitutes. The Legal Medical Institute recorded 427 children murdered in Rio alone in the first ten months of 1991, most by death squads. A Brazilian parliamentary study released in December 1991 reported that 7000 children had been killed in the past four years.<sup>14</sup>

Truly a tribute to our magnificence and the "modern scientific methods of development based solidly on capitalism" in a territory as much "worth exploitation" as any in the world.

We should not underestimate the scale of the achievement. It took real talent to create a nightmare in a country as favored and richly-endowed as Brazil. In the light of such triumphs, it is understandable that the ruling class of the new imperial age should be dedicated with such passion to helping others share the wonders, and that the ideological managers should celebrate the accomplishment with such enthusiasm and self-praise.

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<sup>12</sup> Skidmore; Evans, 4. Mario de Carvalho Garnerio, chairman of Brasilinvest Informations and Telecommunications, *O Estado de São Paulo*, Aug. 8 (*LANU*, Sept. 1990); *Latin America Commentary*, October, 1990. CIIR, *Brazil*. On the broader context, see *DD*, ch. 7.

<sup>13</sup> Americas Watch, *Struggle for Land*; Brazilian journalist José Pedro Martins, *Latinamerica press*, June 4, 1992; George Monbiot, *Index on Censorship* (London), May 1992; Isabel Vincent, *G&M*, Dec. 17, 1991. Generally, see Hecht and Cockburn, *Fate*.

<sup>14</sup> Dimerstein, *Brazil*; Blixen, "'War' waged on Latin American street kids," *Latinamerica press*, November 7, 1991; Gabriel Canihuante, *Ibid.*, May 14, 1992; Moffett, *CSM*, July 21, 1992; Maité Pinero, *Le Monde diplomatique*, August 1992.

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## 6. Fundamentalism Triumphant

One might object that despite its unusual advantages, Brazil is still not the optimal testing area to demonstrate the virtues of the neoliberal doctrines that "American-style capitalism" urges upon countries it deems "worth exploitation." Perhaps it would be better to try Venezuela, even more favorable terrain with its extraordinary resources, including the richest petroleum reserves outside the Middle East. We might, then, have a look at that success story.

In a major scholarly study of US-Venezuelan relations, Stephen Rabe writes that after World War II, the US "actively supported the vicious and venal regime of Juan Vicente Gómez," who opened the country wide to foreign exploitation. The State Department shelved the "Open Door" policy in the usual way, recognizing the possibility of "U.S. economic hegemony in Venezuela," hence pressuring its government to bar British concessions (while continuing to demand -- and secure -- US oil rights in the Middle East, where the British and French were in the lead). By 1928, Venezuela had become the world's leading oil exporter, with US companies in charge. During World War II, the US agreed to a Venezuelan demand for 50-50 profit-sharing. The effect, as predicted, was a vast expansion of oil production and "substantial profits for the [US] oil industry," which took control over the country's economy and "major economic decisions" in all areas. During the 1949-1958 dictatorship of the murderous thug Pérez Jiménez, "U.S. relations with Venezuela were harmonious and economically beneficial to U.S. businessmen"; torture, terror, and general repression passed without notice on the usual Cold War pretexts. In 1954, the dictator was awarded the Legion of Merit by President Eisenhower. The citation noted that "his wholesome policy in economic and financial matters has facilitated the expansion of foreign investment, his Administration thus contributing to the greater well-being of the country and the rapid development of its immense natural resources" -- and, incidentally, huge profits for the US corporations that ran the country, including by then steel companies and others. About half of Standard Oil of New Jersey's profits came from its Venezuelan subsidiary, to cite just one example.

From World War II, in Venezuela the US followed the standard policy of taking total control of the military "to expand U.S. political and military influence in the Western Hemisphere and perhaps help keep the U.S. arms industry vigorous" (Rabe). As later explained by Kennedy's Ambassador Allan Stewart, "U.S.-oriented and anti-Communist armed forces are vital instruments to maintain our security interests." He illustrated the point with the case of Cuba, where the "armed forces disintegrated" while elsewhere they "remained intact and able to defend themselves and others from Communists," as demonstrated by the wave of National Security States that swept over the hemisphere. The Kennedy Administration increased its assistance to the Venezuelan security forces for "internal security and counterinsurgency operations against the political left," Rabe comments, also assigning personnel to

advise in combat operations, as in Vietnam. Stewart urged the government to "dramatize" its arrests of radicals, which would make a good impression in Washington as well as among Venezuelans (those who matter, that is).

In 1970, Venezuela lost its position as world's leading oil exporter to Saudi Arabia and Iran. As in the Middle East, Venezuela nationalized its oil (and iron ore) in a manner quite satisfactory to Washington and US investors, who "found a newly rich Venezuela hospitable," Rabe writes, "one of the most unique markets in the world," in the words of a Commerce Department official.<sup>15</sup>

The return to office of social democrat Carlos Andrés Pérez in 1988 aroused some concerns, but they dissipated as he launched an IMF-approved structural readjustment program, resolutely maintained despite thousands of protests, many violent, including one in February 1989 in which 300 people were killed by security forces in the capital city of Caracas.

Though rarely reported in the US, protests continued along with strike waves severe enough to lead to fear that the country was headed towards "anarchy." Among other cases, three students were killed by police who attacked peaceful demonstrations in late November 1991; and two weeks later, police used tear gas to break up a peaceful march of 15,000 people in Caracas protesting Pérez's economic policies. In January 1992, the main trade union confederation predicted serious difficulties and conflicts as a result of the neoliberal programs, which had caused "massive impoverishment" including a 60 percent drop in workers' buying power in 3 years, while enriching financial groups and transnational corporations.<sup>16</sup>

By then, another "economic miracle" was in place: "a treasury brimming with foreign reserves, inflation at its lowest rate in five years, and an economy growing at the fastest rate in the Americas, 9.2 percent in 1991," *Times* correspondent James Brooke reported, noting also some familiar flaws, among them a fall in the real minimum wage in Caracas to 44 percent of the 1987 level, a decline in nutritional levels, and a "scandalous concentration of wealth," according to a right-wing Congressman he quotes. Other flaws were to come to light (in the US) a few weeks later after a coup attempt, among them, the government's admission that only 57 percent of Venezuelans could afford more than one meal a day in this country of enormous wealth. Other flaws in the miracle had been revealed in the report of an August 1991 Presidential Commission for the Rights of Children, not previously noticed, which found that "critical poverty, defined as the inability to meet at least one half of basic nutritional requirements," had tripled from 11 percent of the population in 1984 to 33 percent in 1991; and that real per capita income fell 55 percent from 1988 to 1991, falling at double the rate of 1980-1988.<sup>17</sup>

On February 4, 1992, an attempted military coup was crushed. "There was little jubilation," AP reported. "The coup attempt caps a crescendo of anger and frustration over the economic reforms that have written such a macroeconomic success story but have failed to benefit the lives of most Venezuelans and have embittered many" (*Financial Times*). It "was met by silent cheers from a large part of the population," Brooke reported, particularly in poor and working-class areas. Like the Brazilian technocrats, Pérez had done everything right, "cutting subsidies, privatizing state companies and opening a closed economy to competition." But something had unaccountably gone wrong. True, the growth rate was impressive, "but

most economic analysts agree that the high price of oil in 1991 fueled Venezuela's growth more than Pérez's austerity moves," Stan Yarbrow reported, and none can fail to see that "the new wealth has failed to trickle down to Venezuela's middle and lower classes, whose standard of living has fallen dramatically." Infant deaths "have soared in the past two years as a result of worsening malnutrition and other health problems in the shantytowns," a priest who had worked in poor neighborhoods for 16 years said. There is ample "new wealth," much of it "poured into financial speculation schemes rather than new investments in industry. In 1991 money made in real estate and financial services almost equaled the profits from manufactures."<sup>18</sup>

In short, a typical economic miracle, achieved under unusually favorable conditions for the evaluation of the neoliberal doctrines preached with such fervor by the priesthood of what Jeremy Seabrook calls the new "International Monetary Fundamentalism."<sup>19</sup>

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<sup>15</sup>Rabe, *Road*. Krenn, *US Policy*, on earlier period.

<sup>16</sup>*Excelsior* (Mexico City), Nov. 11, Nov. 21, Dec. 4, 1991; Jan. 30, 1992 (*LANU*).

<sup>17</sup>Brooke, *NYT*, Jan. 21; AP, *NYT*, Feb. 5; Douglas Farah, *BG*, Feb. 10; Stan Yarbrow, *CSM*, Feb. 12, 1992.

<sup>18</sup>AP, *NYT*, Feb. 5; Joseph Mann, *FT*, Feb. 5; Brooke, *NYT*, Feb. 9; Yarbrow, *CSM*, Feb. 11, 12, 1992.

<sup>19</sup>Seabrook, *Race & Class* (London), 34.1, 1992.

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## 7. Some Competitors for the Prize

It is a bit unfair to award Brazil the prize for enslavement, murder, and abuse of children; after all, it is the "colossus of the South," so opportunities abound and numbers are larger. In fact, the story is much the same throughout the continent. Take Guatemala, another country richly endowed with resources that offered fine prospects for a success story for capitalism after the US regained control in 1954 -- and another case that should inspire us with pride in our accomplishments, so impressive in comparison with the wreckage left by the despicable enemy.

Guatemala now boasts a higher level of child malnutrition than Haiti, according to UNICEF. The Health Ministry reports that 40 percent of students suffer from chronic malnutrition, while 2.5 million children in this country of 9 million suffer abuse that leads them to abandon school and become involved in crime. A quarter of a million have been orphaned by political violence. The condition of children is not very surprising when 87 percent of the population live below the poverty line (up from 79 percent in 1980), 72 percent cannot afford a minimum diet (52 percent in 1980), 6 million have no access to health service, 3.6 million lack drinking water, and concentration of land ownership continues to rise (2 percent now control 70 percent of the land). Purchasing power in 1989 was 22 percent of its 1972 level, dropping still further as the neoliberal measures of the 1980s were intensified.

We need not linger on the record of mass slaughter, genocide in the highlands, disappearance, torture, mutilation, and other standard accompaniments of Free World victories; admittedly, a display of imperial benevolence that has been somewhat excessive in the case of Guatemala. The contours, at least, should be recalled. The terror began as soon as the US-run military coup succeeded in overthrowing the reformist capitalist democracy. Some 8000 peasants were murdered in two months in a terror campaign that targeted particularly United Fruit Company union organizers and Indian village leaders. The US Embassy participated with considerable fervor, providing lists of "Communists" to be eliminated or imprisoned and tortured while Washington dedicated itself to making Guatemala "a showcase for democracy." At a comparable stage, the Khmer Rouge were condemned for genocide. Terror mounted again in the 1960s, with active US participation. The process resumed in the late 1970s, soon reaching new levels of barbarism. Over 440 villages were totally destroyed and well over 100,000 civilians were killed or "disappeared," up to 150,000 according to the Church and others, all with the enthusiastic support of the Reagan Administration. Huge areas of the highlands were destroyed in a frenzy of irreversible environmental devastation. The goal was to prevent a recurrence of popular organization or any further thought of freedom or social reform. The toll since the US regained control is estimated at about 200,000 unarmed civilians killed or "disappeared," and in the highlands, episodes that qualify as genocide, if the word has meaning. In an amazing triumph of the human spirit, popular forces and leaders

continue their struggle against US-inspired neo-Nazism.[20](#)

The terror continues, still arousing little notice in the US or the West generally. The report of the Archbishop's Office of Human Rights for the first half of 1992 reported at least 399 assassinations, many of them "extrajudicial actions" of the state security forces and their allies. "Every day dozens of attacks upon constitutional rights are reported." The terror has its place in the neoliberal economic program. "Twenty union leaders fled into exile in 1991 because of death threats against themselves and their families," according to the State Department's annual human rights review. When workers began to form a legally recognized union in the US-owned Phillips-Van Heusen company in 1991, the result was death threats, raised production quotas and the shooting of an organizer to deter any threat to the working conditions that enable foreign-owned clothing assembly plants to make their contribution to the "economic miracle": under \$2 wages for 16 hours of work, stifling warehouses with few fans and locked exits, and physical and sexual abuse, according to a complaint by US unions to the US Trade Representative Office.[21](#)

As for the "showcase of democracy," an election was scheduled for 1963, but it was prevented by a military coup backed by the Kennedy Administration to block the participation of Juan José Arévalo, the founder of Guatemalan democracy, who had been elected in 1945 after the overthrow of the US-backed Ubico dictatorship. A 1966 election extended military control over the country, setting off another wave of terror. The 1985 election was proclaimed by the US Embassy to be the "final step in the reestablishment of democracy in Guatemala." The November 1990 elections ended in a draw between two right-wing neoliberal candidates, who managed to stir up 30 percent of the electorate (counting valid votes). In the runoff election won by Jorge Serrano, abstention was even higher.

These achievements aside, the prevailing social conditions are the result of another successful experiment: the development model introduced by US advisers after the 1954 coup terminated the ten-year episode of capitalist democracy. As terror improved the investment climate, export-oriented economic programs led to rapid growth in production of agricultural commodities and beef for export, destruction of forests and traditional agriculture, sharp increase in hunger and general misery, the world championship for DDT in mothers' milk (185 times World Health Organization limits), and gratifying balance sheets for US agribusiness and local affiliates. The new maquiladoras are having a similar impact. Current economic plans, under the guidance of US advisers, are intensifying this range of effects.

No less predictably, in his January 1992 report to Congress, President Serrano declared the results of the properly neoliberal economic program (including the 100 percent increase for the military in the 1992 budget) to be an "economic miracle," while Western commentators applauded and looked forward to still further triumphs of capitalist democracy.

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[20](#) *TTT, MC*; Jonas, *Battle*.

[21](#) *Excelsior*, July 21, 1992; Shelley Emling, *WP*, Aug. 1, 1992.

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We may recall, in passing, that the main victims are indigenous people, who constitute over half the population. Their travail began long ago. "At no time before the [Spanish] conquest," Susanne Jonas writes, "did the Indians suffer the systematic material deprivation that has characterized Guatemala since 1524," and "although Bartolomé de Las Casas's figure of 4-5 million Indian deaths in Guatemala between 1524 and 1540 may be exaggerated, its thrust is accurate. An estimated two-thirds to six-sevenths of the Indian population in Central America and Mexico died between 1519 and 1650."<sup>22</sup>

Child slavery has long been documented in the traditional service areas. India alone is reported to have some 14 million child laborers, aged six and up, many working under conditions of virtual slavery for up to 16 hours a day. As always, this is a reflection of general social conditions. A detailed study in a leading Indian journal of "one of South India's most fertile and productive regions" found "a story of narrowing options, desolation and despair -- and, increasingly, of death" from starvation and suicide, with at least 73 starvation deaths among weavers in two months of 1991. The deteriorating conditions result from the "frenzied export drive" and accompanying "strategy of taxing the poor and pampering the rich," policies to be accelerated under the IMF-designed structural adjustment policies for which India is now widely praised.<sup>23</sup>

The situation in Thailand has long been notorious, condemned by international and Thai human rights groups while Thailand is hailed in the West as another "success story for capitalism." The Bangkok press alone offers harrowing testimony. Cambodia specialist Michael Vickery provides a recent sample, including the case of teenagers "freed...from a factory where they were allegedly detained for slave labour and tortured," tied up and beaten when they became too tired to work after 18-hour shifts; eighteen girls aged 12-14 rescued from a textile mill where they worked over 15 hours a day "for almost no pay"; teenagers fleeing from poverty in the Northeast dragooned into factories or forced into brothels for European and Japanese tourists. A leading Thai political scientist comments:

In Thailand, we occasionally hear stories about young children sold into bondage by their parents. These young indentured servants work under harsh conditions...and for many, the bondage will be renewed when the parents make out another loan from the employer. [Young girls] would be forced to work in a factory normally not registered with the Minister of Industry... as young as nine -- would be literally imprisoned by the boss for up to 12 hours a day...those who complained or attempted to escape would be harshly punished.

This is apart from the normal misery and brutal exploitation of the millions of poor.

"Year after year, such incidents are revealed in the Thai press," Vickery observes, "and although the authorities express shock each time, no substantial reform ever results. This is because such atrocities, and we must call them by their true name, are systemic in the Thai type of capitalism" -- more generally, in the "economic miracles" that are the "success stories of capitalism." It is all more "irony," given the locus of the plague. Another "irony" is illustrated by Vickery's acid comment on the treatment of Cambodia and Vietnam, tortured and strangled by US-run economic warfare, in comparison to Thailand, a major aid recipient: "While Vietnamese farmers are getting greater control over land and its produce, Thai farmers are losing theirs and their children are forced into types of exploitation which have not been discovered in Vietnam since 1975, even by the most hostile observers."[24](#)

Surveying the Latin American region in a Peruvian Church journal, Uruguayan journalist Samuel Blixen reports that in Guatemala City, the majority of the 5000 street children work as prostitutes. In September 1990, three bodies of children were found with their ears cut off and eyes gouged out, a warning about what would happen to witnesses of abuse of children by the security forces, formal or informal. In Peru, children are sold to the highest bidder to pan for gold; according to a young campesina who escaped, they work 18 hours a day in water up to their knees and are paid with a daily ration sufficient to keep them alive. In Guayaquil, Ecuador, some 100,000 children from 4 to 14 work 10- to 12-hour shifts for low wages, many of them victims of sexual abuse. "In Panama the Minors Protective Tribunal buildings were bombed during the 1989 US invasion, rendering work nearly impossible. Following the invasion the number of criminal gangs robbing stores in search of food increased," with about 45 percent of robberies attributed to children using stolen military weapons. UNICEF reports that 69 million children in Latin America survive by menial labor, robbing, running drugs, and prostitution. A study released by the health ministers of the Central American countries in November 1991 estimated that 120,000 children under five die annually in Central America from malnutrition (one million are born annually), and that two-thirds of the survivors suffer from malnutrition.

"Until recently," Blixen writes, "the image of the abandoned Latin American child was of a ragged child sleeping in a doorway. Today the image is of a body, lacerated and dumped in a city slum -- those who survive that far."[25](#)

A leading Mexican journal reports a study by Victor Carlos García Moreno of the Institute for Law Research at the Autonomous National University of Mexico (UNAM), presented at a conference on "International Traffic in Children" in Mexico City. He found that about 20,000 children are sent illegally to the United States each year "for supplying illegal traffic in vital organs, for sexual exploitation, or for experimental tests." Mexico's leading daily, *Excelsior*, reports that "Another element of abuses against minors [in Guatemala] is the existence of various illegal 'crib houses' responsible for the 'fattening' of newborns who are sent out of the country for their organs to be sold in the United States and Europe." A Professor of Theology at the University of São Paulo (Brazil), Father Barruel, informed the UN that "75 percent of the corpses [of murdered children] reveal internal mutilation and the majority have their eyes removed." The President of the Episcopal Council of Latin America, Archbishop Lopez Rodriguez of Santo Domingo, stated in July 1991 that the Church "is investigating all the charges concerning sale of children for illegal adoption or organ transplant."

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[22](#) Jonas, *Battle*. David Santos, *Excelsior*, June 20, 1992 (CAN); *CAR*, Jan. 17, 1992; Florence Gardner, "Guatemala's Deadly Harvest," *Multinational Monitor*, Jan./Feb. 1991; *Report from Guatemala*, Spring 1992. On US government perspectives on Guatemalan democracy, see *DD*, chs.3.6, 8.3, 12.5.

[23](#) Edward Gargan, *NYT*, July 9, 1992. *Frontline* (India), Dec. 6, 1991.

[24](#) Vickery, "Cambodia After the `Peace'," ms. (Penang, Malaysia, Dec. 1991). See his *Cambodia* for comparative discussion of Cambodia and Thailand. For a small sample of the plague of child slavery, see *TNCW*, 202, 283.

[25](#) Blixen, *op. cit.*; *Excelsior* (Mexico), Nov. 5, 1991 (CAN).

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There have been numerous allegations about kidnapping of children for organ transplant in Latin America; whether true or not, the fact that they are taken seriously, from the press to academic researchers and government agencies, is indicative of the conditions of existence for children.<sup>26</sup>

And other superfluous creatures as well. The *British Medical Journal* reported an Argentine judicial investigation that led to arrest of the director of a state-run mental hospital, doctors, businessmen and others, after "evidence of the trafficking of human organs" was unearthed, among other crimes. AFP reported that "Argentines were aghast at the near-hallucinatory revelations of the horrors involving disappearances, trafficking in corneas, blood, babies, contraband and corruption" for more than a decade at the hospital, and the discovery in Uruguay of a "gang of organ smugglers headed by Argentinians." "There is traffic in children and organs," the Argentine Minister of Health reported.

A novel idea was implemented in Colombia, where security guards of a medical school murdered poor people and sold the bodies to the school for student research; reports indicate that before they were killed, organs that could be sold on the black market were removed. These practices, however, scarcely make a dent in one of the worst human rights records in the continent, compiled by security forces that have long benefited from US training and supply and have now become one of the hemisphere's top recipients of US military funding. As elsewhere, the main targets for mutilation, torture, and murder are priests, union activists, political leaders and others who try to defend the poor, form cooperatives, or otherwise qualify as "subversives" by interfering with the neoliberal economic model implemented under instructions from the US and the World Bank.<sup>27</sup>

These development programs have other features, among them, an epidemic of pesticide poisoning that has reached the few corners of our little region over here that, for a time, escaped the deadly impact of the neoliberal doctrines. In Costa Rica, "legal pesticides -- many of them imported from the United States -- are making people sick, injuring them, even killing them," Christopher Scanlan reports in the *Miami Herald* from Pitahaya, where a 15-year old farm worker had just died of poisoning by a highly toxic American Cyanamid product. The village cemetery of Pitahaya, he continues, "is a stark symbol of a global death toll from pesticides estimated at 220,000 a year by the World Health Organization," along with 25 million incidents a year of illness, including chronic neurological damage; the Guaymí Indians who die from pesticide poisoning cleaning drainage ditches at US-owned plantations in Costa Rica and Panama are unlikely to make it to a village cemetery. More than 99 percent of deaths from acute pesticide poisoning occur in Third World countries, which use 20 percent of agricultural chemicals.

With "markets closed at home" by regulations to protect the population and the environment, "chemical

companies shifted sales of these banned chemicals to the Third World where government regulations are weak." The corporations have also devised new "nonpersistent" pesticides that "are generally much more acutely toxic" to farm workers and their families, including some "first developed as nerve gas by the Germans before World War II." Physicians in Costa Rica are calling for removal of killer chemicals from the Third World market, but "the Bush administration sides with the industry," Scanlan reports. Its position is that the solution does not lie in interference with the market -- to translate to English: profits for the rich. Rather, in "educating people about the risk," William Jordan of the Environmental Protection Agency explains. Progress has its problems, he concedes, but "you cannot simply ignore progress." An American Cyanamid executive says "I sleep at night very comfortably." So do leaders and ideologists generally, except when their rest is disturbed by the faults of official enemies and their retrograde doctrines.[28](#)

The United States has never been very happy with Costa Rica, despite its almost total subordination to the wishes of US corporations and Washington. Costa Rican social democracy and successes in state-guided development, unique in Central America, were a constant irritant. Concerns were relieved in the 1980s, as the huge debt and other problems gave the US government leverage to move Costa Rica closer to the "Central American mode" lauded by the press, but the Ticos still don't know their place. One problem arose in November 1991, when Costa Rica renewed its request to the US to extradite US rancher John Hull, who was charged with murder in the La Penca bombing in which six people were killed, as well as drug running and other crimes. This renewed call for extradition was particularly irritating because of the timing -- just as the US was orchestrating a vociferous PR campaign against Libya for its insistence on keeping to international law and arranging for trial of two Libyans accused of air terrorism either in its own courts or by a neutral country or agency, instead of handing them over to the US. The unfortunate coincidence did not disrupt the Washington-media campaign against Libya, thanks to the scrupulous suppression of the Costa Rican request.

Yet another Costa Rican crime was its expropriation of property of US citizens, for which it was duly punished by the freezing of promised economic assistance. The most serious case was the confiscation of the property of a US businessman by President Oscar Arias, who incorporated it into a national park. Costa Rica offered compensation, but not enough, Washington determined. The land was expropriated when it was found that it had been used by the CIA for an illegal air strip for resupplying US terrorist forces in Nicaragua. Arias's expropriation without adequate compensation is a crime that naturally calls for retribution by Washington -- and silence by the media, particularly as they are railing against Libyan terrorism.[29](#)

The effrontery of the powerful often leaves one virtually speechless.

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[26](#) *Unomásuno*, Oct. 13, 1990; David Santos, *Excelsior*, June 20, 1992; Pinero, *op. cit.* "Honduras: A Growing Market in Children?," *CAR*, June 5, 1992. See also UN Economic and Social Council, Commission on Human Rights, E/CN.4/Sub.2/1992/34, 23 June 1992. *DD*, ch. 7.

[27](#) "Argentina uncovers patients killed for organs," *BMJ*, summer 1992; AFP, March 8, 1992, cited in *LANU*, April-May 1992; Pinero, *op. cit.* For additional reports from Latin America, see *DD*, 220-1. Colombia, also Reuters, *BG*, March 3, 5, 1992; Ruth Conniff, *Progressive*, May 1992, On the US role, see *DD*, ch. 4.5.

[28](#) Scanlan, *MH*, May 28, 1991; *CT*, 243.

[29](#) US-Costa Rica, ch. 3, n. 20. My "Letter from Lexington," *Lies of our Times*, Jan. 1992.

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Another *Miami Herald* reporter surveys the "barren future" that "looms for Central America" as forests there and in Mexico vanish at a rate "faster than any other region on Earth except West Africa," perhaps to "disappear within our lifetime." The accelerating destruction is caused by poor farmers, lumbermen, and people seeking firewood, but "experts throughout the region blame rapid deforestation on unfair land distribution" throughout the region, including even Costa Rica, which "boasts one of the highest rates of deforestation in the world." Another major factor is the US-initiated counterinsurgency doctrine, with its emphasis on blasting people out of their homes and lands with massive firepower if they cannot be controlled. The Central American Committee on Water Resources warned that the ecological disaster is also severely diminishing water supply. "The main lagoons and rivers which supply water to the people are about to be destroyed by continuous deforestation in the region," one high official said after a July 1992 regional meeting, also "setting back the generation of electricity and possible economic growth in the region."

"The concentration of the best land into vast coffee, cotton and sugar estates owned by a small elite meant hundreds of thousands of peasants were forced to eke a living off steep, marginal land," Tom Gibb reports from El Salvador, where firewood may disappear in a decade and 90 percent of rivers are contaminated. The destruction might still be averted, but that would "require a change in the political atmosphere that has dominated El Salvador for decades: peasant farmers are afraid to organize and work in groups for fear of being labeled 'subversive'."[30](#)

To rephrase in more realistic terms, farmers are aware that efforts to organize will call forth another US-sponsored wave of torture and massacre to bar any interference with our high ideals of economic liberalism for the Third World.

A study of the Costa Rican economy by the Washington World Resources Institute and the Tropical Science Center in Costa Rica concludes that each year, 5 percent of the Gross Domestic Product "has vanished without a trace" and that depreciation of natural resources has robbed the country of almost 30 percent of its potential net growth over the past 20 years. A quarter of the estimated growth rate from 1970 through 1989 disappears when these factors are considered.[31](#)

These effects will only increase as neoliberal models are more firmly implanted. In Costa Rica, they were firmly in place by 1985, earlier in much of the region -- and in fact, they are only a variant of traditional US programs. After five years of IMF Fundamentalism in Costa Rica, the predicted growth had not occurred though the trade deficit grew substantially, fed primarily by imports from the US; the minimum wage had lost 25 percent of its buying power, with 37 percent of salaried workers paid below the legal

minimum. Average family incomes declined by 10 percent through the 1980s, except for the top 5 percent, and buying power of workers continues its decline. The Ministry of Labor reported that under President Calderón's neoliberal rule, poverty had increased 18 percent in 1991 alone, leaving 35 percent of Costa Rican families unable to satisfy their most basic needs, a home census of the Ministry of Economy revealed. 1991 marks a sharp increase in the poverty rate, "a consequence of the kind of economic adjustment applied in recent years," a researcher added. "Representatives of the World Bank and USAID have showered the Calderón administration with praise for its economic program," *CAR* reports.<sup>32</sup>

Costa Rica is the Central American exception, a special case. When we turn to the "Central American mode," the situation is vastly worse. In Honduras, IMF measures "have provoked mass unemployment [to two-thirds of the population] and skyrocketing inflation," with sharply rising prices for fuel, food, and medicine (*CAR*). President Callejas concedes that these policies have had "a negative effect on the vast majority of the population"; but, *CAR* observes, he "is willing to pay this price, however, to satisfy international lenders and continue promoting a free market economy." Callejas and his associates, needless to add, are not those who "pay the price." In El Salvador, 90 percent of the population live in poverty and only 40 percent have steady employment. The 1990 structural adjustment program put 25,000 more out of work and substantially reduced exports, and despite increase in minimum salaries, "the price of the basic family basket far outstrips workers' income." Almost 80 percent of private bank loans go to large businesses; of agricultural loans, 60 percent went to coffee growers, 3 percent to small-scale basic grain producers. Reserves have risen, the Central Bank reports, but not because of the austerity measures; rather, as a result of the \$700 million sent by Salvadorans abroad, many of them refugees fleeing the state terror of the past decade, which, in this way, did produce an "economic success story." Mass terror has declined, but terror continues at a low level. On July 31, 1992, a top leftist union leader, Ivan Ramírez, was murdered by unidentified gunmen in the style of the death squads. We turn to Nicaragua directly.<sup>33</sup>

The effects of IMF Fundamentalism, now administered with renewed fervor, "have been catastrophic" in Central America, the Jesuit journal *Envío* reports. Inflation has increased. Fiscal deficits have not declined as anticipated, but GDP growth has stagnated since 1985 and declined since 1988. Real wages have substantially fallen almost everywhere in Latin America, and the distribution of income is becoming even more skewed than before. "The word `development' has disappeared from Latin America's economic vocabulary" -- though "profit" is on everyone's lips, for the foreigner and the domestic islands of privilege. The same can only be expected elsewhere. Discussing what lies ahead for India under IMF-designed restructuring, two economics professors at the Bombay Institute of Development Research review the consequences of such programs worldwide, drawing the "unambiguous" conclusion from "economic theory and the recent economic history of developing countries": the effects are "tremendous hardship for the poor and working people" and "great hardship on the economies of developing nations"; no less unambiguous are the benefits for the privileged sectors and their foreign associates, who call the tune.<sup>34</sup>

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[30](#) Tim Johnson, *MH*, June 14, 1992; Inter Press Service (IPS), July 31, 1992; Gibb, *SFC*, June 17, 1992 (*CAN*).

[31](#) *Science*, Dec. 20, 1991; *Economist*, Jan. 4, 1992.

[32](#) *CAR*, June 14; Aug. 16, 1991; Aug. 21, 1992. IPS, San José, Feb. 23; *Excelsior*, July 31, 1992 (*CAN*).

[33](#) *CAR*, Oct. 18, 1991; Reuters, *SFC*, Aug. 1, 1992 (*CAN*).

[34](#) *Envío* (Managua), April 1991. Madhura Swaminathan and V.K. Ramachandran, *Frontline* (India), Dec. 6, 1991. See Herman, *Real Terror Network*, ch. 3, on the pre-1980 version.

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## 8. "Our Nature and Traditions"

There are many other "success stories" in the Caribbean and Central America, the Philippines, Africa, in fact wherever Western power and capitalist ideology have reached. The few partial exceptions, mostly in the Japanese orbit, have escaped by radically violating the prescribed rules of the game, under special circumstances that are not likely to recur.<sup>35</sup> These basic truths and their meaning, which would be taught in elementary schools in free societies, must be kept far removed from consciousness as we advance towards Year 501 of the Old World Order.

And so they are. Merely to take the case closest to hand, the US-run charnel house in Central America in the 1980s, we find that cultivated opinion takes pride in what we have wrought. Typical is a report by *Washington Post* Central America correspondent Lee Hockstader on a meeting in Guatemala of the new breed of conservative Presidents, freely elected at last without a trace of foreign influence. This "new wave of democracy" has "shifted politicians' priorities" from the days when they "traditionally represented the established order." The proof is that they have now dedicated themselves to serving the poor with an imaginative new approach: "Central Americans to use Trickle-down Strategy in War on Poverty," the headline reads. "Committed to free-market economics," the Presidents have abandoned vapid rhetoric about land reform and social welfare programs, adopting at last a serious idea: "a trickle-down approach to aid the poor." "The idea is to help the poor without threatening the basic power structure," a regional economist observes. This brilliant and innovative conception overturns the "preferential option for the poor" of the Latin American Bishops. Now that we have driven this naive idea from the heads of our little brown brothers by Pol Pot-style terror, we can return to our traditional vocation of serving the poor, somehow not drowning in our own hypocrisy -- the one truly memorable achievement.

Barbara Crossette reports in the *New York Times* that Central America illustrates "what Bush Administration officials regard as one of their most successful foreign policy initiatives: to bring peace, disarmament and economic development to this tormented region"; she wastes no words on how and why it was tormented, and by whom. "The strategy was immeasurably assisted by the collapse of the Soviet Union," she continues, repeating the convenient fairy tale that the US assault was undertaken in defense against the Evil Empire. El Salvador is "the most violent theater of East-West conflict in the hemisphere," Tim Golden proclaims on the front page; perhaps some Soviet counterpart wrote in 1956 that Hungary is "the most violent theater of East-West conflict in Eastern Europe" -- however shameful, a claim that would have been far more plausible, in the irrelevant real world.

For the larger picture, we naturally turn to *New York Times* chief diplomatic correspondent Thomas Friedman, who takes as his text Congressman Les Aspin's proclamation that "The emerging world is likely to lack the clarity of the cold war... The old world was good guys and bad guys. The new world is gray guys." Developing this theme, Friedman observes that "Normally, Washington gets rather exercised about the toppling of freely elected presidents." But now life is harder. Some of those elected may not be clean upstanding folk as in the past, and we may have to make sharper discriminations. It won't be as easy as when Washington got "exercised about the toppling of" Goulart, Arbenz, Allende, Bosch ....

Even before, we did not always support only good guys, Friedman recognizes, recalling such unpleasant folk as the Shah and Marcos. But that deviation from high principle is easily handled: "During the cold war the United States did not really have the luxury or burden of choosing its friends," but "simply had to identify who was with it in the grand struggle with the `Evil Empire' led by Moscow." Our real values were demonstrated by the "fact" that "Washington did press for democracy, free markets and other ideals" -- a declaration of some audacity, but safe enough in the reigning intellectual culture.

The "Soviet threat" forced on us "a degree of cynicism in foreign affairs, which was contrary to our nature and traditions," a senior Administration policymaker adds with the *Times* imprimatur. Neither carries on some questions that come to mind. To mention a few: How are "our nature and traditions" illustrated by our practice before the Soviet Union threatened our existence in 1917? Or by the regular pattern of concocting "Soviet threats" on the most ludicrous pretexts to justify atrocities undertaken to preserve "stability" in our special sense of the term? Nor do they trouble to explain exactly what the Soviet threat had to do with our support for genocidal monsters from Indonesia to Guatemala, or how it explains the close correlation between torture and US aid.

The same official warns that we should not revert to our traditional stand "of granting idealism a near exclusive hold on our foreign policy." The world is still too harsh a place for us to "revert to form," slipping back unthinkingly to our role of world benefactor while ignoring "the national interest," bemused by "Wilsonian" idealism. The latter concept has an interesting status; it does not refer to what Wilson did -- for example, his murderous interventions in Haiti and the Dominican Republic -- or even what he said, when push came to shove. The same holds, more generally, of the concept "our values." Thus, Friedman quotes Harvard political philosopher Michael Sandel, who expresses his concern that we will persist in past practices instead of rising to the current challenge. "For years we have just pressed a shorthand version of our values -- free elections and free markets -- without realizing that the fullest expression of our values required more" than the limited mission of righteousness that has guided us heretofore. As in the case of Wilsonianism, the concept "our values" is entirely independent of what we do or even profess, except before the cameras.

With the global enemy out of the way, "the emerging yardstick is one of democratic values," Friedman concludes, doubtless thinking of George Bush's attitude towards Suharto, the Gulf emirates and Saddam Hussein (before his unfortunate error of August 2, 1990), and other attractive figures whose appeal has outlasted the Cold War -- and had little to do with it in the first place.

"No satire of Funston could reach perfection, because Funston occupies that summit himself," Mark Twain wrote, referring to one of the heroes of the Philippine slaughter: he is "satire incarnated."<sup>36</sup>

The device of eliminating history by a wave at the Cold War, no matter how foolish the pretense, is one that is to be highly recommended to the aspiring servant of power, given what history actually tells us. This is only the most recent application of the technique of "change of course," regularly invoked when some ugliness finally breaks through the elegant and smoothly functioning mechanisms of suppression: Yes, there was an unfortunate lapse, but now we can march on behind the banner of our high ideals.

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<sup>35</sup> Ch. 4.2. See *DD*, ch. 1, n. 19; ch. 7.7. Also Bello and Rosenfeld, *Dragons*.

<sup>36</sup> Hockstader, *WP*, June 20, 1990; Crossette, *NYT*, Jan. 18; Tim Golden, *NYT*, Jan 17; Friedman, *NYT*, Jan. 12, 1992. Aid-torture, p. 120. Zwick, *Twain*, 111.

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## 9. Some Tools of the Trade

The doctrine of "change of course" is only one of the devices that must be mastered by those who hope to attain respectability and prestige; several others have been mentioned, and we turn to other handy procedures below. The preceding discussion has touched upon a more subtle array of notions that are essential for the aspiring intellectual: "economic miracle," "American success story," "free market triumph," etc. These are elusive, and require a bit of care.

The term "economic miracle" refers to a complex of nice macroeconomic statistics, great profits for foreign investors, and a life of luxury for local elites; and, in the small print, increasing misery for the general population, quite typically. It is no wonder that these miracles are so admired by commentators in the press and elsewhere. As long as the façade remains in place, such societies are "American success stories" and "triumphs of capitalism and the free market." But when it collapses, the very same examples turn into a demonstration of the dread pitfalls of statism, socialism, Marxism-Leninism, and other sins.

The Brazilian case illustrates the doctrinal pattern. Gerald Haines was not alone in celebrating the triumph of capitalism and American know-how in Brazil, though his timing -- 1989 -- was a bit off. The brilliant achievements of the Generals and their right-thinking technocratic advisers made Brazil "the Latin American darling of the international business community," *Business Latin America* reported in 1972. Arthur Burns, Chairman of the Federal Reserve, was full of praise for Delfim's "miraculous" work. As the "Chicago boys" were invited in by another collection of fascist killers after the overthrow of Allende in Chile a year later, Chicago school economist Arnold Harberger held up Brazil "as the exemplar of a glowing future under economic liberalism," David Felix recalls. A few years later, in a 1980 interview, he was to applaud Pinochet's successes under the same model: "Santiago has never looked better. Consumer goods from all over the world are readily available at cheap prices"; there are even jobs for people with the right qualifications, like police torturers. True, real wages had collapsed, but the real value of imports was up 38 percent by 1980, thanks to the increase of 276 percent in luxury goods while capital imports fell sharply. Foreign debt skyrocketed (to be paid off later by the poor), and unions and peasant movements had been crushed in a wave of terror. But the rich were doing just fine; everything was on course in Chile, as in Brazil, thanks to proper application of economic theory.

By the early '80s, the Brazilian economy was spinning towards disaster, and the tune changed. Brazil was dropped from the list of "neo-liberal successes," Felix observed in 1986, though some had not heard the message. In a 1989 discussion of the Brazilian military regime, Harvard Government professor Frances Hagopian, like Haines, still admired "the impressive extent to which the military succeeded in its

economic objectives," while expressing doubts as to whether this "extraordinary economic success" really required the repression and torture.<sup>37</sup>

While the "economic miracle" was churning merrily along, Brazil's achievements were heralded as a demonstration of the marvels of free-market capitalism, the happy result of American guidance and kind assistance. After the collapse, Brazil demonstrates the *failure* to follow US advice and the sound principles of economic liberalism. Brazil's plight is attributed to its state socialist deviation from economic orthodoxy. We thus derive yet another proof of the superiority of capitalism and the free market. To account for Brazil's sorry state, we may now invoke the very measures that brought about the "free market triumph" while it was still possible to be dazzled by the "economic miracle": the indefinite wage controls instituted by the much-praised neoliberal economist Delfim, the state corporations established to overcome the severe recession caused by monetarist strategies and to prevent a complete takeover of the economy by foreign corporations, and the import-substitution strategy that kept the economy afloat in the mid-1980s.

It all goes to show, once again, how supple an instrument ideology can be, in well-trained hands.

A great sigh of relief accompanied the victory in 1989 of the attractive representative of the Brazilian elite, Fernando Collor de Mello, in an election in which the two candidates could actually be distinguished without a microscope, the other being the labor leader Luís Inácio da Silva ("Lula"). With "the playing field levelled" by Collor's huge financial resources and clear warnings by those who own the country that they would sink it down the tube if the elections came out the wrong way, Collor was able to eke out a victory. There was great enthusiasm in the doctrinal institutions as he set forth on the approved neoliberal path, with expectations for yet another "success story for American-style capitalism." Briefly, however. The economy fell from 3.3 percent growth in 1989 to -4.6 percent in 1990. Per capita income fell by 6 percent from 1990 to 1992 as production continued to decline, health spending was cut by 33 percent, education spending sank further, and the tax burden on wage earners rose 60 percent. By mid-1992, James Brooke reports, "Mr. Collor's failed economic policies" were "feeding national discontent." And to top it off, Collor was facing impeachment after exposure of a corruption scandal that also set new records.<sup>38</sup>

As in the case of Brazil, "success stories of capitalism and democracy" achieve this status irrespective of the means employed. The import substitution strategy that saved Brazil from utter ruin was also an essential component of the "economic miracles" of the Pacific Rim. These miracles came into being under harsh authoritarian regimes that intervened massively in economic planning and kept tight control (by terror if necessary, as at Kwangju), not only of labor, as is the norm, but of capital as well (see [chapter 4.2](#)). The achievements of the NICs, constituting an "economic miracle," thereby illustrate the virtues of democracy and the free market. Thus the *New York Times* cites South Korea, Taiwan, Singapore, and Hong Kong to teach the lesson that "as an economic mechanism, democracy demonstrably works." And democratic socialist Dennis Wrong writes admiringly of the "striking capitalist successes" of the same grand democracies "under capitalist economies free from control by rickety authoritarian governments" -- correct, in that the authoritarian state capitalist governments were

efficient, powerful, and interventionist, not "rickety" (in contrast, he explains, Cuba, Nicaragua, and other officially designated enemies demonstrate the failure of Marxist-Leninist dogma, no other factor in their travail being detectable to the properly blinkered eye). *Washington Quarterly* editor Brad Roberts writes that "Nondemocratic governments have on the whole shown themselves incapable of providing the framework necessary for economic adaptation...", thinking perhaps of the NICs, or in earlier years, Hitler Germany -- though in this case, we have to ask just what he means by "democratic," given his faith in "the US commitment to democracy abroad" and to the "protection of human rights," particularly in the 1980s.<sup>39</sup>

It is recognized that "economic miracles" have some attendant flaws. Discussing "Menem's Miracle" in Argentina, British correspondent John Simpson notes that "The miracle is not perfect." There are "unpleasant signs of corruption," "large sections of the middle class have sunk without trace" while "the new entrepreneurs and the old rich" happily shop in the "expensive shops," and there is substantial poverty. Unconstrained by the conventional reserve, James Petras and Pablo Pozzi fill in a few of the details. Since the onset of "Menem's Miracle" in 1989, "Neo-liberal private pillage has set up a system where individual wealth depends on public decay and economic regression," with some 40 percent of the economically active population unemployed or underemployed, proliferating shantytowns, factories closed and not replaced by new enterprises, exploitation of the state as "an instrument for personal enrichment and private pillage," reduction of expenditures for health, education and welfare to all time lows, negative growth rates, decreasing yearly rate of investment, and declining real wages. By now, over 60 percent of the 12 million inhabitants of Buenos Aires are not connected to the sewer system, one reason for the return of diseases that had been eradicated decades ago. The "speculative economy, reinforced by a neo-liberal economic policy, which impoverishes most of the population while destroying Argentina's internal market and productive capacity, and scarce resources has generated a Hobbesian world, a savage struggle to survive while the elite continue to reap windfall profits." The "privileged minority whose wealth, level of consumption and standard of living have flourished" are enthusiastic about the neoliberal policies. "Menem's miracle" also includes "privatization," the new shibboleth, but with a twist: thus the government sold the state telephone monopoly to Spanish and Italian state corporations, and the national airline to the Spanish government airline Iberia, so that "management is merely transferred from Argentine to Spanish and Italian bureaucrats," David Felix observes.<sup>40</sup>

In short, an "economic miracle," in the technical sense.

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<sup>37</sup> Skidmore, Evans, Felix, *op. cit.* Hagopian, review of Skidmore, *Politics, Fletcher Forum*, Summer 1989. Chile, Herman, *Real Terror Network*, 189f. (citing Harberger interview, Norman Gall, *Forbes*, March 31, 1980).

[38](#) James Petras and Steve Vieux, "Myths and Realities: Latin America's Free Markets," *Monthly Review*, May 1992; update, ms, SUNY Binghamton. CIIR, *Brazil*. Brooke, *NYT*, Aug. 28, 1992.

[39](#) James Markham, *NYT Week in Review*, Sept. 25, 1988; Wrong, *Dissent*, Spring 1989. Roberts, "Democracy and World Order," *Fletcher Forum*, Summer 1991.

[40](#) Simpson, *Spectator*, March 21, 1992; Petras and Pozzi, *Against the Current*, March/April 1992; Felix, "Reflections on Privatizing and Rolling Back the Latin American State," ms., Washington University, July 1991.

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The proper deployment of these ideas is also illustrated in the case of Mexico, where another gratifying "economic miracle" is in process, though "'Economic Miracle' Has Yet to Reach Mexico's Poorest," a front-page headline reads, followed by the familiar story. Elsewhere we learn that wages are at their lowest level in history, having dropped 60 percent under the neoliberal policies of the 1980s (National Autonomous University (UNAM) Institute of Economic Research and other economists); that half of all newborns in Mexico City have lead levels in their blood high enough to impair neurological and motor-physical development; and that nutritional levels have sharply declined. GDP has risen since 1987, UNAM economists observe, "but this larger production of wealth advanced in one direction, contrary to the gradual impoverishing of millions of Mexicans," concentrating "in the hands of businessmen." The 1990 census reports that 60 percent of households were unable to cover basic needs. Despite the growth of maquila production (foreign-owned, export-oriented), "the industrial sector employs fewer people now than it did a decade ago," economist David Barkin writes, and labor's participation in personal income declined from 36 percent in the mid-'70s to 23 percent in 1992 while rewards for the rich and to foreign investors are "fabulous," developments that have "aroused the admiration of the international press."

Attempting to entice foreign investors, the Mexican Secretary of Commerce stressed the sharp decline of the price of labor in Mexico, from \$1.38 per hour in 1982 to \$0.45 in 1990, an appealing prospect for GM, Ford, Zenith, and other foreign corporations, along with the useful absence of effective environmental restrictions. The wage level is ensured by brutal government repression of labor, with the participation of corrupt union leaders linked closely to the one-party state. The 1980s have been a particularly dim era in that respect. Typical is the experience of Ford workers at one major plant. In 1987, Dan LaBotz observes in a study of labor rights in Mexico, "the company fired the entire work force, eliminated the union contract, and then rehired the workers at a far inferior salary. When the workers attempted to win the right to democratic union elections, and to fight for their legally mandated benefits, they were subjected to beatings, kidnappings, and murder blatantly conducted through collusion between the Ford Motor Company" and officials of the union run by the always-ruling party. These are little-discussed but critical features of the North American Free Trade Agreement (NAFTA), crafted so as to guarantee optimal conditions for profit, whatever the human cost may be.

Foreign debt is increasing, along with the trade deficit, electoral fraud, government repression to bar labor organizing or critical public commentary (murder of several journalists a year makes the message clearer still), and torture that is "endemic" according to Amnesty International. As NAFTA is currently designed "most Mexicans will become irrelevant," Barkin predicts in a review of the crisis that has resulted from "more than 35 years of *successful* capitalist development" oriented to the needs of domestic wealth and foreign capital. But foreign investors are happy, as is the business-professional sector that benefits. Mexico is therefore put forth by Secretary of State James Baker as "a model" for reform in

Eastern Europe and the Third World, an authentic "economic miracle."[41](#)

Lead headlines herald the good news: "A Breath of Fresh Economic Air Brings Change to Latin America," though we also learn that "Latin Debt Load Keeps Climbing Despite Accords" (Nathaniel Nash, *NYT*). Another reads: "South Americans Find Economic Reform Has Initial Social Costs, People Say the New Wealth Is Slow to Trickle Down" (Thomas Kamm, *WSJ*). Just hang in there; all will be well. As usual, we do not learn that the famed "trickle down" policies have, in the past, produced a tiny trickle indeed, though read closely, the current reports indicate why the same can be expected this time around. The indicators look fine from Washington and Europe, Kamm reports, but they conceal rapid concentration of wealth, increased poverty including "critical poverty," declining real wages, and the other usual concomitants of "miracles." Former Brazilian President José Sarney writes that "in all countries" of Latin America, the foreign banks and other usual beneficiaries reap their rewards, "and what's left is unemployment, slave wages, and terrible social indicators." "The rich continue to get richer, the gap between them and the middle and lower classes widen," and none of the policies that are so promising "have been able to wipe out poverty" (Nash), a curious and unexpected failure to achieve their goal, we are to understand.[42](#)

The most phenomenal success story of all is Chile, with its "prospering free-market economy generated by Gen. August Pinochet" (Nash). That is an established truth, repeated everywhere. True, Pinochet was tough, but the "economic miracle" carried out by his Chicago Boys from 1974 to 1989 is there for all to see. To see, if they do not look too closely.

Pinochet's "miracle" turned into the "Chilean catastrophe" in under a decade, David Felix writes; virtually the entire banking system was taken over by the government in an attempt to salvage the economy, leading some to describe the transition from Allende to Pinochet as "a transition from utopian to scientific socialism, since the means of production are ending up in the hands of the state" (Felix), or "the Chicago Road to socialism." The militantly anti-socialist London *Economist Intelligence Unit* wrote that "the believer in free markets, President Pinochet, had a more comprehensive grip on the 'controlling heights of the economy' than President Allende had dared dream of." The government-controlled portion of the economy in 1983 was comparable to the Allende years after the state took over failing enterprises, which it sold off at bargain rates to the private sector when they were resuscitated, along with efficient and profitable public enterprises that were generating 25 percent of the government's revenues, Joseph Collins and John Lear note. Multinational corporations did very nicely in the process, gaining control over large parts of the Chilean economy. Citing Chilean economists, James Petras and Steve Vieux report that "an estimated \$600 million in subsidies were provided to purchasers in the 1986-1987 wave of privatizations," including "efficiently run, surplus-producing operations"; the operation is expected to reduce government surplus by \$100 to \$165 million during 1990-1995.

Until 1980, Chile's GDP per capita did not approach the 1972 (Allende) level, and investment was still below the late 1960s while unemployment was far higher. Per capita health care was more than halved from 1973 to 1985, setting off explosive growth in poverty-related diseases such as typhoid and viral hepatitis. Since 1973, consumption dropped 30 percent for the poorest 20 percent in Santiago and

increased 15 percent for the top 20 percent. Private hospitals proudly display their high-tech equipment for the rich, while public ones offer mothers an appointment months away and medicines they cannot afford. College education, free for everyone under Allende, is now for the more privileged; and they will not be exposed to the "subversives" who have been purged, but offered "sociology, political science, and economics courses...more like religious instruction in the revealed truth of free markets and the red peril" (Tina Rosenberg), as in Brazil under the generals, or other places that come to mind. Macroeconomic statistics in the Pinochet years are generally below those for the preceding two decades; the average GNP growth from 1974-1979 was just over half that of 1961-1971, while per capita GNP fell 6.4 percent and per capita consumption 23 percent from 1972-1987. The capital city of Santiago is now "among the most polluted cities in the world," Nathaniel Nash observes, thanks to the free market Friedmanite model with its slogan "Produce, produce, produce," come what may -- what we denounce as the "Stalinist model" when there are points to be scored thereby. What "came" was "the daunting cost of cleaning up, ...and the daunting cost of not cleaning up" in a country with "some of the world's dirtiest factories," no regulations, severe pollution of water supplies, and general environmental ruin with much-feared consequences for the health of the population.

And thanks to the miracle, along with a little US help in "making the economy scream" under the Allende government, the proportion of the population that fell below the poverty line (minimum income required for basic food and housing) increased from 20 percent to 44.4 percent from 1970 to 1987.

"Not much of a miracle," Edward Herman comments.<sup>43</sup>

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<sup>41</sup> David Clark Scott, *CSM*, July 30, 1992; Salvador Corro, *Proceso* (Mexico), Nov. 18, 1991 (*LANU*, Jan. 1992); UN Report on the Environment, AP, May 7, 1992; La Botz, *Mask*, 165, 158; Andrew Reding and Christopher Whalen, *Fragile Stability*, Mexico Project, World Policy Institute, 1991. Barkin, *Report on the Americas* (NACLA), May 1991; "Salinastroika," ms., Aug. 1992. Baker, *WP*, Sept. 10, 1991, cited by Reding and Whalen.

<sup>42</sup> Nash, *NYT*, Nov. 13, 1991; Aug. 1, 1992. Kamm, *WSJ*, April 16, 1992.

<sup>43</sup> Felix, "Financial Blowups"; "Reflections on Privatizing"; "Latin American Monetarism in Crisis," in *'Monetarism' and the Third World*, Institute of Development Studies, Sussex, 1981. Data compiled by Chilean economist Patricio Meller; UN ECLA Poverty Study (Santiago, 1990) (Felix, p.c.). Petras and Vieux, "Myths and Realities." *Economist Intelligence Unit* cited by Doug Henwood, *Left Business Observer*, no. 50, July 7, 1992. Collins and Lear, "Pinochet's Giveaway," *Multinational Monitor*, May 1991. Rosenberg, *Dissent*, Summer 1989. Herman, letter, *Washington Report on the Hemisphere*, June 3, 1992. Nash, *NYT*, July 6, 1992.

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In the bad old days, according to the doctrinal truths of 1992, our Latin American wards didn't listen to our sage counsel. Now, however, with the worldwide victory of economic liberalism and free trade, they understand, at last, the wisdom of our words. The chorus of self-adulation is untroubled by the usual problems, such as the fact that we never followed that model ourselves, nor did any other country that has developed except when it conferred advantage; and that contrary to the doctrine, Latin America quite commonly did follow our advice, as the review of Brazil illustrates. It is hardly the only case. The Kennedy-Johnson Alliance for Progress is another. One of its most highly touted success stories was Somoza's Nicaragua. The catastrophic "miracle" provided a popular base for the Sandinista revolution in 1979. The most respected Nicaraguan economist during the US war against Nicaragua was Francisco Mayorga, who became economic Czar under the US-backed UNO government (soon to be dispatched to oblivion when the recovery policies he initiated to much US acclaim proved an utter failure). During his day in the sun, the media and others who hailed Mayorga were careful to ignore his major scholarly work. This interesting 1986 study examined the failure of the "monetarist paradigm" that had been advocated and enthusiastically backed by the US, which left the economy "on the verge of collapse" by 1978, perhaps unresurrectable, Mayorga argued, no matter what economic policies had been pursued, even without the immense costs of US terror and economic warfare.<sup>44</sup>

Blithely ignoring all relevant facts (and crucially, the unmentionable US contribution), Latin America specialists in the press now inform us that "To the commercial pioneers of the post-Sandinista era, Nicaragua is ripe for a comeback after a decade of revolutionary mismanagement and two years of fiscal rehabilitation under President Violeta Chamorro" (Pamela Constable). True, businessmen still see problems, Constable notes: "the continuing threat of violence from labor unions" and armed factions in the countryside, and "the unresolved status of property" confiscated by the Sandinistas. But the "commercial pioneers" are optimistic. Particularly cheerful are private bankers and their clients. The Sandinistas nationalized banks "and began channeling state loans to farmers, rural cooperatives and small industry high-risk sectors," Tim Johnson writes in the *Miami Herald*. But, thankfully, such misbehavior is now over, and "the public is beginning to demand a lot more services from their banks," a private banker comments.

"The public" does not include the campesinos whose march against hunger was reported in the Mexican press a few days later, or the huge number of unemployed, or the children sniffing glue, or the semi-human figures celebrating the victory of capitalism and democracy while scavenging in the Managua garbage dump.

Shortly after, the government's National Development Bank (BND) announced a new credit policy under pressure from international lending institutions, CAR reported: "Under the Sandinista government, the

BND provided subsidies and low-interest credit to cooperatives and small farmers with very few prerequisites, but those days are over." Now there will be "only guaranteed loans to clients with substantial collateral, leaving most peasant farmers out in the cold." Another feature of the new credit policy is that it "is expected to make it impossible for workers to pay off debts or make monthly bank payments on the companies they intend to buy." That will overcome a serious defect in the privatization process that the US demands as a condition for calling off its economic warfare: under the evil influence of the Sandinistas, the process allowed the wrong class of people -- workers in the enterprise -- to gain a share in ownership. That is quite improper, and inconsistent with the concept of "economic miracle."

To be sure, traditional US idealism will see to it that free market policies are not carried to excessive lengths: "the BND is considering financing large producers...at up to 70 percent of production costs," *CAR* notes.

The guiding US hand can also be seen in the measures to overcome "the unresolved status of property" that troubles the "commercial pioneers" and their cheerleaders in the US press. *Envío* reports that "The retrenching of the state banks towards medium- and large-scale production became evident in 1991, when the BND closed 16 branch offices in small towns throughout the country's central regions. Traditional financing mechanisms such as usury credit, futures sales, and sharecropping -- whose costs to the peasantry are well-known -- are coming into use again." Campesinos will be forced to leave their land, and it will return to its rightful owners.

To help the natural evolution along, the Army and National Police have been "utilizing all forms of violence and humiliation" to evacuate rural farmers from their lands, *CAR* reports; these lands had been distributed by constitutional decrees introduced by the Sandinistas, under which "farmlands and other properties abandoned or liquidated...were parceled out to landless campesinos in the form of small family subsistence plots or cooperative farms." In June 1992, 21 farms were violently "cleaned out" by the security forces, to be returned to their former owners; in 11 cases, to members of the Somoza family, according to the Nicaraguan Center for Human Rights (CENIDH). On June 30, *CAR* continues, 300 police and army troops "violently evicted 40 campesino families" with attack dogs, beating men, women, and children and threatening to kill campesinos who did not leave, burning homes and crops, and arresting activists of the Rural Workers Association. The security forces have imposed "a state of terror and blackmail" to prevent campesinos from organizing, CENIDH charged.

The police are now almost half ex-contras, it is estimated. The US failure to regain total control of the security forces has caused much outrage in Washington and the press. One major reason for the US war against Nicaragua was to restore that traditional control, so that the security forces can once again impose the "regional standards" of El Salvador, Guatemala, and Honduras, as in the Somoza days.<sup>45</sup>

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[44](#) Mayorga, *Nicaraguan Economic Experience*. See *DD* for further discussion.

[45](#) Constable, *BG*, March 4 (see p. 150); Golden, *MH*, March 5; wire services, *Excelsior*, March 12, 1992 (*CAN*). *CAR*, July 31, 1992.

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Since the US-backed UNO government won the February 1990 election, rural poverty has "drastically increased" because of the acceleration of neoliberal policies, which has "wreaked havoc on Nicaragua's small and medium-sized farmers," *CAR* reports. In much of the countryside, people are "becoming more desperate each day, with more than 70 percent of the children in these areas suffering malnutrition and between 65 percent to 89 percent of the population unemployed." In the Atlantic Coast region, "not only are farmers suffering, but fishermen are losing 80 percent of their livelihood to foreign companies which the UNO government has authorized to fish in the Atlantic Coast waters." Serious diseases that were eradicated under the Sandinistas are now common in the region, where 90 percent of residents are unable to satisfy basic needs. A representative of the National Union of Farmers and Cattle Ranchers (UNAG) says that the stringent credit requirements for peasant farmers "are killing us": "Large nontraditional farms get all the funding they need, but a subsistence farmer growing beans or corn to feed his family is allowed to go bankrupt and starve." Thirty-two-thousand families are surviving on "roots and empty tortillas with salt," UNAG reports. Opening of the economy, reeling under the impact of the US embargo and the terrorist war, has "forced Nicaragua's homegrown industries to compete with giant multinational companies," John Otis observes. As the country is flooded with foreign products, small industries have declined from 3800 when Chamorro took office to 2500 two years later; Nicaragua even imports its own national beer from Wisconsin, under a Nicaraguan label. Importers, middlemen, luxury goods shops, and the local wealthy are doing fine, along with the foreigners for whom the policies are designed. The rest can wait for "trickle down," including the 50 percent or more unemployed.<sup>46</sup>

Per capita income has fallen to the level of 1945; real wages amount to 13 percent of their 1980 value, still falling. Infant mortality and low birth weight are increasing, reversing earlier progress. The reduction of the health care budget by 40 percent in March 1991 has seriously affected the already insufficient supply of medicines. Hospitals for the general public barely function, though the rich can have what they need as the country returns to the "Central American mode." "The right to health care no longer exists in post-war Nicaragua," apart from those rich enough to pay, the Evangelical Church (CEPAD) reports. A survey of prostitutes found that 80 percent had taken up the trade in the last year, many of them teenagers.

In May 1992, the US Congress suspended over \$100 million of already approved aid, objecting to alleged government assistance to Sandinista organizations and failure to return property to former owners. "Extraofficially, it was learned that the government will give priority to United States citizens, to prominent Nicaraguan business people and to leaders of the former contras," the Mexican press reported, notably the North American Rosario Mining Co., which claims the gold mining installations in the northeast. The central issue is "whether the more than 100,000 peasant families who received land or title to land which they were already working under the Sandinista Administration will be able to keep their

lands," as had been promised in the UNO program, Lisa Haugaard of the Central American Historical Institute observes.

Another issue is the independence of the security forces. In accord with longstanding policy, Washington insists that they be under US control -- that Sandinista officials be dismissed, to use the code words preferred by government-media propaganda. Other industrial countries, not having the traditional interest in running "our little region over here," dismiss these demands as absurd, considering the Sandinista FSLN to be a "solidly structured [party] with a significant political weight," the only large popular-based party in the country (Detlev Nolte, head of Germany's Institute of Ibero-American Studies). They object to the US policy of "again polarizing the situation," another German Latin American specialist adds. When the congressional hold on aid was dropped, the Bush Administration held it back anyway, in line with its deep commitment to bar even a minimal show of independence.<sup>47</sup>

As we gaze on what we have accomplished and envision the glorious future that awaits, we can take pride in "having served as an inspiration for the triumph of democracy in our time," as the *New Republic* exulted after the elections had been won by "the right side" in Nicaragua, a "level playing field" having been established by Washington's stern warning that any other outcome would be followed by continued economic strangulation and terror. We can, in short, join the editors in their praise for Washington's terror and violence, giving "Reagan & Co. good marks" for the gratifying mounds of mutilated corpses and hordes of starving children in Central America, recognizing, as they advised, that we must send military aid to "Latin-style fascists... regardless of how many are murdered" because "there are higher American priorities than Salvadoran human rights."<sup>48</sup>

Recall that in accord with official convention, the economic catastrophe of the past years in Latin America is the result of statism, populism, Marxism, and other evils, now to be cured by the newly discovered virtues of monetarism and the free market. This picture is "a complete fabrication," James Petras and Steve Vieux point out. The highly-touted new discoveries are just those that have led to catastrophe in the past -- with no little aid from US-sponsored terror and economic warfare. Furthermore, neoliberal dogma has ruled for years in these US-run "testing areas." Social expenditures dropped sharply from 1980, leading to public health disaster and educational collapse, except for the rich; growth stagnated or declined. There was one area of progress: privatization, providing great advantages to wealthy sectors at home and abroad, and diminishing public revenues still further when "efficiently run, surplus-producing operations" were sold off, as in Chile. "The brutal austerity programs of the 1980s were obviously the work of doctrinaire neoliberals," they point out, and the "dismal results" are directly traceable to their ideological fervor. The huge debt accumulated through the partnership of domestic military-economic elites and foreign banks awash with petrodollars is to be paid by the poor. "Wage earners sacrificed the most in making available the surplus needed to make payments on the external debt," the UN World Economic Survey 1990 observed.

"More than any geographic area in the world," correspondent Marc Cooper writes, "Latin America over the past decade took seriously the promise of the Reagan revolution" -- not quite by choice. The decade was marked by privatization, deregulation, "free trade," destruction of unions and popular organizations,

opening of resources (including national parks and reserves) to foreign investors, and all the rest of the package. The effects have been disastrous, predictably.<sup>49</sup>

The celebration in the doctrinal institutions is also entirely predictable. Blame for past catastrophes has to be shifted to the shoulders of others. Any role that the US masters have played is, by definition, marginal at most, to be attributed to Cold War imperatives. And as the old doctrines produce new "economic miracles," there is every reason for the ideologues of privilege to applaud, as they always have, and as they will continue to do as long as power offers them that task.

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<sup>46</sup> *CAR*, Oct. 18, 1991; May 8, 1992; Otis, *SFC*, Aug. 1, 1992.

<sup>47</sup> *Links* (National Central America Health Rights Network), Summer 1992; *CEPAD Report*, Jan.-Feb. 1992; *Excelsior*, June 11, 1992 (*CAN*); Haugaard, CAHI, Georgetown University; IPS, Aug. 9, 1992 (*CAN*).

<sup>48</sup> For more on the matter, see *TTT*, ch. 3.9; *DD*, ch. 10.

<sup>49</sup> Petras and Vieux, "Myths and Realities." Cooper, *New Statesman & Society* (London), Aug. 7, 1992. On US-IMF programs in the Caribbean, see Deere, *In the Shadows*; McAfee, *Storm Signals*. For an ongoing record on Central America, see *PEHR*, *TNCW*, *TT*, *COT*, *NI*, *DD*, and sources cited.

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## Chapter Eight

# The Tragedy of Haiti

### 1. "The First Free Nation of Free Men"

"Haiti was more than the New World's second oldest republic," anthropologist Ira Lowenthal observed, "more than even the first black republic of the modern world. Haiti was the first *free* nation of *free* men to arise within, and in resistance to, the emerging constellation of Western European empire." The interaction of the New World's two oldest republics for 200 years again illustrates the persistence of basic themes of policy, their institutional roots and cultural concomitants.

The Republic of Haiti was established on January 1, 1804, after a slave revolt expelled the French colonial rulers and their allies. The revolutionary chiefs discarded the French "Saint-Domingue" in favor of the name used by the people who had greeted Columbus in 1492, as he arrived to establish his first settlement in Europe's New World. The descendants of the original inhabitants could not celebrate the liberation. They had been reduced to a few hundred within 50 years from a pre-Colombian population estimated variously from hundreds of thousands to 8 million, with none remaining at all, according to contemporary French scholars, when France took the western third of Hispaniola, now Haiti, from Spain in 1697. The leader of the revolt, Toussaint L'Ouverture, could not celebrate the victory either. He had been captured by deceit and sent to a French prison to die a "slow death from cold and misery," in the words of a 19th century French historian. Medical anthropologist Paul Farmer observes that Haitian schoolchildren to this day know by heart his final words as he was led to prison: "In overthrowing me, you have cut down in Saint-Domingue only the tree of liberty. It will spring up again by the roots for they are numerous and deep."<sup>1</sup>

The tree of liberty broke through the soil again in 1985, as the population revolted against the murderous Duvalier dictatorship. After many bitter struggles, the popular revolution led to the overwhelming victory of Haiti's first freely elected president, the populist priest Jean-Bertrand Aristide. Seven months after his February 1991 inauguration he was driven from office by the military and commercial elite who had ruled for 200 years, and would not tolerate loss of their traditional rights of terror and exploitation.

"As soon as the last Duvalier had fled Haiti," Puerto Rican ethnohistorian Jalil Sued-Badillo recounts, "an angry crowd toppled the statue of Christopher Columbus in Port-au-Prince and threw it in the sea," protesting "the ravages of colonialism" under "a long line of despots" from Columbus to Duvalier, and on

to today's rulers, who have reinstated Duvalier savagery. There were similar scenes in the neighboring Dominican Republic, subjected to a US-imposed terror regime after another Marine invasion in 1965 and a victim of IMF Fundamentalism from the early 1980s. In February 1992, President Balaguer "unleashed his security forces to beat peaceful demonstrators who were protesting the exorbitant expenditures shelled out for the 500-year celebration while the average Dominican starves," the Council on Hemispheric Affairs reported. Its centerpiece is a multi-million-dollar 100-foot-high half-mile-long recumbent cross with powerful searchlights that "rises above a slum of rat-infested shacks where malnourished, illiterate children slosh through the fetid water that washes through the streets during tropical rainstorms," the news services reported. Slums were cleared to accommodate its sprawling terraced gardens, and a stone wall conceals "the desperate poverty that its beams will soon illuminate." The huge expenses "coincide with one of the worst economic crises since the '30s," the former president of the Central Bank pointed out. After ten years of structural adjustment, health care and education have radically declined, electricity cutoffs up to 24 hours are used to ration power, unemployment exceeds 25 percent, and poverty is rampant. "The big fish eat the little ones," one old woman says in the nearby slum.<sup>2</sup>

Columbus described the people he found as "lovable, tractable, peaceable, gentle, decorous," and their land as rich and bountiful. Hispaniola was "perhaps the most densely populated place in the world," Las Casas wrote, "a beehive of people," who "of all the infinite universe of humanity, ...are the most guileless, the most devoid of wickedness and duplicity." Driven by "insatiable greed and ambition," the Spanish fell upon them "like ravening wild beasts, ... killing, terrorizing, afflicting, torturing, and destroying the native peoples" with "the strangest and most varied new methods of cruelty, never seen or heard of before, and to such a degree" that the population is barely 200 persons, he wrote in 1552, "from my own knowledge of the acts I witnessed." "It was a general rule among Spaniards to be cruel," he wrote: "not just cruel, but extraordinarily cruel so that harsh and bitter treatment would prevent Indians from daring to think of themselves as human beings." "As they saw themselves each day perishing by the cruel and inhuman treatment of the Spaniards, crushed to the earth by the horses, cut in pieces by swords, eaten and torn by dogs, many buried alive and suffering all kinds of exquisite tortures, ...[they] decided to abandon themselves to their unhappy fate with no further struggles, placing themselves in the hands of their enemies that they might do with them as they liked."

As the propaganda mills ground away, the picture was revised to provide retrospective justification for what had been done. By 1776, the story was that Columbus found "nothing but a country quite covered with wood, uncultivated, and inhabited only by some tribes of naked and miserable savages" (Adam Smith). As noted earlier, it was not until the 1960s that the truth began to break through, eliciting scorn and protest from outraged loyalists.<sup>3</sup>

The Spanish effort to plunder the island's riches by enslaving its gentle people were unsuccessful; they died too quickly, if not killed by the "wild beasts" or in mass suicide. African slaves were sent from the early 1500s, later in a flood as the plantation economy was established. "Saint Domingue was the wealthiest European colonial possession in the Americas," Hans Schmidt writes, producing three-quarters of the world's sugar by 1789, also leading the world in production of coffee, cotton, indigo, and

rum. The slave masters provided France with enormous wealth from the labor of their 450,000 slaves, much as in the British West Indian colonies. The white population, including poor overseers and artisans, numbered 40,000. Some 30,000 mulattoes and free Negroes enjoyed economic privileges but not social and political equality, the origins of the class difference that led to harsh repression after independence, with renewed violence today.

Cubans may have seemed "of dubious whiteness," but the rebels who overthrew colonial rule did not approach that status. The slave revolt, which had reached serious proportions by the end of 1791, appalled Europe, as well as the European outpost that had just declared its own independence. Britain invaded in 1793; victory would offer "a monopoly of sugar, indigo, cotton and coffee" from an island which "for ages, would give such aid and force to industry as would be most happily felt in every part of the empire," a British military officer wrote to Prime Minister Pitt. The United States, which had lively commerce with the French colony, sent its French rulers \$750,000 in military aid as well as some troops to help quell the revolt. France dispatched a huge army, including Polish, Dutch, German, and Swiss troops. Its commander finally wrote Napoleon that it would be necessary to wipe out virtually the entire black population to impose French rule. His campaign failed, and Haiti became the only case in history "of an enslaved people breaking its own chains and using military might to beat back a powerful colonial power" (Farmer).

The rebellion had broad consequences. It established British dominance of the Caribbean, and impelled its former colonies a long step further on their westward course as Napoleon, abandoning his hopes for an empire in the New World, sold the Louisiana territory to the United States. The rebel victory came at tremendous cost. Much of the agricultural wealth of the country was destroyed, along with perhaps a third of the population. The victory horrified Haiti's slave-holding neighbors, who backed France's claims for huge reparations, finally accepted in 1825 by Haiti's ruling elite, who recognized them to be a precondition for entry into the global market. The result was "decades of French domination of Haitian finance" with "a catastrophic effect on the new nation's delicate economy," Farmer observes. France then recognized Haiti, as did Britain in 1833. Simon Bolívar, whose struggles against Spanish rule were aided by the Haitian Republic on condition that he free slaves, refused to establish diplomatic relations with Haiti on becoming President of Greater Colombia, claiming that Haiti was "fomenting racial conflict" -- a refusal "typical of Haiti's welcome in a monolithically racist world," Farmer comments. Haitian elites continued to be haunted by fear of conquest and a renewal of slavery, a factor in their costly and destructive invasions of the Dominican Republic in the 1850s.

The US was the last major power to insist that Haiti be ostracized, recognizing it only in 1862. With the American Civil War underway, Haiti's liberation of slaves no longer posed a barrier to recognition; on the contrary, President Lincoln and others saw Haiti as a place that might absorb blacks induced to leave the United States (Liberia was recognized in the same year, in part for the same reason). Haitian ports were used for Union operations against the rebels. Haiti's strategic role in control of the Caribbean became increasingly important in US planning in later years, as Haiti became a plaything among the competing imperial powers. Meanwhile its ruling elite monopolized trade, while the peasant producers in the interior remained isolated from the outside world.

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<sup>1</sup> Lowenthal, *Reviews in Anthropology*, 1976, cited in Farmer, *AIDS and Accusation*, the source for much of which follows along with Schmidt, *US Occupation*. The classic account of the revolution is C.L.R. James, *The Black Jacobins*. The high population estimates are from Sherburne Cook and Woodrow Borah, *Essays in Population History: Mexico and the Caribbean* (California, 1971) (see Farmer, Stannard, *American Holocaust*).

<sup>2</sup> Sued-Badillo, *Monthly Review*, July/August 1992. COHA press release, Feb. 18; Anne-Marie O'Connor, Cox News Service, April 12, 1992. On the IMF programs, see McAfee, *Storm Signals; DD*, 7.3.

<sup>3</sup> Farmer, *AIDS*, 153; Las Casas, passages in Chicago Religious Task Force, *Dangerous Memories*, Stannard, *American Holocaust*, Sale, *Conquest*. See also Koning, *Columbus*. Smith, *Wealth*, Bk. IV, Ch. VII, Pt. I (ii, 70).

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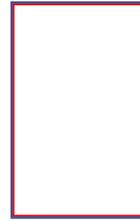
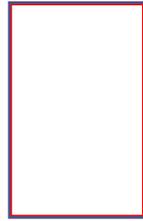
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The professed concern for freedom of the press in the West is not very persuasive in the light of...the actual performance of the media in serving the powerful and privileged as an agency of manipulation, indoctrination, and control. A "democratic communications policy," in contrast, would seek to develop means of expression and interaction that reflect the interests and concerns of the general population, and to encourage their self-education and their individual and collective action.

NOAM CHOMSKY

# Year 501

The Conquest Continues

Noam Chomsky

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## Chapter Nine

# The Burden of Responsibility

### 1. Irrational Disdain

As the US proceeded to "assume, out of self-interest, responsibility for the welfare of the world capitalist system" after World War II, it also extended the "experiments in pragmatism" that it had been conducting in its narrower domains to "accelerate the process of national growth and save much waste" (Gerald Haines, Ulysses Weatherby). One striking feature of the "scientific methods of development" designed for our wards is what Hans Schmidt calls the "irrational disdain for the agricultural experience of local peasants." This was the source of "a series of disastrous failures" as US experts attempted to apply "the latest developments in scientific agriculture" to their Haitian testing area -- as always, sincerely believing that they were doing good while (by the sheerest accident) benefiting US corporations. A 1929 study found that "Haitian peasants were growing cotton more successfully than American plantations which employed the latest scientific methods," Schmidt observes. The chief US agricultural expert reported to the State Department that US ventures "had failed because promoters had been unwilling to study the techniques employed by local people who had, through generations of practical experience, developed locally viable methods," which enabled the natives to raise cotton more successfully than the plantations that were "scientifically cultivated."<sup>1</sup>

The story continued after the government was handed over to Haitian overseers. In 1941, the Haitian-American Company for Agricultural Development (SHADA) was set up as an aid project under the guidance of US agronomists, who dismissed the advice and protests of Haitian experts with the usual contempt. With millions of dollars of US government credits, SHADA undertook to raise sisal and rubber, needed at the time for war purposes. The project acquired 5 percent of Haiti's finest agricultural lands, expelling 40,000 peasant families, who, if lucky, might be rehired as day laborers. After four years of production, the project harvested a laughable five tons of rubber. It was then abandoned, in part because the market was gone. Some peasants returned to their former lands, but were unable to resume cultivation because the land had been ruined by the SHADA project. Many could not even find their own fields after trees, hills and bushes had been bulldozed away.

"Haitian objections to U.S. aid projects sound paranoid," Amy Wilentz remarks after reviewing this not untypical instance.<sup>2</sup> Sometimes, however, there really is a man with an ax chasing the fellow with the irksome complaint.

In 1978, US experts became concerned that swine fever in the Dominican Republic might threaten the US pig industry. The US initiated a \$23 million extermination and restocking program aimed at replacing all of the 1.3 million pigs in Haiti, which were among the peasants' most important possessions, even considered a "bank account" in case of need. Though some Haitian pigs had been found to be infected, few had died, possibly because of their remarkable disease-resistance, some veterinary experts felt. Peasants were skeptical, speculating that the affair had been staged so that "Americans could make money selling their pigs." The program was initiated in 1982, well after traces of disease had disappeared. Two years later, there were no pigs in Haiti.

Peasants regarded this as "the very last thing left in the possible punishments that have afflicted us." A Haitian economist described the enterprise as "the worst calamity to ever befall the peasant," even apart from the \$600 million value of the destroyed livestock: "The real loss to the peasant is incalculable... [The peasant economy] is reeling from the impact of being without pigs. A whole way of life has been destroyed in this survival economy." School registration dropped 40-50 percent and sales of merchandise plummeted, as the marginal economy collapsed. A USAID-OAS program then sent pigs from Iowa -- for many peasants, confirming their suspicions. These were, however, to be made available only to peasants who could show that they had the capital necessary to feed the new arrivals and to house them according to specifications. Unlike the native Haitian pigs, the Iowa replacements often succumbed to disease, and could survive only on expensive feed, at a cost that ran up to \$250 a year, a huge sum for impoverished peasants. One predictable result was new fortunes for the Duvalier clique and their successors who gained control of the feed market. A Church-based Haitian development program that had sought to deal with the problems abandoned the effort as "a waste of time." "These pigs will never become acclimated to Haiti... Next they'll ask us to install a generator and air conditioning."<sup>3</sup>

Other experiments have often turned out the same way. In his study of another long-time "testing area," Liberia, anthropologist Gordon Thomasson found the same "irrational disdain" for native intellectual achievement, and the same severe costs -- for the locals. Over the centuries, the Kpelle had developed hundreds of varieties of rice that were matched precisely to microenvironments in particular ecosystems; dozens of different seeds might be planted in a small field, with very high yields. US agronomists advised capital-intensive "green revolution" techniques using petrochemical inputs which, apart from being far too costly for a poor country, bring lower yields and loss of the traditional knowledge and the wide variety of seeds that have been bred, selected, diversified, and maintained over centuries. Thomasson estimates that agricultural productivity will be cut by as much as 50 percent if the rich genetic pool of rice varieties, "the product of centuries of self-conscious breeding and selection," is lost and replaced by foreign inputs: "many areas of rural Liberia will for all intents and purposes cease to exist, and so will many of Liberia's indigenous cultures."

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[1](#) Schmidt, *US Occupation*, 16, 181.

[2](#) Wilentz, *Rainy Season*, 271-2.

[3](#) Farmer, *AIDS*, 37ff.

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The disdain of the experts was heightened by the fact that this is "women's knowledge," transmitted by older women to young girls who spent much time acquiring the skills and lore. The same attitudes extend more broadly. Max Allen, curator of one of the world's leading textile museums, observes that "In most Northern-hemisphere traditional societies, the most impressive man-made artifacts are not made by men at all, but by women," namely textile products, which "are certainly *artistic*," though not regarded as "art" by Western tradition. They are assigned to the category of crafts, not art. The fact that the artistic traditions extending over thousands of years are "women's work," may contribute to these dubious interpretations, Allen suggests.<sup>4</sup>

The "suspicious" will not fail to observe that, however ruinous to Liberia, the "scientific methods of development" offer many benefits to the western corporate sector, perhaps well beyond the usual beneficiaries, agribusiness and petrochemicals. As the variety of crops is reduced, and disease and blight become an increasing threat, genetic engineering may have to come to the rescue with artificially designed crops, offering the rising biotech industries alluring prospects for growth and profit.

Following standard doctrine, US experts advised Liberia to convert farmland to plantation cash crops (which, incidentally, also happens to benefit US corporations). The resulting shortfalls led USAID to push the development of paddy rice in swamps, ignoring a World Health Organization effort to keep people out of these regions because of extreme health hazards.

The Kpelle had also developed sophisticated metallurgical technology, enabling them to produce highly efficient tools. In this case, Thomasson writes, their achievements were "killed by colonialism and monopoly capitalism, not because the product it produced was in any way inferior or overpriced in the marketplace," but by means of subsidies to coastal merchants and other market distortions designed by the economic experts and imposed by the US-controlled governments, "eventually destroying the economy, currency, and indigenous industry." Again, there were beneficiaries: multinational mining concessions, foreign producers who supplied the importers, and banks outside Liberia to which they ship their profits.<sup>5</sup>

Chalk up another victory for "free market" values.

Some might consider it unfair to take Liberia and Haiti as illustrations. As Wilson's Secretary of State Robert Lansing explained:

The experience of Liberia and Haiti show that the African race are devoid of any capacity

for political organization and lack genius for government. Unquestionably there is an inherent tendency to revert to savagery and to cast aside the shackles of civilization which are irksome to their physical nature. Of course, there are many exceptions to this racial weakness, but it is true of the mass, as we know from experience in this country. It is that which makes the negro problem practically unsolvable.<sup>6</sup>

Perhaps it is this racial weakness that accounts for the results of the experiments in Liberia and Haiti -- which are duplicated throughout the subject domains.

These regular features of the 500-year conquest will have growing significance in the years ahead as the ecological consequences of unsustainable capital-intensive agriculture reach a scale that cannot be neglected even by the rich. At that point, they will enter the agenda, like the ozone layer, which became "important" when it seemed likely to endanger rich white folk. Meanwhile, the experiments will continue in the testing areas.

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<sup>4</sup> Allen, *Birth Symbol*.

<sup>5</sup> Thomasson, *Cultural Survival Quarterly*, Summer 1991.

<sup>6</sup> Cited by Schmidt, *US Occupation*, 62-3.

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## 2. Laboratory Animals

The concept "testing area" merits particular notice. Similarly, "American strategists have described the civil war in El Salvador as the 'ideal testing ground' for implementing low-intensity conflict doctrine" (a.k.a. international terrorism), a DOD-sponsored RAND Corporation report on the experiment concludes. In earlier days, Vietnam was described as "a going laboratory where we see subversive insurgency...being applied in all its forms" (Maxwell Taylor), providing opportunities for "experiments with population and resource control methods" and "nation building." The Marine occupation of Haiti was described in similar terms, as we have seen. The technical posturing appears to sustain the self-image, at least.<sup>7</sup>

One finds no intimation that the experimental subjects might have the right to sign consent forms, or even to know what is happening to them. On the contrary, they scarcely have the rights of laboratory animals. *We* will determine what is best for them, as we always have; another hallmark of the 500 years.

The wise among us just *know*, for example, that maximizing consumption is a core human value: "If we weren't influencing the world" in this direction, "it would be someone else because what we are seeing everywhere is an expression of the basic human desire to consume," Boston University professor of management Lawrence Wortzel explains. US entrepreneurs are fortunate indeed to be so in tune with human nature. True, slow learners sometimes have to be helped to understand their true nature. The advertising industry devotes billions of dollars to stimulating this self-awareness, and in the early days of the industrial revolution, it was no small problem to bring independent farmers to realize that they wished to be tools of production so as to be able to gratify their "basic human desire to consume." The very "visible hand" of government has also helped. As radio was becoming a major medium, the Federal Radio Commission "equated capitalist broadcasting with 'general public service' broadcasting" since it would provide whatever "the market desired," Robert McChesney writes, while attempts by labor, other popular sectors, or educational programming were deemed "propaganda." It was therefore necessary "to favor the capitalist broadcasters" with access to channels and other assistance.<sup>8</sup>

Apart from the regular bombardment of the senses through advertising and media portrayal of life-as-it-should-be-lived, corporate-government initiatives are undertaken on an enormous scale to shape consumer tastes. One dramatic example is the "Los Angelizing" of the US economy, a huge state-corporate campaign to direct consumer preferences to "suburban sprawl and individualized transport -- as opposed to clustered suburbanization compatible with a mix of rail, bus, and motor car transport," Richard Du Boff observes in his economic history of the United States, a policy that involved "massive

destruction of central city capital stock" and "relocating rather than augmenting the supply of housing, commercial structures, and public infrastructure." The role of the federal government was to provide funds for "complete motorization and the crippling of surface mass transit"; this was the major thrust of the Federal Highway Acts of 1944, 1956, and 1968, implementing a strategy designed by GM chairman Alfred Sloan. Huge sums were spent on interstate highways without interference, as Congress surrendered control to the Bureau of Public Roads; about 1 percent of the sum was devoted to rail transit. The Federal Highway Administration estimated total expenditures at \$80 billion by 1981, with another \$40 billion planned for the next decade. State and local governments managed the process on the scene.

The private sector operated in parallel: "Between 1936 and 1950, National City Lines, a holding company sponsored and funded by GM, Firestone, and Standard Oil of California, bought out more than 100 electric surface-traction systems in 45 cities (including New York, Philadelphia, St. Louis, Salt Lake City, Tulsa, and Los Angeles) to be dismantled and replaced with GM buses... In 1949 GM and its partners were convicted in U.S. district court in Chicago of criminal conspiracy in this matter and fined \$5,000." By the mid-1960s, one out of six business enterprises was directly dependent on the motor vehicle industry. The federal spending helped keep the economy afloat. Eisenhower's fears of "another Depression setting in after the Korean War" were allayed, a US Transportation Department official reported. A congressional architect of the highway program, John Blatnik of Minnesota, observed that "It put a nice solid floor across the whole economy in times of recession." These government programs supplemented the huge subsidy to high technology industry through the military system, which provided the primary stimulus and support needed to sustain the moribund system of private enterprise that had collapsed in the 1930s.<sup>9</sup>

The general impact on culture and society was immense, apart from the economy itself. Democratic decision-making played little role in this massive project of redesigning the contemporary world, and only in marginal respects was it a reflection of consumer choice. Consumers made choices no doubt, as voters do, within a narrowly determined framework of options designed by those who own the society and manage it with their own interests in mind. The real world bears little resemblance to the dreamy fantasies now fashionable about History converging to an ideal of liberal democracy that is the ultimate realization of Freedom.

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<sup>7</sup> Schwarz, *American Counterinsurgency Doctrine*. *FRS*, 246; *APNM*, ch. 1.

<sup>8</sup> David Holstrom, *CSM*, April 30, 1992. McChesney, *Labor*.

<sup>9</sup> Du Boff, *Accumulation*, 101-3.

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The primitive people to whose needs we minister also commonly lack self-awareness, and need a little help to discover what they really want. The efforts of the Jesuits who sought to raise their Amerindian charges from "their natural condition of rudeness and barbarism...were first, and very wisely, directed to the creation of wants -- the springs of human activity," in which these creatures were so sorely lacking, Hegel learnedly explained. A century later, the US proconsul in Haiti, Financial Adviser Arthur Millspaugh, observed that "the peasants, living lives which to us seem indolent and shiftless, are enviably carefree and contented; but, if they are to be citizens of an independent self-governing nation, they must acquire, or at least a larger number of them must acquire, a new set of wants" -- which the advertising industry will be happy to stimulate, and US exporters will generously fulfill.<sup>10</sup>

Abolition of slavery raised in a sharp form the problem of creating wants, a problem that was addressed over a much longer period as peasants were driven to wage labor in the early stages of industrialization. Given the suddenness of the transition in the case of abolition, the problem had to be faced squarely, and with self-awareness. Thomas Holt has an interesting study of the case of Jamaica, where after a slave revolt, the British rulers abolished slavery in 1834. The problem was to ensure that the plantation system would be maintained without essential change. Officials understood that freedmen must be prevented from relapsing "into barbarous indolence." "Should things be left to their natural course," Colonial Secretary Lord Glenelg observed, "labour would not be attracted to the cultivation of exportable produce," meaning sugar. He therefore urged a variety of government measures to prevent freed slaves from acquiring the ample fertile lands then available, liberal doctrine notwithstanding. Another colonial official recognized that more is needed: the creation of "artificial wants," which "become in time real wants." As abolition was being prepared, a British Parliamentarian observed (1833) that "To make them labour, and give them a taste for luxuries and comforts, they must be gradually taught to desire those objects which could be attained by human labour. There was a regular progress from the possession of necessaries to the desire of luxuries; and what once were luxuries, gradually came...to be necessaries. This was the sort of progress the negroes had to go through, and this was the sort of education to which they ought to be subject in their period of probation" after emancipation. Otherwise, "they would hardly have any inducement to labour," a high-ranking colonial official, Governor Charles Metcalfe, later observed (1840). By such means, another official noted, it would be possible to attain the desired end: "to change a slavish multitude into an orderly and happy peasantry," performing essentially the same tasks as under slavery, while the "slave driving oligarchy" becomes "a natural upper class."<sup>11</sup>

The same problem was faced by the United Fruit Company (UFCO) in its Central American plantations. Under conditions of free labor, workers had to be prevented somehow from retreating to a self-sustaining economy, no simple matter. People chose to work "only when forced to and that was not often, for the land would give them what little they needed," an UFCO historian wrote in 1929. To overcome the

problem, UFCO sought to instill consumer values, recognizing that "The desire for goods...is something that has to be cultivated." The company was able to "arouse desires by advertising and salesmanship," the same historian wrote approvingly; this had "its effect in awakening desires, ...the same effect as in the United States," where, as industry knew well, "desires" had to be artificially stimulated and shaped. The newly-awakened desires -- for silk stockings instead of cotton, expensive Stetson hats and "a flashy silk shirt while their feet were bare," and so on -- could then be satisfied at UFCO stores. The device was "repeatedly abused" by the company, its official historian concedes, as goods were sold "at outrageous prices to the workers -- all too frequently on credit," driving them on "a straight road to peonage."<sup>12</sup>

The problems had been addressed on a different scale in opening China to the West. Again, it was not easy. A British mission was admitted to Beijing in 1793, offering samples of virtually everything Britain could produce. It was "the most elaborate and expensive diplomatic initiative ever undertaken by a British government," John Keay writes in his history of the East India Company, which held its monopoly on trade with China until well into the 19th century. The Emperor graciously accepted the offerings as "Tribute from the Kingdom of England," commending the "respectful spirit of submission" of the British emissary. There would be no trade however: "Our celestial empire possesses all things in prolific abundance," the Emperor informed him, though "I do not forget the lonely remoteness of your island, cut off from the world by intervening wastes of sea." European merchants made inroads in the south, but were blocked elsewhere by imperial power.

One commodity for which Britain did find a market was Bengali opium. By the early 19th century, the East India Company's revenues from opium sales to China were second only to land revenue, "showing profits high enough both to stifle any moral scruples felt by the British and to negate the prohibitions frequently invoked by the Chinese," Keay writes. A few years later China sought to halt the flow, now truly offending British moral scruples. Pleading the virtues of free trade, Britain forced China to open its doors to lethal narcotics, exploiting the great superiority in violence that so revived the spirits of British jingoists during the 1991 Gulf War. "It took the construction and despatch of an ironclad steamship, the *Nemesis*, to reduce the Central Kingdom to reason," military historian Geoffrey Parker comments sardonically: the guns of the *Nemesis* "managed to destroy, in just one day in February 1841, nine war-junks, five forts, two military stations and a shore battery in the Pearl River," and China was soon able to enjoy the benefits of liberal internationalism. The US sought to match the privileges that Britain gained, also pleading high principle. China's refusal to accept opium from Britain's Indian colony was denounced by John Quincy Adams as a violation of the Christian principle of "love thy neighbor" and "an enormous outrage upon the rights of human nature, and upon the first principles of the rights of nations," while missionaries lauded the "great design of Providence to make the wickedness of men subserve his purposes of mercy toward China, in breaking through her wall of exclusion, and bringing the empire into more immediate contact with western and christian nations."

In such ways, Britain succeeded in creating new wants in China, much as the US does today as it compels Asian countries, on pain of severe trade sanctions, to admit US-grown lethal narcotics that kill perhaps 50 to 100 times as many people a year as all hard drugs combined in the United States, and to advertise to open new markets, particularly women and children.<sup>13</sup>

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[10](#) Hegel, *Philosophy*, 82. Schmidt, *US Occupation*, 158.

[11](#) Holt, *Problem*, 45, 71ff., 54f.

[12](#) A. Chomsky, *Plantation Society*.

[13](#) De Schweinitz, *Rise and Fall*, 165; Keay, *Honorable Company*, 435f., 454f. M.N. Pearson, Parker, in Tracy, *Merchant Empires. DD*, ch. 4; [ch. 2.4](#), above.

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### 3. Indian Removal and the Vile Maxim

The problem of driving an awareness of their true wants into the heads of "rude barbarians" also beset the US government in the course of its program of Indian removal and annexation. The most striking instance, perhaps, arose in the 1880s, as Washington prepared to rescind the solemn treaties recognizing ownership of Eastern Oklahoma by the Five Civilized Tribes. The Indian Territory had been granted to these nations in perpetuity after they had been brutally expelled from their traditional homes under an 1835 "treaty" that several Indian leaders were forced to accept, recognizing that "they are strong and we are weak"; "We were all opposed to selling our country east," the signers wrote to Congress, condemning the US government for "making us outcasts and outlaws in our own land, plunging us at the same time into an abyss of moral degradation which was hurling our people to swift destruction." For the English settlers, peace treaties had a special meaning, explained by the Council of State in Virginia in the 17th century: when the Indians "grow secure upon the treatie, we shall have the better Advantage both to surprise them, & cutt downe their Corne." The concept survives to the present.

The 1835 treaty replaced earlier ones, going back to 1785, when the newly liberated colonies forced a treaty on the Cherokees (who had, not surprisingly, supported the British in the revolutionary war), taking lands held by the Cherokees under earlier treaties while stating that Congress "want none of your lands, nor anything else which belongs to you." This was a "humane and generous act of the United States," the US representative declared. In 1790, George Washington assured the Cherokees that "In future you cannot be defrauded of your lands": the new government "will protect you in all your just rights...The United States will be true and faithful to their engagements." President Jefferson added that "I sincerely wish you may succeed in your laudable endeavors to save the remnant of your nation by adopting industrious occupations, and a government of regular law. In this you may always rely on the counsel and assistance of the United States." In the years that followed, settlers encroached on Indian territory and new treaties were dictated, imposing further cessions of land. In what remained, a successful agricultural society was established, with textile manufacture from 1800, schools, printing presses, and a well-functioning government that was much admired by outsiders. A report submitted to the War Department in 1825 gave a "glowing description of the Cherokee country and nation at the time," Helen Jackson writes in her exceptional (in many ways) 19th century history of Indian removal, quoting extensive passages of praise for the advanced civilization that the Cherokees had developed and the "republican principles" on which it was based. Meanwhile, the leading thinkers of Europe lectured on the strange lack of "psychic power" that caused the Indians to "vanish" and "expire as soon as Spirit approached" with the European presence.

However impressive, progress was being made by the wrong people, who once again stood in the way of

the advance of "progress" in the Politically Correct sense of the term. Andrew Jackson's Indian Removal Act of 1830 was followed by the imposed treaty of 1835, in which the signers relinquished all claims of the Civilized Nations to their lands east of the Mississippi. Jackson was deeply moved by his generosity in "having done my duty to my red children"; "if any failure of my good intention arises, it will be attributable to their want of duty to themselves, not to me." He was not only granting "these children of the forest" an opportunity "to better their condition in an unknown land" as "our forefathers" did, but even paying "the expense of his removal," an act of "friendly feeling" that "thousands of our own people would gladly embrace" if only it were extended to them.

Three years later, 17,000 Cherokees were driven at bayonet point to Oklahoma by the US Army "over a route so marked with new-dug graves that it was ever afterwards known as the Trail of Tears" (Thurman Wilkins); perhaps half survived "the generous and enlightened policy" of the US government, as the operation was described by the Secretary of War, with the routine self-acclaim for unspeakable atrocities.

Reviewing the remarkable achievements of the Cherokee nation before and after, and the treatment accorded them, Helen Jackson writes that "In the whole history of our Government's dealing with the Indian tribes, there is no record so black as the record of perfidy to this nation. There will come a time in the remote future when, to the student of American history, it will seem well-nigh incredible" -- a judgment with which it is hard to quarrel, though the future is still remote.<sup>14</sup>

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<sup>14</sup> Jackson, *Century*. Wilkins, *Cherokee Tragedy*, 3, 4, 287. Peace treaty, Stannard, *American Holocaust*, 106. Andrew Jackson, Rogin, *Fathers*, 215f. On estimates of the toll, see Lenore Stiffarm with Phil Lane, "The Demography of Native North America," in Jaimes, *State*.

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In 1870, the Department of the Interior recognized that "the Cherokees, and the other civilized Indian nations [of the Oklahoma territory] no less, hold lands in perpetuity by titles defined by the supreme law of the land," a "permanent home" granted "under the most solemn guarantee of the United States," to "remain theirs forever -- a home that shall never in all future time be embarrassed by having extended around it the lines or placed over it the jurisdiction of a Territory or State," or be disturbed in any other way. Six years later, the Department declared that affairs in the Indian Territory are "complicated and embarrassing, and the question is directly raised whether an extensive section of the country is to be allowed to remain for an indefinite period practically an uncultivated waste, or whether the Government shall determine to reduce the size of the reservation." The Department had previously described the "uncultivated waste" as a miracle of progress, with successful production by people living in considerable comfort, a level of education "equal to that furnished by an ordinary college in the States," flourishing industry and commerce, an effective constitutional government, a high level of literacy, and a state of "civilization and enlightenment" comparable to anything known: "What required five hundred years for the Britons to accomplish in this direction they have accomplished in one hundred years," the Department declared in wonder.<sup>15</sup>

Jackson ends her account in 1880 with a question: "Will the United States Government determine to reduce the size of the reservation?" It was soon to be answered, in just the way she anticipated. Again, the advanced civilization of the Indians stood in the way of civilization, properly conceived.

What followed is described by Angie Debo in her classic study *And Still the Waters Run*. In the independent Indian Territory, land was held collectively and life was contented and prosperous. The Federal Indian Office opposed communal land tenure by ideological dogma, as well as for its practical effect: preventing takeover by white intruders. In 1883, a group of self-styled philanthropists and humanitarians began to meet to consider problems of the Indians. Their third meeting was addressed by Senator Henry Dawes of Massachusetts, considered a "distinguished Indian theorist," who had just concluded a visit of inspection to the Indian Territory. Like earlier observers, he described what he found in glowing terms: "There was not a pauper in that nation, and the nation did not owe a dollar. It built its own capitol, in which we had this examination, and it built its schools and its hospitals." No family lacked a home.

Dawes then recommended that the society be dissolved, because of a fatal flaw, of which the benighted natives were unaware:

Yet the defect of the system was apparent. They have got as far as they can go, because they own their land in common. It is Henry George's system, and under that there is no

enterprise to make your home any better than that of your neighbors. There is no selfishness, which is the bottom of civilization. Till this people will consent to give up their lands, and divide them among their citizens so that each can own the land he cultivates, they will not make much more progress.

In brief, though superficially civilized and advanced, the people remained culturally deprived, unable to recognize their "basic human drive to consume" and to best their neighbors, ignorant of the "vile maxim of the masters."

Dawes's proposal to bring enlightenment to the savages was approved by the Eastern humanitarians, and soon implemented. He introduced legislation that barred communal landholding and headed the Commission that oversaw the dispossession of the Indians that inevitably ensued. Their lands and property were looted, and they were scattered to remote urban areas where they suffered appalling poverty and destitution.

Such is the way with experiments; they don't always succeed. In fact, the regular experiments conducted in our various "testing areas" typically do succeed quite well, as this one did, for those who design and execute them, Adam Smith's architects of policy -- honorable men, always guided by the most benevolent intentions, which, fortuitously, happen to coincide with their own interests. If the experiments do not succeed for the indigenous people of North America -- or Brazilians, or Haitians, or Guatemalans, or Africans, or Bengalis, or welfare mothers, or others who stand in the way of the rich men who rule -- we may seek the reasons in their genes, "defects," and inadequacies. Or we may muse on the ironies of history.

One can readily understand the appeal to postwar intellectuals of the work of Reinhold Niebuhr, "the theologian of the establishment," the guru of the Kennedy intellectuals, George Kennan, and many others. How comforting it must be to ponder the "paradox of grace" that was his key idea: the inescapable "taint of sin on all historical achievements," the need to make "conscious choices of evil for the sake of good" -- soothing doctrines for those preparing to "face the responsibilities of power," or in plain English, to set forth on a life of crime.<sup>16</sup>

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<sup>15</sup> Jackson, *Century*.

<sup>16</sup> For details, see my "Divine License to Kill," discussing works by and on Niebuhr, published in large part in *Grand Street*, Winter 1987.

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## 4. "The American Psyche"

The state-corporate nexus has always devoted substantial efforts and resources to ensure that the rascal multitude recognize their wants and needs, never an easy task, from the days when independent farmers had to be turned into wage earners and consumers. Many of them remained mired in darkest ignorance and superstitious belief, sometimes even heeding the words of such scoundrels as Uriah Stephens, a founder and the first grandmaster workman of the Knights of Labor, who outlined labor's task in 1871 as "The complete emancipation of the wealth producers from the thralldom and loss of wage slavery," a conception that can be traced to the leading principles of classical liberalism. Many took the conditions of "free labor" to be "a system of slavery as absolute if not as degrading as that which lately prevailed in the South," as a *New York Times* reporter described the new era in which "manufacturing capitalists" are the masters.<sup>17</sup>

Even today, after a century of intense and dedicated efforts by cultural managers, the general population often fail to perceive their inner wants. The debate over health care provides some useful illustrations. A case in point is a major article in the *Boston Globe* by Thomas Palmer, well to the liberal side of the spectrum. Palmer opens by reporting that almost 70 percent of Americans prefer a Canadian-style health-care system -- a surprising figure, given that this retrograde socialism is regularly denounced as un-American. But the general public is just wrong, for two reasons, Palmer explains.

The first reason is technical: it was clarified by President Bush, who "emphasized the importance of avoiding the problems of bureaucratized, universal-care systems like Canada's." Mr. Bush, *New York Times* correspondent Robert Pear reports, "accuses the Democratic nominee of favoring a state-run system that would have Soviet-like elements," a "back door national health insurance" in the words of Presidential adviser Gail Wilensky. This is "a charge that Mr. Clinton and other Democrats deny," Pears adds with proper journalistic objectivity, keeping the balance between the charges of crypto-Communism and the angry denials. It is a matter of logic that Commie-style systems of the kind that exist throughout the industrial world apart from the United States (and South Africa) are inefficient. Accordingly, the fact that the highly bureaucratized private sector system in the US is vastly more inefficient is simply irrelevant. It is, for example, of no relevance that Blue Cross of Massachusetts employs 6680 people, more than are employed in all of Canada's health programs, which insure 10 times as many people; or that the share of the health dollar for administrative costs is over twice as high in the US as in Canada. Logic cannot be confuted by mere fact, by Hegel's "negative, worthless existence."

More interesting is the second reason, which is "spiritual," Palmer continues. There is a "difference in

outlook" north and south of the border, "theoretical differences that students of the two nations see in the psyches of the average American and Canadian." The studies of these penetrating scholars show that the Canadian system would cause "the kind of rationing of health care that Americans would never accept... The US system rations by price; if you can afford it, it's there. Canadians ration their health care by providing the same care for everyone and simply making those seeking elective or less urgent procedures wait."

Plainly, that would not accord with "American-style impatience," one "student of the two nations" explains. Imagine, he says, that "no matter how poor you are, you will sit in a hospital bed and receive care as the richest in your community. No matter what contacts you have and no matter how rich you are, you can get no better than that." Americans would never accept that, we learn from this expert (incidentally, the president of a health-care consulting firm). Further insights into the American psyche are given by the deputy director of a trade group of commercial health insurers.<sup>18</sup>

The 70 percent of Americans who don't understand their own psyches are not sampled. That is not unreasonable, after all. They are not students of the American psyche, and it has long been common understanding that they need instruction in self-awareness.

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<sup>17</sup> Krause, *Battle*, 82-3.

<sup>18</sup> Palmer, *BG*, Feb. 9; Pear, *NYT*, Aug. 12, 1992. Data from Nancy Watzman, *Multinational Monitor*, May 1992.

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# PART IV

## *Memories*

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### Chapter Ten

## Murdering History

A few months before the end of Year 500, the *Times Book Review* appeared with a front-page headline reading: "You Can't Murder History." The review-article dedicated to this lesson keeps to a single case: "History in the old Soviet Union was like cancer in the human body, an invisible presence whose existence is bravely denied but against which every conceivable weapon is mobilized." It takes up one striking example of "this disease within the Soviet body politic," the depiction of the murder of the Tsar and his family, recalling "those all-powerful Soviet officials whose job it was to suppress the public's memory of this grisly episode," but who, in the end, "could not hold back the tide."<sup>1</sup>

These reflections did not touch upon a few other examples of murdering history that might come to mind, particularly at this historical moment. Convention has it that multiples of 10 provide the occasion to reflect on the meaning of history and the questions it poses; and perhaps also on the murder of history by its guardians, who, in every society, are acutely sensitive to the faults of official enemies. The convention is useful. By adopting it and examining some of the anniversaries that fall within the 500th year, we can learn something about ourselves, in particular, about the doctrinal foundations of Western culture, a topic of much importance, given the resources of violence, coercion, and denial at its core.

### 2. The Date which will Live in Infamy

As Year 500 opened in October 1991, other memories displaced the coming quincentennial. December 7 would be the 50th anniversary of the Japanese bombing of Pearl Harbor, the "date which will live in infamy." Accordingly, Japanese attitudes and practices were subjected to close scrutiny, and found wanting. Some profound defect left the aberrant Japanese unwilling to offer regrets for their nefarious deed.

In an interview in the *Washington Post*, Foreign Minister Michio Watanabe expressed "deep remorse over the unbearable suffering and sorrow Japan inflicted on the American people and the peoples of Asia and the Pacific during the Pacific War, a war that Japan started by the surprise attack on Pearl Harbor." He said that the National Parliament would pass a resolution on the 50th anniversary of the crime, expressing Japan's remorse. But this turned out to be just more Japanese treachery. Penetrating the disguise, *New York Times* Tokyo Bureau Chief Steven Weisman revealed that Watanabe had used the word *hansei*, "which is usually translated as 'self-reflection' rather than 'remorse'." The statement of the Foreign Minister does not count as authentic apology. Furthermore, Japan's Parliament is unlikely to pass the resolution, he added, in the light of President Bush's firm rejection of any apology for the Hiroshima and Nagasaki bombings.

No one considers an apology for the 1000-plane raid five days after Nagasaki on what remained of major Japanese cities, a triumph of military management skills designed to be "as big a finale as possible," the official Air Force history relates; even Stormin' Norman would have been impressed. Thousands of civilians were killed, while amidst the bombs, leaflets fluttered down proclaiming: "Your Government has surrendered. The war is over." General Spaatz wanted to use the third atom bomb on Tokyo for this grand finale, but concluded that further devastation of the "battered city" would not make the intended point. Tokyo had been removed from the first list of targets for the same reason: it was "practically rubble," analysts determined, so that the power of the bomb would not be adequately revealed. The final 1000-plane raid was therefore dispersed to seven targets, the Air Force history adds.<sup>2</sup>

Some went beyond George Bush's dismissal of any thought of apology for the use of nuclear weapons to kill 200,000 civilians. Democratic Senator Ernest Hollings told South Carolina workers they "should draw a mushroom cloud and put underneath it: 'Made in America by lazy and illiterate Americans and tested in Japan,'" drawing applause from the crowd. Hollings defended his remark as a "joke," a reaction to Japan's "America bashing." The humorless Japanese did not find the joke amusing. The event was briefly reported, provoking no inquiries into the American psyche.<sup>3</sup>

Japan's obsessions with the bomb, which provoke much scorn here, were also revealed after the Texas air shows where the atomic bombing was reenacted annually for many years (perhaps still is) before an admiring audience of tens of thousands, with a B-29 flown by retired Air Force General Paul Tibbets, who lifted the curtain on the atomic age at Hiroshima. Japan condemned the display as "in bad taste and offensive to the Japanese people," to no avail. Perhaps the hypersensitive Japanese would have expressed similar reservations about the showing of a film entitled "Hiroshima" in the early 1950s in Boston's "combat zone," a red-light district where pornographic films were featured: it was a Japanese documentary with live footage of scenes too horrendous to describe, eliciting gales of laughter and enthusiastic applause.

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[1](#) Frederick Starr, *NYT Book Review*, July 19, 1992.

[2](#) *WP-BG*, Dec. 4; Weisman, *NYT*, Dec. 6, 1991. On the August 14 bombings, see *APNM*, ch. 2, including an excerpt from the Air Force history and from Japanese novelist Makoto Oda's eyewitness report from Osaka. On Tokyo as target, see Barton Bernstein, *International Security*, Spring 1991.

[3](#) AP, *NYT*, March 4, 5, 1992. Longer stories in the *Boston Globe*, same days.

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In more sedate intellectual circles, few have considered the observation by Justice Röling of the Netherlands after the Tokyo Tribunal where Japanese war criminals were tried and convicted: "From the Second World War above all two things are remembered: the German gas chambers and the American atomic bombings." Or the impressive dissent by the one independent Asian Justice, Radhabinod Pal of India, who wrote: "When the conduct of the nations is taken into account the law will perhaps be found to be *that only a lost cause is a crime*... if any indiscriminate destruction of civilian life and property is still illegitimate in warfare, then, in the Pacific war, this decision to use the atom bomb is the only near approach to the directives...of the Nazi leaders... Nothing like this could be traced to the present accused" at Tokyo, seven of whom were hanged along with over 900 other Japanese executed for war crimes; among them General Yamashita, executed for atrocities committed by troops over whom he had no control at the war's end. Even the reactions of high-ranking US military officials have been little noted, for example, Admiral William Leahy, chief of staff under the Roosevelt and Truman Administrations, who regarded nuclear weapons as "new and terrible instruments of uncivilized warfare," "a modern type of barbarism not worthy of Christian man," a reversion to the "ethical standard common to the barbarians of the Dark Ages"; its use "would take us back in cruelty toward noncombatants to the days of Genghis Khan."<sup>4</sup>

Recognizing where power lies, Prime Minister Watanabe adopted US conventions in expressing Japan's regrets: he traced Japan's crimes to December 7, 1941, thus implicitly discounting hideous atrocities that killed 10 to 13 million Chinese, by conservative estimate, from 1937 through 1945, not to speak of earlier crimes.<sup>5</sup>

Passing silently over Watanabe's dating of the guilt, Weisman raises only one question: the evasiveness of the gesture at apology. The anniversary commemoration was based upon the same principle: killing, torturing, and otherwise abusing tens of millions of people may not be wholly meritorious, but a "sneak attack" on a naval base in a US colony is a crime of a completely different order. True, to heighten the recognition of Japan's iniquity, its atrocities and aggression in Asia are regularly tacked on to the indictment, but as an afterthought: the Pearl Harbor attack is the real crime, the initial act of aggression.

That decision has many merits. It enables us to ruminate on the strange defects of the Japanese character without having to confront some facts that are better removed from history. For example, the fact that pre-Pearl Harbor, much of the American business community and many US officials rejected "the generally accepted theory that Japan has been a big bully and China the downtrodden victim" (Ambassador Joseph Grew, an influential figure in Far East policy). The US objection to Japan's New Order in Asia, Grew explained in a speech in Tokyo in 1939, was that it imposed "a system of closed economy, ... depriving Americans of their long-established rights in China." He had nothing to say about China's right to national

independence, the rape of Nanking, the invasion of Manchuria, and other such marginal issues. Secretary of State Cordell Hull adopted much the same priorities in the negotiations with Japanese Admiral Nomura before the Pearl Harbor attack, stressing US rights to equal access to the territories conquered by Japan in China. On November 7, Japan finally agreed to the US demand, offering to accept "the principle of nondiscrimination in commercial relations" in the Pacific, including China. But the wily Japanese added a qualifying clause: they would accept the principle only if it "were adopted throughout the world."

Hull was greatly shocked at this insolence. The principle was to apply in the Japanese sphere alone, he admonished the impudent *arrivistes*. The US and other Western powers could not be expected to respond in kind in their dominions, including India, Indonesia, the Philippines, Cuba, and other vast regions from which the Japanese had been effectively barred by extremely high tariffs when they unfairly began to win the competitive game in the 1920s.

Dismissing Japan's frivolous appeal to the British and American precedent, Hull deplored the "simplicity of mind that made it difficult for...[Japanese generals]...to see why the United States, on the one hand, should assert leadership in the Western Hemisphere with the Monroe Doctrine and, on the other, want to interfere with Japan's assuming leadership in Asia." He urged the Japanese government to "educate the generals" about this elementary distinction, reminding his backward pupils that the Monroe Doctrine, "as we interpret and apply it uniformly since 1823 only contemplates steps for our physical safety." Respected scholars chimed in with their endorsement, expressing their outrage over the inability of the little yellow men to perceive the difference between a great power like the US and a small-time operator like Japan, and to recognize that "The United States does not need to use military force to induce the Caribbean republics to permit American capital to find profitable investment. The doors are voluntarily open" -- as even the most cursory look at history will show.<sup>6</sup>

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<sup>4</sup> See *PEHR*, II 32f., 39. On the principles of justice employed, see also *FRS*, ch. 3, reprinted from a *Yale Law Review* symposium on Nuremberg and Vietnam. For excerpts from Pal's dissent, see *APNM*. See Minnear, *Victor's Justice*. Leahy, cited by Braw, *Atomic Bomb*, from his 1950 autobiography, *I Was There*.

<sup>5</sup> Japan historian Herbert Bix, *BG*, April 19, 1992.

<sup>6</sup> *APNM*, ch. 2, for further material and sources.

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### 3. Missing Pieces

Also unmentioned in the historical musings is an air of familiarity about Japan's actions in Manchuria, as they established the "independent" state of Manchukuo in 1932 under the former Manchu emperor. The procedure was "a familiar one," Walter Lippmann wrote at the time, not unlike US precedents "in Nicaragua, Haiti, and elsewhere." Manchuria had claims to independent status, surely stronger claims than, say, South Vietnam 25 years later, a fact recognized by the US client regime, which always defined itself as the Government of all of Vietnam, even in an unamendable article of its US-imposed Constitution. Scholars noted that had it not been for Western intervention in support of Chinese rule over the outer regions, motivated by the desire to increase "the sphere of future Western investment and exploitation," the Tibetans, Mongols, and Manchurians might well have moved towards independence (Owen Lattimore, 1934). Japan undertook to "defend" the "independent state" against "bandits" who attacked it from China. The goal of Japan's Kwantung army was to "liberate the masses" from exploitation by military and feudal cliques and to protect them from Communist terrorists. Adopting the policies favored by Kennedy doves in later years, its military leadership undertook counterinsurgency campaigns, complete with "collective hamlets," earnest measures to win hearts and minds, and other ideas that have a certain resonance. Among a series of unpleasant -- hence unmentionable -- facts is the similarity of these operations to the no less brutal and atrocious ones conducted by the United States a few years later near China's southern border, operations that peaked in murderous violence shortly after the Japanese documents on Manchuria were released by the RAND Corporation in 1967, to be shelved with appropriate silence by the cultural managers.<sup>7</sup>

The similarity is not entirely accidental. Apart from the fact that the same thoughts naturally come to the minds of similar actors facing similar circumstances, US counterinsurgency doctrine was consciously modelled on the practices and achievements of World War II fascism, though it was the Nazis who were the preferred model. Reviewing US Army manuals of the 1950s, Michael McClintock notes the "disturbing similarity between the Nazi's view of the world and the American stance in the Cold War." The manuals recognize Hitler's tasks to have been much the same as those undertaken by the US worldwide as it took over the struggle against the anti-fascist resistance and other criminals (labelled "Communists" or "terrorists"). They adopt the Nazi frame of reference as a matter of course: the partisans were "terrorists," while the Nazis were "protecting" the population from their violence and coercion. Killing of anyone "furnishing aid or comfort, directly or indirectly, to such partisans, or any person withholding information on partisans," was "legally well within the provisions of the Geneva Convention," the manuals explain. The Germans and their collaborators were the "liberators" of the Russian people. Former *Wehrmacht* officers helped to prepare the army manuals, which culled important lessons from the practices of their models: for example, the utility of "evacuation of all natives from

partisan-infested areas and the destruction of all farms, villages, and buildings in the areas following the evacuations" -- the policies advocated by Kennedy's dovish advisors, and standard US practice in Central America. The same logic was adopted by the civilian leadership from the late 1940s, as Nazi war criminals were resurrected and reassigned to their former tasks (Reinhard Gehlen, Klaus Barbie, and others), or spirited to safety in Latin America and elsewhere to pursue their work, if they could no longer be protected at home.<sup>8</sup>

The notions were refined in the Kennedy years, under the impetus of the President's well-known fascination with unconventional warfare. US military manuals and "antiterrorism experts" of the period advocate "the tactic of intimidating, kidnapping, or assassinating carefully selected members of the opposition in a manner that will reap the maximum psychological benefit," the objective being "to frighten everyone from collaborating with the guerrilla movement." Respected American historians and moralists were later to provide the intellectual and moral underpinnings, notably Guenter Lewy, who explains in his much-admired history of the Vietnam war that the US was guilty of no crimes against "innocent civilians," indeed could not be. Those who joined our righteous cause were free from harm's way (except by inadvertence, at worst a crime of involuntary manslaughter). Those who failed to cooperate with the "legitimate government" imposed by US violence are not innocent, by definition; they lose any such claim if they refuse to flee to the "safety" provided by their liberators: infants in a village in the Mekong Delta or inner Cambodia, for example. They therefore deserve their fate.<sup>9</sup>

Some lack innocence because they happened to be in the wrong place; for example, the population of the city of Vinh, "the Vietnamese Dresden," Philip Shenon casually observes in a *Times Magazine* cover story on the belated victory of capitalism in Vietnam: it was "leveled by American B-52 bombers" because it was "cursed by location" and hence "was a natural target" for the bombers, much like Rotterdam and Coventry. This city of 60,000 was "flattened" in 1965, Canadian officials reported, while vast surrounding areas were turned into a moonscape.<sup>10</sup> One could learn the facts outside the mainstream, where they were generally ignored, or even flatly denied; for example, by Lewy, who assures us, on the authority of US government pronouncements, that the bombing was aimed at military targets and damage to civilians was minimal.

Plainly, it is better to keep the history under wraps. The Politically Correct approach, adopted without notable deviation on the anniversary, is to date Japan's criminal course to the "sneak attack" on Pearl Harbor; to bring in Japan's earlier atrocities only as a device to sharpen the distinction between their evil nature and our purity; to put aside the uneasy relation between the doctrine that the war began on December 7, 1941 and the fact that we denounce Japan for atrocities committed through the 1930s, which were, furthermore, deemed acceptable in influential circles; and more generally, to eliminate from the mind discordant notes from past and present history.

It is interesting to see the reaction when the rules of decorum are occasionally violated by comparisons between Japan's policies and actions and ours in Vietnam. For the most part, the comparisons are so unthinkable as to be unnoticed, or are dismissed as absurdity. Or they may be denounced as apologetics for Japan's crimes, an interpretation that is quite natural. Given that our perfection is axiomatic, it follows

that any comparison drawn confers upon others a share of our nobility, and thus counts as apologetics for their crimes. By the same irrefutable logic, it follows that applause for our crimes is not apologetics, but merely a proper tribute to our magnificence; and silence about them is only a shade less meritorious than enthusiastic approval. Those who fail to comprehend these truths can be condemned for their "irrational hatred of America." Or, if not so completely beyond the pale, they can be offered a course of instruction, like the Japanese generals.

The ban on such subversive thoughts was revealed on the Pearl Harbor anniversary in a striking way, to which we return (section 8). Another example is provided by a commentary on the anniversary by the noted Japan scholar John Dower, solicited by the *Washington Post*. Dower commented that there is "more than a little irony in observing Americans ramble on about other people's military violence and historical amnesia," considering how Vietnam and Korea have entered officially-sanctioned memory. The invited column was rejected.<sup>11</sup>

Another pertinent question was omitted from the deliberations on the aggression launched by Japan on December 7, 1941: How did we happen to have a military base at Pearl Harbor, or to hold our Hawaiian colony altogether? The answer is that we stole Hawaii from its inhabitants, by force and guile, just half a century before the infamous date, in part so as to gain the Pearl Harbor naval base. The centenary of that achievement falls shortly after the opening of Year 501, and might have merited a word as we lamented Japan's failure to face up to its perfidy. Lifting the veil, we find an instructive story.

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<sup>7</sup> *Ibid.*, for excerpts.

<sup>8</sup> See *TTT*, 194f.; Simpson, *Blowback*; Reese, *Gehlen*.

<sup>9</sup> McClintock, *Instruments*, 59ff., 230ff. Lewy, *America in Vietnam*. For discussion of this parody of history, see the review by Chomsky and Edward Herman, reprinted in *TNCW*. For Lewy's thoughts on how to eliminate the plague of independent thought on the home front, see *NI*, 350f.

<sup>10</sup> Bernard Fall, *Ramparts*, Dec. 1965, reprinted in *Last Reflections*. For a postwar eyewitness description, see John Pilger, *New Statesman*, Sept. 15, 1978. Shenon, *NYT magazine*, Jan. 5, 1992.

<sup>11</sup> Dower, "Remembering (and Forgetting) War," ms, MIT.

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As long as the British deterrent remained in force, the US government vigorously defended Hawaiian independence. In 1842, President Tyler declared that the US desired "no peculiar advantages, no exclusive control over the Hawaiian Government, but is content with its independent existence and anxiously wishes for its security and prosperity." Accordingly, Washington would oppose any attempt by any nation "to take possession of the islands, colonize them, and subvert the native Government." With this declaration, Tyler extended the Monroe Doctrine to Hawaii. Its independence was also recognized by the major European countries and others, and confirmed by numerous treaties and declarations.

As the century progressed, the balance of power shifted in favor of the United States, offering new opportunities, as in Latin America. US colonists established a thriving sugar industry, and the value of the island as a stepping stone towards broader Pacific horizons became increasingly apparent. Admiral DuPont had observed that "It is impossible to estimate too highly the value and importance of the Hawaiian Islands, whether in a commercial or a military sense." Plainly, our sphere of legitimate self-defense must be extended to include this prize. But there was an impediment: the independence of the island kingdom, and the "demographic problem" posed by the 90 percent majority of native Hawaiians (already reduced to one-sixth the pre-contact era). The colonists therefore undertook to guide and assist these people, so "low in mental culture," and to provide them with the gift of good government -- by their betters.

*Planters' Monthly* observed in 1886 that the Hawaiian "does not yet realize" the "bounds and limits fixed" and the "moral and personal obligations attending" the gift we have offered them: "The white man has organized for the native a Government, placed the ballot in his hands, and set him up as a lawmaker and a ruler; but the placing of these powers in his hands before he knows how to use them, is like placing sharp knives, pointed instruments and dangerous tools in the hands of infants." Similar concerns about the "rascal multitude" and their innate stupidity and worthlessness have been voiced by the "men of best quality" throughout the modern period, forming a major strand in democratic theory.<sup>12</sup>

The first Marine landing to support the colonists took place in 1873, just 30 years after Tyler's ringing endorsement of Hawaii's independence. After failing to take power in the 1886 elections, the plantation oligarchy prepared for a coup d'état, which took place a year later with the help of their military arm, the Hawaiian Rifles. The "Bayonet Constitution" forced upon the king granted US citizens the right to vote, while excluding a large part of the native population through property qualifications and barring Asian immigrants as aliens. Another consequence of the coup was the delivery of the Pearl River estuary to the United States as a naval base.

Exhibiting the "uniform" interpretation of the Monroe Doctrine that so impressed Secretary of State Hull,

his predecessor James Blaine observed in 1889 that "there are only three places that are of value enough to be taken. One is Hawaii. The others are Cuba and Puerto Rico." All were shortly to fall into the proper hands.

Regular military interventions ensured good behavior by the locals. In 1891, the USS *Pensacola* was dispatched "in order to guard American interests," which now included ownership of four-fifths of the arable land. In January 1893, Queen Liliuokalani made a last ditch effort to preserve Hawaiian sovereignty, granting the right to vote in Hawaiian elections only to Hawaiians, rich or poor, without discrimination. At the order of US Minister John Stevens, US troops landed and imposed martial law -- to support "the best citizens and nine-tenths of the property owners of the country," in the words of the commanding officer. Stevens informed the Secretary of State that "The Hawaiian pear is now fully ripe and this is the golden hour for the United States to pluck it." Long before, John Quincy Adams had used the same imagery with regard to the second of "the places of value," Cuba, a "ripe fruit" that would fall into our hands once the British deterrent is removed (see [chapter 6](#)).

The US planters and their native collaborators produced a declaration proclaiming the conviction of the "overwhelming majority of the conservative and responsible members of the community" -- who numbered a few hundred men -- "that independent, constitutional, representative and responsible government, able to protect itself from revolutionary uprisings and royal aggression, is no longer possible in Hawaii under the existing system of government." Under protest, the Queen surrendered to the "superior force of the United States of America" and its troops, abdicating in the hope of saving her followers from the death penalty; she herself was fined \$5000 and sentenced to five years at hard labor for her crimes against good order (commuted in 1896). The Republic of Hawaii was established with American planter Sanford Dole proclaiming himself President on July 4, 1894. Each sip of Dole pineapple juice offers an occasion to celebrate another triumph of Western civilization.

Congress passed a joint resolution for annexation in 1898, as the US went to war with Spain and Commander George Dewey's naval squadron sank a decrepit Spanish fleet in Manila, setting the stage for the slaughter of hundreds of thousands of Filipinos as another ripe fruit was plucked from the tree. President McKinley signed the annexation resolution on July 7, 1898, creating "The First Outpost of a Greater America," a journal of the "conservative and responsible members of the community" triumphantly proclaimed. Their iron-fisted rule eliminated any residual interference by the "ignorant majority," as the planters called them, still about 90 percent of the population, soon to become dispersed, impoverished, and oppressed, their culture suppressed, their lands stolen.<sup>13</sup>

In this manner, Pearl Harbor became a major military base in the US colony of Hawaii, to be subjected a half-century later to a scandalous "sneak attack" by Japanese monsters setting forth on their criminal path.

On January 2, 1992, the Institute for the Advancement of Hawaiian Affairs published a document entitled "The Cause of Hawaiian Sovereignty," reviewing the history, in preparation for "the 100th anniversary of the overthrow of Hawaii" in January 1993.<sup>14</sup> Short of a dramatic change in the reigning

culture, that anniversary is destined to remain deeply buried in the memory hole, joining many others that commemorate the fate of the victims of the 500 year conquest.

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<sup>12</sup> Hietala, *Manifest Design*, 61; Kent, *Hawaii*, 41f. Daws, *Shoal of Time*, 241. Poka Laenui, "The Theft of the Hawaiian Nation," *Indigenous Thought*, Oct. 1991. See pp. 17-18, 38, above; *DD*, ch. 12.

<sup>13</sup> Kent, Daws, Laenui, *op. cit.*

<sup>14</sup> Institute for the Advancement of Hawaiian Affairs, 86-649 Puuhulu Rd., Wai`anae Hawaii 96792.

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## 4. Some Lessons in Political Correctness

Let us return to the public commemoration of the 50th anniversary of the infamous date, carefully sanitized and insulated from improper thoughts. Americans are much annoyed by the unwillingness of the Japanese to face their guilt for the Pearl Harbor crime, Urban Lehner reports in a lengthy *Wall Street Journal* article on Japanese "revisionism." He quotes the Pearl Harbor memorial park historian on "the complete absence of a sense in Japan of their own history." To illustrate "Japan's ambivalence toward remembering history," Lehner describes a visit to the home of a "courtly" Japanese military historian, who "can't understand why the U.S. won't forget it. 'If the U.S. and Japan are partners, why talk about Pearl Harbor forever? That's what Japanese people are thinking,' he says. 'Why do you keep reminding us?'"<sup>15</sup>

So the article ends, no comment being necessary on the unique sins of the Japanese exhibited with such clarity.

The *New York Times Magazine* devoted a cover story to this peculiarly Japanese malady by Tokyo Bureau Chief Weisman, entitled "Pearl Harbor in the Mind of Japan." There is "little sound of remorse," the subtitle reads, and "no commemorative ceremonies of the bombing in Japan." The US will approach the event "from a completely different perspective," Weisman writes, reflexively taking that perspective to be right and proper, no questions asked. His study of this topic exemplifies the general style and provides useful instruction in the techniques of Political Correctness, encapsulating many of the standard gambits.<sup>16</sup>

Americans were not always so clear as they are today about the simple verities, Weisman observes. In the late '60s, "guilt-ridden over the Vietnam conflict...American historians were more willing to question American motives in Asia. Today, their tone is much less apologetic" -- the last word, an interesting choice. With the Persian Gulf war and the collapse of communism, "Times have changed," and "Roosevelt's drawing a line in the sand is no longer seen as improper."

Weisman's claims about the late '60s contain a particle of truth: younger historians associated with the antiwar movement did indeed begin to raise previously forbidden questions. They were compelled to form their own professional association (the Committee of Concerned Asian Scholars), with very few senior faculty involved, to discuss subversive thoughts about possible flaws in "American motives." Though they were the cream of the graduate student crop at the time, not many survived the authoritarian structure of the ideological disciplines; some were eliminated from the academic world in straight

political firings, some marginalized in other familiar ways. The young scholars did receive some support in the mainstream, notably from John King Fairbank, the dean of Asian scholarship and a figure at the dissident extreme, often accused of crossing the line to Communist apologetics. He outlined his own position on the Vietnam war in his presidential address to the American Historical Association in December 1968, well after the corporate sector had called for terminating the enterprise. The war was an "error," Fairbank explained, based on misunderstanding and naiveté, yet another example of "our excess of righteousness and disinterested benevolence."<sup>17</sup>

One will find very little questioning of American motives in respectable circles then, or since.

Conventional falsehoods commonly retain their appeal because they are functional, serving the interests of established authority. Weisman's tales about the late '60s are a case in point: they buttress the view that the academy, the media, and intellectual life generally have been taken over by a left-wing onslaught, leaving only a few last brave defenders of simple truths and intellectual values, who therefore must be given every bit of support that can be mustered for their lonely cause, a project well-suited to current doctrinal needs (see [chapter 2.4](#)).

Like all right-thinking people, Weisman takes it as axiomatic that the US stance in the Persian Gulf and the Cold War is subject to no imaginable qualification, surely no questioning of "American motives." Also following convention, he evades entirely the issue of shared responsibility for the Pacific war. The issue is not "Roosevelt's drawing a line in the sand," but rather the decision of the traditional imperial powers (Britain, France, Holland, US) to close the doors of their domains to Japan after it had followed the rules of "free trade" with too much success; and the US position, maintained to the end, that the US-Japan conflict might be resolved if Japan would permit the US to share in exploiting all of Asia, while not demanding comparable rights in US-dominated regions. Weisman indeed recognizes that such issues have been raised, making sure to frame them in a proper way. He does not refer to the discussion of the actions of the imperial powers in Western scholarship as events unfolded, or since. Rather, these are the "startling" words of Prime Minister Hideki Tojo, hanged in 1948 as a Class A war criminal, who "defiantly defended the attack on Pearl Harbor as forced by 'inhuman' economic sanctions imposed by Washington," which "would have meant the destruction of the nation," had Japan not reacted. Could there be a particle of truth lurking behind the thought? The question need not be answered, since it cannot rise to consciousness.

Weisman writes that "of course, most American historians would have little trouble rendering a judgment on Japan's singular responsibility, if not guilt," noting Japan's "annex[ation] of Manchuria in 1931," and its "bloody sweep through China" in 1937 and later into Indochina, driving out the French colonial regime. No words here on the US attitude towards all of this at the time, except for an oblique hint: "Beginning with the decision to move naval vessels in 1940, the United States responded to Japanese military aggression with warnings and protests" -- nine years after the invasion of Manchuria, three years after the murderous escalation in China. Why the delay? Weisman also puts aside other questions: Why were Western claims to their colonial domains stronger than those of Japan, and why did indigenous nationalists often welcome the Japanese conquest, driving out the traditional oppressors? Nor is he

troubled by a simple fact of logic: If these were Japan's crimes, then why do we commemorate a much later event as the "date which will live in infamy"? Why is it "the tragedy of 50 years ago" that evokes Weisman's inquiry into Japan's flawed psyche?

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[15](#) Lehner, *WSJ*, Dec. 6, 1991.

[16](#) Weisman, *NYT magazine*, Nov. 3, 1991.

[17](#) On Fairbank's views, see *TNCW*, 400-1.

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Weisman does concede a measure of US responsibility: not for what happened, but for Japan's failure to face up to its crimes. The US wanted "to create a democracy" after the war, but "After China fell to the Communists in 1949 and the Korean War broke out a year later, Washington changed its mind, deciding to foster a stable conservative Government in Japan to challenge Communism in Asia," even sometimes allowing war criminals to regain authority.

This revision of history also has its functional utility: under the laws of Political Correctness, it is permissible to recognize our occasional lapses from perfection if they can be interpreted as an all-too-understandable overreaction to the evil deeds of selected malefactors. In fact, as Weisman surely knows, Washington's "reverse course" was in 1947, hence well before the "fall of China" (to translate: the overthrow of a corrupt US-backed tyranny by an indigenous movement); and 3 years before the officially-recognized Korean war, at a time when the pre-official phase was charging full-speed ahead, as the US-imposed regime, aided by fascist collaborators restored by the US occupying army, was busy slaughtering some 100,000 anti-fascists and other adherents of the popular movements that the US clients could never hope to face in political competition.

Washington's "reverse course" called a halt to democratic experiments that threatened established power. The US moved decisively to break Japanese unions and reconstruct the traditional industrial-financial conglomerates, supporting fascist collaborators, excluding anti-fascist elements, and restoring traditional conservative business rule. As explained in a 1947 paper prepared under the direction of the primary author of the reverse course, George Kennan, the US had "a moral right to intervene" to preserve "stability" against "stooge groups" of the Communists: "Recognizing that the former industrial and commercial leaders of Japan are the ablest leaders in the country, that they are the most stable element, that they have the strongest natural ties with the US, it should be US policy to remove obstacles to their finding their natural level in Japanese leadership." The purge of war criminals was ended, and the essential structure of the fascist regime restored. The reverse course in Japan was one element in a worldwide US campaign at the same time with the same goals, all prior to 1949.<sup>18</sup>

The reconstruction of what US technical experts angrily condemned as "totalitarian state capitalism," with popular and democratic forces suppressed, was underway well before the reverse course of 1947. The Occupation also determined at once that the basic issues of war guilt would be shelved. General MacArthur "would neither allow the emperor to be indicted, nor take the stand as a witness, nor even be interviewed by International Prosecution investigators" at the War Crimes trials, Herbert Bix writes, despite ample evidence of his direct responsibility for Japanese war crimes -- available to MacArthur, but kept secret. This whitewashing of the monarchy had "momentous" consequences for reestablishing the traditional conservative order and defeating a far more democratic alternative, Bix concludes.<sup>19</sup>

Weisman observes correctly that Japan's "goal was to assure access to natural resources, markets and freedom of the seas." These goals it has now attained, he adds, by "its own hard work" and "the generosity (and self-interest) of the United States." The implication is that Japan could have achieved the same goals 50 years ago, had it not been in the grip of fascist ideology and primitive delusion. Overlooked are some obvious questions. If Japan could have achieved these ends by accepting Western norms, then why did the British, the Americans, and the other imperial states not simply abandon the high tariff walls they had erected around their colonies to bar Japan? Or, assuming that such idealism would be too much to ask, why did Hull not at least accept the Japanese offer for mutuality of exploitation? Such thoughts go beyond legitimate bounds, reaching into the forbidden territory of "American motives."

In the real world, Japan's aggression gave an impetus to the nationalist movements that displaced colonial rule in favor of the more subtle mechanisms of domination of the postwar period. Furthermore, the war left the US in a position to design the new world order. Under these new conditions, Japan could be offered its "Empire toward the South" (as Kennan put it) under US control, though within limits: the US intended to maintain its "power over what Japan imports in the way of oil and such other things" so that "we would have veto power on what she does need in the military and industrial field," as Kennan advised in 1949.<sup>20</sup> This stance was maintained until unexpected factors intervened, notably the Vietnam war with its costs to the US and benefits to Japan and other industrial rivals.

Yet another fault of the Japanese, Weisman observes, is the "bellicose terms" in which they frame Japanese-American relations, thus revealing their penchant for militarism. The Japanese speak of "their 'second strike': if Washington cuts off Japanese imports, Tokyo can strangle the American economy by cutting off investments or purchases of Treasury bonds." Even if we adopt Weisman's unexamined judgment on the impropriety of such retaliation, it would hardly seem to rank high in comparison to standard US practices: for example, the devastating and illegal economic warfare regularly waged against such enemies as Cuba, Chile, Nicaragua, and Vietnam; or the efforts of Jacksonian Democrats to "place all other nations at our feet," primarily the British enemy, by gaining a monopoly over the most important commodity in world trade.

Japan's worst sin, however, is its tendency towards "self-pity," its refusal to offer reparations to its victims, its "clumsy attempts to sanitize the past" and in general, its failure to "come forward with a definitive statement of wartime responsibility." Here Weisman is on firm ground -- or would be, if he, or his editors, or their colleagues in the doctrinal system were even to consider the principles they espouse for others. They do not, not for a moment, as the record shows with utter clarity.

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<sup>18</sup> *DD*, ch. 11, and sources cited. Kennan, cited in Cumings, *Origins*, II, 57; see volumes I, II on the mass murder campaign in US-occupied Korea prior to what is called "the Korean war."

[19](#) Sherwood Fine, quoted by Moore, *Japanese Workers*, p. 18; Moore, on the general topic. Bix, "The Showa Emperor's `Monologue' and the Problem of War Responsibility," *J. of Japanese Studies*, 18.2, 1992 (citing John Dower, *Japan Times*, Jan. 9, 1989).

[20](#) Cumings, *Origins*, II, 57.

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## 5. "Self-Pity" and other Character Flaws

The 50th anniversary was commemorated with cover stories in the major newsweeklies, articles in the press, and TV documentaries. Several were applauded by *Wall Street Journal* critic Dorothy Rabinowitz for their "unrelentingly tough historic view of the Pearl Harbor attack," with no ambiguities about the distinction between pure righteousness and absolute evil (December 2). She reserves her condemnations for the "journalists of the fashionable Left and the terminal Right" who "invariably" portray the Japanese "as victims" of the dastardly Americans. Examples of these lunacies are omitted; the actual historical issues receive not a phrase.

The opposite side of the page carries an article by Robert Greenberger headlined "U.S.-Vietnam Ties Remain Held Back By the MIA Issue," describing a Vietnamese plan "to solve the main issue blocking a resumption of relations: accounting for Americans missing since the Vietnam War." This news report is so conventional as to merit no particular notice, apart from the interesting layout. It is a staple of the media, and the culture generally, that we were the injured party in Vietnam. We were innocent victims of what John F. Kennedy called "the assault from the inside" (November 12, 1963), the "internal aggression" by South Vietnamese peasants against their legitimate government and the saviors who imposed it upon them and defended their country from them.<sup>21</sup> Later we were treacherously assaulted by the North Vietnamese. Not content with attacking us, they also imprisoned Americans who had mysteriously fallen into their hands. Unrelenting, the Vietnamese aggressors proceeded to abuse us shamefully after the war's end, refusing to cooperate fully on the fate of US pilots and MIAs, even failing to devote themselves with proper dedication to locating the remains of pilots they had viciously blasted from the skies.

Our suffering at the hands of these barbarians is the sole moral issue that remains after a quarter-century of violence, in which we vigorously backed the French effort to reconquer their former colonies; instantly demolished the 1954 diplomatic settlement; installed a regime of corrupt and murderous thugs and torturers in the southern sector where we had imposed our rule; attacked that sector directly when the terror and repression of our clients elicited a reaction that they could not withstand; expanded our aggression to all of Indochina with saturation bombing of densely-populated areas, chemical warfare attacks to destroy crops and vegetation, bombing of dikes, and huge mass murder operations and terror programs when refugee-generation, population removal, and bulldozing of villages failed; ultimately leaving three countries destroyed, perhaps beyond the hope of recovery, the devastated land strewn with millions of corpses and unexploded ordnance, with countless destitute and maimed, deformed fetuses in the hospitals of the South that do not touch the heartstrings of "pro-life" enthusiasts, and other horrors too

awful to recount in a region "threatened with extinction...as a cultural and historic entity...as the countryside literally dies under the blows of the largest military machine ever unleashed on an area of this size," in the words of the hawkish historian Bernard Fall, one of the leading experts on Vietnam, in 1967 -- that is, *before* the major US atrocities were set in motion.<sup>22</sup>

From all of this, one single element remains: the terrible abuse we have suffered at the hands of our tormenters.

Reactions to our adversity are not entirely uniform. At the dovish extreme, we find Senator John Kerry, who warns that we should never again fight a war "without committing enough resources to win"; no other flaw is mentioned. And there is President Carter, the noted moral teacher and human rights apostle, who assured us that we owe Vietnam no debt and have no responsibility to render it any assistance because "the destruction was mutual," an observation so uncontroversial as to pass with no reaction. Others less inclined to turn the other cheek forthrightly assign the blame to the Vietnamese Communists alone, denouncing the anti-American extremists who labor to detect lingering ambiguities.<sup>23</sup>

In the *New York Times*, we read stories headlined "Vietnam, Trying to be Nicer, Still has a Long Way to Go," with Asia correspondent Barbara Crossette reporting that though the Vietnamese are making some progress "on the missing Americans," they are still far from approaching our lofty moral standards. And a hundred others with the same tone and content. Properly statesmanlike, President Bush announces that "It was a bitter conflict, but Hanoi knows today that we seek only answers without the threat of retribution for the past." Their crimes against us can never be forgotten, but "we can begin writing the last chapter of the Vietnam war" if they dedicate themselves with sufficient zeal to the MIAs. We might even "begin helping the Vietnamese find and identify their own combatants missing in action," Crossette reports. The adjacent front-page story reports Japan's failure, once again, to "unambiguously" accept the blame "for its wartime aggression."<sup>24</sup>

As the 1992 presidential campaign heated up, Vietnam's savage maltreatment of suffering America flared up into a major issue: had Washington done enough to end these abuses, or had it conspired to efface them. A front-page *New York Times* story by Patrick Tyler captured the mood. Tyler reported that the White House had rejected Ross Perot's 1987 proposal that easing the pressures against Hanoi might be "a way to win the repatriation of any American servicemen still held in Southeast Asia." "At the time," Tyler observes, "Washington was taking a harder diplomatic line with Hanoi to achieve the same end." "History has shown that concessions prior to performance is death," said Richard Childress, NSC official supervising POW/MIA policy. "They'll take and take and take," he added. "We've learned that over 25 years." "United States negotiators were holding onto their leverage until Hanoi made progress on a step-by-step 'roadmap' to improved relations, through cooperation on P.O.W./M.I.A. investigations," Tyler adds, without even the most timid query about Washington's declared intentions or a hint, however faint, that someone might fail to appreciate their righteousness.<sup>25</sup>

As the country solemnly contemplated "the Mind of Japan," deploring the disgraceful "self-pity" of the Japanese, their failure to offer reparations to their victims, or even to "come forward with a definitive

statement of wartime responsibility," the US government and press escalated their bitter denunciations of the criminals in Hanoi who not only refuse to confess their guilt but persist in their shameful mistreatment of innocent America. In a lengthy report on this rising indignation over Vietnam's morbid insistence on punishing us 17 years after the war's official end, Crossette wrote that expectations for diplomatic relations between the US and Vietnam "may be set back by a resurgence of interest in one piece of unfinished business that will not go away: the fate of missing Americans." Properly incensed by Vietnam's iniquity, George Bush, opened Year 500 in October 1991 by intervening once again to block European and Japanese efforts to end the embargo that the US imposed in 1975, while Defense Secretary Dick Cheney reported to Congress that "despite improved cooperation," the Vietnamese will have to do more before we grant them entry into the civilized world. "Substantial progress" on the MIA issue is required as a condition for normalizing ties, Secretary of State James Baker said, a process that could take several years. Meanwhile, officials in one of the world's poorest countries continue to show irritation, as they did "last week when the United States blocked a French proposal calling for the International Monetary Fund to lend money to Vietnam," the *Times* reported.<sup>26</sup>

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<sup>21</sup> Adlai Stevenson, defending the US war at the UN. See *FRS*, p. 114f.

<sup>22</sup> Fall, *Last Reflections*.

<sup>23</sup> Elizabeth Neuffer, *BG*, Feb. 27; Pamela Constable, *BG*, Feb. 21, 1992. Carter, news conference, March 24, 1977; see *MC*, 240.

<sup>24</sup> *Ibid.*, 240ff. and *NI*, 33ff., for samples from the press. *NYT*, Oct. 24, 1992.

<sup>25</sup> Tyler, *NYT*, July 5, 1992.

<sup>26</sup> Crossette, *NYT*, Jan. 6, 1992. Mary Kay Magistad, *BG*, Oct. 20; Eric Schmitt, *NYT*, Nov. 6; Steven Greenhouse, *NYT*, Oct. 24, 1991.

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For a time, the embargo was imposed to punish Vietnam for yet another crime: its assault against Pol Pot in response to murderous Khmer Rouge attacks on Vietnamese border areas. The US had striven to normalize relations despite Vietnam's cruel treatment of us, Barbara Crossette reports under the heading "Indochina's Missing: An Issue That Refused to Die." But, she continues, "President Carter's efforts to open links to Hanoi were thwarted by Vietnam's invasion of Cambodia in 1978." Naturally, the saintly moralist could not overlook unprovoked aggression; had George Bush been in charge, he doubtless would have sent Stormin' Norman to crush the aggressor (at least, if there had been a guarantee that no one would shoot back).<sup>[27](#)</sup>

Carter's deep feelings about the war crime of aggression had been demonstrated for all to see by his reaction to Indonesia's invasion of East Timor -- in this case, not terminating a murderous assault on the population but initiating a comparable one. As Indonesian violence approached genocidal levels in 1978 and its military supplies were running low, the Carter Administration sharply stepped up the flow of arms to its Indonesian ally, also sending jets via the Israeli connection to evade congressional restrictions; 90 percent of Indonesian arms were US-supplied, on the strict condition that they be used only for defensive purposes. From his moral pinnacle, Carter surveyed the Vietnamese crime of aggression and reluctantly terminated his efforts to bring Vietnam into the community of civilized nations, so we are instructed. The principled US opposition to the use of force in international affairs was revealed again through the 1980s; for example, by Washington's decisive support for Israel's invasion of Lebanon and the accompanying slaughter, the government-media reaction to the World Court judgment in 1986 ordering the US to desist from its "unlawful use of force" against Nicaragua, Bush's invasion of Panama to celebrate the fall of the Berlin wall and the end of the Cold War, and much else.<sup>[28](#)</sup>

According to the *USG-Times* version, Washington "refused to normalize relations as long as a Vietnamese-backed Government in Cambodia resisted a negotiated settlement to its civil war" (Steven Greenhouse); that is, the conflict with the Khmer Rouge, supplied by China and Thailand (and, indirectly, the US and its allies), and attacking Cambodian rural areas from their Thai sanctuaries.<sup>[29](#)</sup>

The reality is a bit different. The Carter Administration "[chose] not to accept the Vietnamese offer to reestablish relations," Raymond Garthoff observes, impelled primarily by its early 1978 "tilt towards China" and, accordingly, toward China's Khmer Rouge ally, well before Vietnam invaded Cambodia. Pol Pot proceeded to carry out the worst atrocities of his reign, concealed by the CIA in its later demographic study, presumably because of the US connection. Unlike many European countries, the US did not abstain at the UN on the "legitimate" government of Cambodia after the Khmer Rouge were expelled by the Vietnamese, but "joined China in supporting the Khmer Rouge" (Garthoff). The US backed China's

invasion to "punish Vietnam," and turned to supporting the Thai-based coalition in which the Khmer Rouge was the major military element. The US "encouraged the Chinese to support Pol Pot," as Carter's National Security Adviser, Zbigniew Brzezinski, later commented. Deng Xiaoping, a particular favorite of the Reagan-Bush Administrations, elaborated: "It is wise to force the Vietnamese to stay in Kampuchea because they will suffer more and will not be able to extend their hand to Thailand, Malaysia, and Singapore," which they no doubt would have proceeded to conquer had they not been stopped in time. After helping to reconstruct Pol Pot's shattered forces, the US-China-Thailand coalition (and the West generally) lent its diplomatic support to Pol Pot; imposed an embargo on Cambodia and blocked aid from other sources, including humanitarian aid; and undermined any moves toward a negotiated settlement that did not offer the Khmer Rouge an influential role. The US even threatened Thailand with loss of trade privileges if it refused to support the Khmer Rouge, the *Far Eastern Economic Review* reported in 1989.

It was under the pressure of the five permanent members of the UN Security Council that "the Cambodians were forced...to accept the return of the Khmer Rouge," Sihanouk pointed out in his first speech after his triumphant return to Cambodia in November 1991. A year earlier, he had informed US journalist T.D. Allman that "To save Cambodia...all you had to do [in 1979] was to let Pol Pot die. Pol Pot was dying and you brought him back to life."<sup>30</sup>

A more accurate rendering of *Times*-speak, then, is that Vietnam's efforts to restore relations were thwarted by the Carter Administration's turn towards China and the Khmer Rouge, that the US exploited the pretext of the invasion to punish the people of Vietnam and Cambodia as severely as possible, and that Washington refused to allow any diplomatic settlement that did not guarantee the Khmer Rouge a leading role.

By expelling this tacit US ally from Cambodia, bringing to an end atrocities that peaked after Carter's "tilt toward China" (hence toward Pol Pot), and then keeping him at bay, Vietnam "may have earned the thanks of most Cambodians," *Globe* editor H.D.S. Greenway writes. But these actions "earned it the opprobrium of most of the rest of the world" -- notably, those parts of the world that follow US whims. But Vietnam's withdrawal from Cambodia eliminated this pretext for the embargo, leaving only Vietnam's mistreatment of us on the MIA issue. This continuing crime, US moralists in press and government explain, requires that we keep the embargo in force, thus depriving Vietnam of loans and investments from the international financial institutions that the US controls and the Europeans and Japanese, wary of stepping on the toes of their powerful and relentless ally.<sup>31</sup>

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<sup>27</sup> Barbara Crossette, *NYT*, Aug. 14, 1992.

[28](#) See ch. 5, n. 18. On media coverage of Pol Pot and Timor atrocities, see *PEHR*. On the illuminating reaction to these exposures, see *MC*, 6.2.8; *NI*, app. I. sec 1.

[29](#) Greenhouse, *NYT*, Oct. 24, 1991.

[30](#) See *MC*, 6.2.7, and sources cited. Garthoff, *Détente*, 701, 751. Sihanouk cited by Ben Kiernan, *Broadside* (Sydney, Australia), June 3, 1992; Allman, *Vanity Fair*, April 1990, cited by Michael Vickery, "Cambodia After the `Peace'" (ch. 7, n. 24). For a review and update, see Kiernan, "Cambodia's Missed Chance: Superpower obstruction of a viable path to peace," *Indochina Newsletter*, Nov.-Dec. 1991, citing *FEER*. See also Kiernan, *Bulletin of Concerned Asian Scholars*, Vol. 21, 2-4, 1989; Vol. 24, 2, 1992. For extensive background, see Vickery, *Cambodia*, and Chandler, *Cambodia*.

[31](#) Greenway, *BG*, Dec. 13; Uli Schmetzer, *CT*, Sept. 2, 1991. Susumu Awanoara, *FEER*, April 30, 1992.

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The Pearl Harbor anniversary itself was marked by a *Washington Post* editorial noting that although Vietnam had made progress, "some MIA advocates" allege that it "is holding back remains." "It will take considerable openness on Hanoi's part and diligent investigation on Washington's to clear up this question," the editors sternly conclude. If the Vietnamese are willing to cooperate fully, we may allow them to join the world community, though we will never forgive them for the harm and pain they have inflicted upon us for over 40 years, any more than we can forget the Japanese infamy of just a few years earlier.<sup>32</sup>

Turning again to the real world, it is largely US business interests that are complaining over the fanatical commitment to "bleed Vietnam"; they fear that they may be cut out of opportunities for profit by competitors abroad, that they may not get their "fair share of trade in Vietnam," as one executive puts it. These considerations do provide some reason to rethink our stand. We might relent, the press reports, if Vietnam agrees to two years of excavations, takes steps to open our way to Laos and Cambodia, promises to turn over any remains that may ever be found, and grants us "immediate access to the Vietnamese countryside" and to military archives; as the aggrieved party, we meanwhile confine Vietnamese diplomats at the UN to the immediate vicinity, and as for military archives, ...<sup>33</sup>

"There are Vietnamese like Deputy Foreign Minister Le Mai, who `says he understands the need of the American government to convince the American people on the MIAs'," Greenway writes. "The Vietnamese also understand that the issue of missing Americans is the single greatest barrier to lifting the American-imposed trade embargo, establishing diplomatic relations with the US, and rejoining the world community." But, Greenway adds, "there are also Vietnamese who speak with great bitterness against what they see as America making a political issue of its own loss with a country that has 200,000 to 300,000 of its soldiers missing and unaccounted for." One Vietnamese war veteran suggests that Americans "come back and tell us where Vietnamese are buried." "What a task," Greenway writes from ample direct experience as a war correspondent, "recalling long-suppressed memories of bulldozers shoveling Vietnamese corpses into pits and helicopter sling loads, with arms and legs protruding from the mesh, being carted off to some unmarked grave."<sup>34</sup>

Greenway deserves credit for this rare departure from the ranks, though we might take note of a few other problems that some might attribute to an agent who remains unnamed.

None of this, hardly a secret, stands in the way of allowing the US to "rejoin the world community," or calls for *hansei* -- whether "remorse" or even "self-reflection" -- not to speak of reparations for ghastly crimes.

Other voices are too faint to penetrate our orgy of self-pity over the abuse we suffer; for example, the surgeon who carried out a delicate operation in February 1990 to remove a US-made shell from the arm of one of the many victims killed or maimed by unexploded ordnance after the fighting ended. The miserable Commies were berated with much scorn when they released maps of mines in Afghanistan so that civilians could be protected from the deadly legacy of their aggression. There were no such denunciations of the United States, for a simple reason: Washington refused to provide mine maps to civilian mine-deactivation teams in Indochina. As a Pentagon spokesman explained, "people should not live in those areas. They know the problem." What is more, as a matter of elementary logic, no condemnation could be in order for seeding the countryside with mines or anti-personnel bomblets in "our excess of righteousness and disinterested benevolence."<sup>35</sup>

Readers of the foreign press can hear the voice of 11-year-old Tran Viet Cuong in the city of Vinh -- which had the misfortune of being "cursed by location," as the *Times* thoughtfully explained (p. 242). His parents desperately want him to obtain an education, and since the town cannot afford schoolbooks, Tran must go without breakfast so that his parents can buy them (if he's lucky, his teacher will buy chalk out of a salary eked from two or three jobs). The local government also "cannot afford to repair many of the roads, hospitals and sewage drains destroyed 20 years ago by U.S. bombers," John Stackhouse reports from the shattered city. In 1991, the children's hospital was forced to close 50 of 250 beds and to ask patients to provide medicines. Doctors perform surgical operations on a table donated by Poland, largely without equipment. At the Vinh Medical Center, where the hospital's pharmacy remains "a pile of rubble," a doctor states the obvious: "the problems here are a consequence of the American war, and the embargo has made it worse."

The embargo, Stackhouse notes, has "isolated Vietnam internationally, cutting it off from trade and aid flows," blocking aid from development organizations where the US has "an effective veto," including the Manila-based Asian Development Bank, which is prepared to lend \$300 million, including funds for an irrigation project that could increase farm yields by one-third. Though Vietnam undertook the structural adjustment programs required by the official lenders well before Eastern Europe, it cannot receive any of the low-cost World Bank funds designed to ease the severe impact, thanks to the stern US veto. The result is that child deaths are two to three times higher than in Bangladesh, and the education system, "which once produced an overwhelmingly literate population," has collapsed. Commercial banks and other donors and investors will not move until the US permits it, and foreign markets are largely closed, so there is no prospect for private sector jobs. Even a UNICEF appeal failed, because "No one wants to offend the U.S.," the director of UNICEF's Ho Chi Minh city office observes.<sup>36</sup>

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<sup>32</sup> Editorial, *WP weekly*, Dec. 2-8, 1991.

[33](#) Barbara Crossette, *NYT*, March 31, 1992.

[34](#) Greenway, *BG*, Dec. 20, 1991.

[35](#) AP, March 14, 1990; *NI*, 35.

[36](#) John Stockhouse, *G&M*, June 12, 1992.

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Readers of the foreign press may also hear the voices of mountain tribesmen in October 1991, as they "asked authorities for permission to shoot down a U.S. helicopter when they heard it was on the way to investigate evidence of U.S. soldiers missing in action." "It is not difficult to uncover the source of the pent-up aggression" here, Canadian correspondent Philip Smucker reports: "It is only a matter of locating which village has had a child recently maimed or killed by a `bomblet,' a tiny bomb left hidden in the soil for the past 18 years" in a region where "carpet bombing and dioxin spraying by U.S. aircraft...devastated the forests, leaving much of the countryside looking like a mountainous moonscape perforated with craters the size of Cadillacs," the soil "drenched with more than 200 litres [of chemical poisons] a square hectare," so that "the number of deformed children is much higher here than in the North where there was no spraying." In this isolated region alone, "more than 5,000 people have been injured and killed" from unexploded bombs since 1975. "I hate the man who dropped this bomb," a peasant says "standing in front of a crater 10 times his size that is literally at his doorstep," one of the relics of the B-52 carpet bombings that killed his wife in 1969. Another tells of his 8-year-old son, who had just been blown to pieces a few weeks earlier when he picked up a round metal object in the mud, another child's death that "will go unrecorded in the annals of the Vietnam War."<sup>37</sup>

Surely there is nothing here to trouble our unsullied conscience as we scrutinize the deformed minds of the perfidious Japanese and the psychic disorders that so puzzle and intrigue us. Those who have memorized the guiding doctrine of the 500-year conquest will have no difficulty perceiving the moral chasm that lies between us and the Japanese: Morality comes from the barrel of a gun -- and we have the guns.

As if to highlight the point, the *New York Times* Science Section ran an article headlined "Study of Dioxin's Effect in Vietnam Is Hampered by Diplomatic Freeze." The "diplomatic freeze" is depicted with the symmetry that objective journalism demands ("Vietnamese and American officials move at a glacial pace in negotiations to improve ties," etc.), but the article is unusual in noting some unfortunate consequences of this curious mutual disorder. The problem is that the "17-year freeze in relations between Vietnam and the United States is hindering vital research into long-term effects of Agent Orange and other sources of dioxin on both military and civilian populations." This is most unfortunate, since much might be learned "about the potential dangers of industrial dioxin in the West by studying the people in areas sprayed during the Vietnam War with large doses of American defoliants containing dioxin."

"Vietnam is an ideal location for more research into potential links between dioxin and cancer, reproductive dysfunction, hormone problems, immune deficiencies, disorders of the central nervous system, liver damage, diabetes and altered lipid metabolism," the article continues, and may help solve

the "critical" problem of determining "the level at which it might become dangerous to humans." That the creatures under inquiry might have some needs to be addressed, perhaps by the hidden agent, is a thought too exotic to be addressed, even hinted.

There are two reasons why "Vietnam could provide excellent opportunities for study." "First, a large number of Vietnamese of all ages and both sexes have been exposed to dioxin," including "many women and children," while in the West, industrial accidents or "neighborhood contamination" as in Seveso, Italy, and Love Canal "have involved small groups in confined areas," mostly men. Second, Vietnam "furnishes an extensive control group," since northerners "were not sprayed." Another useful feature is that "Many Vietnamese had substantial exposures to dioxin." "Eighty percent of the Vietnamese lived in rural areas and were frequently barefoot or in sandals," an American researcher comments. "Cooperation in Vietnam couldn't be better," but "we're letting a unique opportunity fade" to "study the health consequences for all of us" because of the continuing freeze; "Time is running out for studies of people exposed to spraying."[38](#)

Perhaps this interesting research project might include a look at the children dying of cancer and birth defects or the women with rare malignant tumors in hospitals in the South (not the North, spared this particular atrocity), the sealed containers with hideously deformed babies, and other "terrifying" scenes reported occasionally in the foreign press or far from the public eye here. That inquiry too might yield benefits for the United States.[39](#)

This critique of the mutual disorder departs from convention in at least suggesting that something may be awry. Like all too much else, it may raise in some minds the question whether the intellectual culture is real, or a script by Jonathan Swift. The critique recalls the occasional complaints about the heavy censorship in Japan under the American occupation, imposed in secret (references to it were censored) while the US designed a Constitution for Japan stating that "No censorship shall be maintained, nor shall the secrecy of any means of communication be violated," and General MacArthur "was emphatically telling the Japanese people and Japanese journalists that freedom of the press and freedom of speech were very close to his heart and were freedoms for which the Allies had fought the war" (Monica Braw). The censorship had been instituted at once and was maintained for four years, by which time the purge of dissidents made it less important. One motive, from the first days, was to prevent any discussion of the atom bomb or its effects. These were kept as secret as possible within Japan because of concerns that the truth might "disturb public tranquility" and imply that "the bombing was a crime against humanity," one censor declared as he barred an eyewitness account of the Nagasaki atrocity. Even Japanese scientific papers were barred. That did elicit some objections, but not because the censorship hindered treatment of survivors, an issue largely ignored; rather, because a unique opportunity to learn more about radiation damage was being lost.[40](#)

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[37](#) Smucker, *G&M*, Oct. 7, 1991.

[38](#) Barbara Crossette, *NYT*, Aug. 18, 1992.

[39](#) See *NI*, 38-9, citing Israeli journalist Amnon Kapeliouk and US researcher Dr. Grace Ziem.

[40](#) Braw, *Atomic Bomb*.

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As America contemplated Japan's crimes on the fiftieth anniversary, a new book appeared on the one American atrocity that has indeed been recognized: the My Lai massacre in March 1968. American reviewers were shocked to learn that "the infamous Lt. Calley," who commanded the killers, "served less than three years of confinement in his bachelor officer quarters before he was paroled" and now enjoys life as a Georgia businessman, driving his Mercedes sedan from his pleasant home to the shopping mall where his jewelry store is located. Concluding his reflections on the massacre, the *Washington Post* reviewer observes: "Any book on this subject ultimately shirks its responsibility unless it clearly tracks the fault down to the complex light and dark of the individual human soul."

In the London *Financial Times*, Justin Wintle had a different reaction:

Like nearly every other book about Vietnam published in the West, *Four Hours in My Lai* focuses on America, and the damage done to the American self-esteem. The other half of the equation is marginalised. Although [the authors] dutifully record the eye-witness accounts of a handful of survivors of My Lai, the engulfing sorrow that still pervades Quang Ngai as a result of eight years' occupation by US and South Korean forces is here unsung. Instead the reader is swamped by any amount of often trivial biographical detail pertaining to the lives of nearly every American mentioned in the text.

That pattern had been set early on. Few winced when the *New York Times* published a think piece from My Lai on the fifth anniversary of the massacre, in March 1973, noting that the village and region remained "silent and unsafe," though the Americans were still "trying to make it safe" by relentless bombardment and shelling. The reporter quoted villagers who accused the Americans of killing many people, adding philosophically: "They are in no position to appreciate what the name My Lai means to Americans."<sup>41</sup>

The *Washington Post* review observes the laws of Political Correctness by enjoining us to plumb the depths of "the individual human soul" with its dark complexities, to seek the answer to My Lai in some universal fault of the human species, not in US policies and institutions. The laws prescribe that the US only reacts to the crimes of others, and has no policies beyond a general benevolence; in Quang Ngai province, no policies beyond "trying to make it safe" for the suffering Vietnamese who we are "protecting." True, there was destruction in Indochina, but, quite commonly, with no agent. There were "substantial tracts of land made fallow by the war," the *Times* leading Asia hand, Fox Butterfield, reports, coining a phrase that would have made Orwell gasp. His colleague Craig Whitney summarized "the legacy of the war": "the punishment inflicted on [the Vietnamese] and their land when the Communists were allowed to operate in it" and the villagers "driven from the ancestral homes by the fighting." It was

all some natural disaster, inexplicable, except by musing on the darkness of the individual human soul, perhaps.<sup>42</sup>

The British reviewer recommended a step beyond: a look at "the objectives of Washington's policy makers," not merely the soul of Lt. Calley and the half-crazed GIs in the field who carried out the brutal massacre, knowing only that every Vietnamese in the ruins of a Quang Ngai village -- man, woman, or child -- was a potential threat to their lives. As a first step in determining these objectives, we might inspect Operation Wheeler Wallawa, in which the official body count listed 10,000 enemy, including the victims of My Lai. In his detailed study of this and other mass murder operations of the period, *Newsweek Bureau* Chief Kevin Buckley writes that My Lai was "a particularly gruesome application of a wider policy which had the same effect in many places at many times," for example, in one area of four villages where the population was reduced from 16,000 to 1,600, or another where the US military command's location plots reveal that B-52 bombings were targeted precisely on villages, and where helicopters chased and killed people working in the fields. "Of course, the blame for that could not have been dumped on a stumblebum lieutenant," Buckley commented: "Calley was an aberration, but 'Wheeler Wallawa' was not." Or many other operations like it, a fact that brings certain thoughts to mind.<sup>43</sup>

North American relief workers in Quang Ngai knew of the My Lai massacre at once, but, like the local population, took no particular notice because it was not considered out of the ordinary. Retired army officer Edward King wrote that "My Lai represented to the average professional soldier nothing more than being caught up in a cover-up of something which he knew had been going on for a long time on a smaller scale." By accident, the military panel investigating the My Lai massacre found another much like it a few miles away, at My Khe, but dismissed charges against the commanding officer on the grounds that it was a perfectly normal operation in which a village was destroyed with about 100 people killed and the remnants forcibly relocated -- much like the remnants of My Lai, sent to a waterless camp on Batangan Peninsula over which floated a banner reading: "We thank you for liberating us from communist terror." There, they were subjected to Operation Bold Mariner, which "tried to make that region safe" with probably even greater slaughter and ecological devastation.<sup>44</sup>

Could there be another candidate for war crimes trials, beyond General Yamashita and 1000 others executed for their crimes in the Pacific War?

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<sup>41</sup> Robert Olen Butler, *WP-MG*, April 5; Wintle, *FT*, May 16-17, 1992; reviews of Michael Bilton and Kevin Sim, *Four Hours in My Lai*. AP, "Five years later, My Lai is a no man's town, silent and unsafe," *NYT*, March 16, 1973.

[42](#) Butterfield, *NYT*, May 1, 1977; Whitney, *NYT*, April 1, 1973.

[43](#) Buckley's unpublished notes. See *PEHR*, I, sec. 5.1.3.

[44](#) *Ibid.*; *FRS*, 222. King, *The Death of the Army* (1972), cited by Kinnard, *War Managers*.

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## 6. On Sensitivity to History

Recall that one of the character flaws we discover in exploring "the Mind of Japan" is their "clumsy attempts to sanitize the past" and "the complete absence of a sense in Japan of their own history," much like the Soviet officials who mobilized "every conceivable weapon...to suppress the public's memory" of the "grisly episodes" that form "the larger cancer" of history, finally in vain, because "You Can't Murder History."

Or can you? The fate of the Indochina wars in US ideology illustrates our right to pontificate on this issue. A still more recent example is the Central America episode of the past decade: some future historian will gaze in wonder at our self-adulation over the monstrous atrocities we perpetrated there, surpassing even the earlier achievements that have helped to keep our "backyard" in deepest misery.

The very idea of an American intellectual judging others on how they come to terms with their history is so astounding as to leave one virtually speechless. Who among us, from the earliest days, has failed to come to terms with the truth about slavery or the extermination of the native population? Can there be a resident of civilized New England, for example, who has not committed to memory the gruesome details of the first major act of genocide, the slaughter of the Pequot Indians in 1637, the remnants sold into slavery? Who has not learned the proud words of the 1643 Puritan account of these inspiring acts, describing the official dissolution of the Pequot nation by the colonial authorities, who outlawed even the designation *Pequot* "so that the name of the Pequots (as of Amalech) is blotted out from under heaven, there being not one that is, or (at least) dare call himself a Pequot"? Surely every American child who pledges allegiance to our nation "under God" is instructed as to how the Puritans borrowed the rhetoric and imagery of the Old Testament, consciously modelling themselves on His Chosen People as they followed God's command, "'smiting' the Canaanites and driving them from the Promised Land" (Neil Salisbury). Who has not shown *hansei* while studying the chroniclers who extolled our revered forebears as they did the Lord's work in accord with the admonitions of their religious leaders, fulfilling their "divine mission" with a pre-dawn surprise attack on the main Pequot village while most of the men were away, slaughtering women, children, and old men in true Biblical style? In their own words, the Puritans turned the huts into a "fiery Oven" in which the victims of "the most terrible death that may be" were left "frying in the fire and the streams of blood quenching the same," while the servants of the Lord "gave the praise thereof to God, who had wrought so wonderfully for them." Can there be anyone who has not asked whether our history might offer some later resonances of this exultation over the extermination of those who had "exalted themselves in their great Pride," arrogantly refusing to grant us what they have?<sup>45</sup>

Or if southern Connecticut is too remote for intellectual and moral guides in our greatest city, then surely they could not have failed to immerse themselves in the records of the actions that cleared the New York region of the native scourge only a few years later. For example, the account by David de Vries of his experiences in Lower Manhattan in February 1643, while Dutch soldiers massacred peaceful Algonquin Indians right across the Hudson, finally exterminating or expelling almost all Native Americans from the New York Metropolitan area. The killers in this case preferred another favored model of the Founding Fathers,

considering they had done a deed of Roman valor in murdering so many in their sleep; where infants were torn from their mother's breasts, and hacked to pieces in the presence of the parents, and the pieces thrown into the fire and in the water, and other sucklings, being bound to small [cradle] boards, were cut, stuck, and pierced, and miserably massacred in a manner to move a heart of stone. Some were thrown into the river, and when the fathers and mothers endeavored to save them, the soldiers would not let them come on land but made both parents and children drown.

Not unlike the Rio Sumpul massacre on the Salvador-Honduras border in 1980, the first major atrocity of the US-run war in El Salvador, which some day perhaps the *New York Times* may even discover; and countless other operations of the elite battalions fresh from their US training, armed with US arms, and guided by the doctrines we have taught them for many years.<sup>46</sup>

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<sup>45</sup> John Underhill, John Mason, and William Bradford. See Laurence Hauptman, in Hauptman and Wherry, *Pequots*; Salisbury, *Manitou*, 218ff. See Jennings, *Invasion*, for discussion and general background.

<sup>46</sup> Robert Venables, "The Cost of Columbus: Was There a Holocaust?," *View from the Shore, Northeast Indian Quarterly* (Cornell, Fall 1990). Rio Sumpul, see *TNCW*.

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No one can accuse us of concealing the actions that cleared the New York area; the facts are, after all, readily available to everyone in *Native American Place Names in New York City*, prominently published by the Museum of the City of New York.

The spectacle of our "sensitivity to history" is too obscene to merit review, though neglect would not be quite the right word. Anyone who can recall the images and lessons of their childhood will know why; at least those whose childhood years came before the impact of the popular movements of the 1960s was finally felt, arousing a chorus of revulsion over the PC takeover of our previously saintly culture. My own memories were reawakened a few weeks after the exposure of the My Lai massacre in 1969, while thumbing through a fourth-grade text on colonial New England assigned in a Boston suburb noted for the quality of its schools. The children indeed read a fairly accurate account of the slaughter of the Pequots -- which was applauded, much in the manner of the Puritan record of 1643.<sup>47</sup>

And so the story continues right through the 500th year. In the *Times Book Review*, historian Caleb Carr reviews a book on the 1862 Sioux Uprising in Minnesota. The "Minnesota encounter," he explains, was "a total war between rival nations for control of a territory both groups were willing to die for." But there was a crucial asymmetry. For one nation, "settlement was generally their last hope"; they were "staking not only their fortunes but also their very lives on the hope of building new lives in untried country." For the natives, at least at first, "the terms of the conflict" were "less mortal"; they could, after all, trudge off further West. Carr describes the "encounter" as "less than inspiring," and praises the author for recognizing that both nations were guilty of crimes. Those of the Sioux are outlined in gory detail ("atrocious behavior," "sadism and blood lust," "a particular penchant for torturing infants and children," etc.); the tune changes markedly when Carr turns to the settlers seeking to build new lives (broken treaties, hanging of 38 Sioux, expulsion even of some who were not "guilty" of resistance, etc.). But the radical difference is only fair, given the asymmetry of need in the "encounter."

To conjure up a nightmare, suppose the Nazis had won the European war. Perhaps some later German ideologue might have conceded that the "encounter" between Germans and Slavs on the Eastern front was "less than inspiring," though for balance, we must recall that it was "a total war between rival nations for control of a territory both groups were willing to die for"; and for the Slavs "the terms of the conflict" were "less mortal" than for the Germans needing *Lebensraum*, "staking not only their fortunes but also their very lives on the hope of building new lives in untried country." The Slavs, after all, could trudge off to Siberia.<sup>48</sup>

It is noteworthy that Carr's review opens with the predictable frothing at the mouth about the evils of PC,

that is, the efforts of a misguided few to face some of the truths of history. That is a common posture; in the *Times*, *de rigueur* on this topic (among others). In a typical case, another *Times* reviewer, with bitterness dripping from every line, writes that a novel on Columbus "adheres closely to the new multi-cultural perspective," focusing on what the author "sees as the devastating effects that Columbus's arrival in the New World had on the native populations," including "the supposed deaths of thousands of people." Who but a fashionable "multi-culturalist" could believe that the effects of the conquest were "devastating" or could "suppose" that "thousands" of Native Americans died? A second *Times* reviewer of the same book, former *Newsweek* senior book critic Paul Prescott, chimes in with a hysterical denunciation of the "ideologically correct" author for daring to write that the Spanish harmed the natives of Hispaniola while suppressing "the kind of history is not politically correct": that the natives "told [Columbus] that their immediate problem was that they were being eaten by the Caribs." How they "told" Columbus this tale of woe, and why no record exists, Prescott does not explain; on the "immediate problem" as seen by the contemporary observer Las Casas, who denied the cannibalism charge concocted by Columbus, see pp. 198-9.<sup>49</sup>

It is not unreasonable to suppose that the extremely crude but quite effective propaganda campaign about the takeover of our culture by PC left fascists was in part motivated by the forthcoming quincentennial, with the danger that it might elicit some "self-reflection," perhaps even "remorse."

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<sup>47</sup> For details, see AWWA, 102-3.

<sup>48</sup> Carr, *NYT Book Review*, March 22, 1992. Of some interest, perhaps, is Carr's response to the comments above, which had appeared (in essence) in *Lies of Our Times*, May 1992. In toto: "The notion that there have been, in American history, episodes in which *neither* side behaved like much more than bloodthirsty animals is apparently too morally complex for many to bear" (Letters, *NYT Book Review*, Aug. 23, 1992, inserted irrelevantly into a response to criticism on totally different matters). I leave it to the reader to construct the Nazi analogue.

<sup>49</sup> Regular *Times* reviewer Michio Kakutani, *NYT*, Aug. 28; Prescott, *NYT Book Review*, Sept. 20, 1992; reviews of Jay Parini, *Bay of Arrows*. On the cannibalism mythology that so enthralls Western ideologists, see Sale, *Conquest*. Ethnohistorian Jalil Sued-Badillo writes that "Archeological studies have not to this day been able to confirm cannibal practices anywhere in America"; *Monthly Review*, July-Aug. 1992. For a second-hand report of ritual cannibalism in North America, see Axtell, *Invasion*, 263; for Indian reports, Jennings, *Empire*, 446-7.

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## 7. "Thief! Thief!"

The renewal of the punishment of Vietnam for its crimes, the voices of the unheard victims, the search into the depths of the "individual human soul" (but nothing more) in the case of our admitted departure from purity, and our contemplation of "the Mind of Japan" -- all of these fall on the 50th anniversary of Pearl Harbor, along with the resurgence of self-pity over our tragic fate.

Those who might believe that the POW-MIA issue reflects the profound humanitarian impulses of our leaders will quickly be disabused of this naive idea by a look at a few comparisons. Walter Wouk, a Vietnam veteran who chairs the New York State Senate Vietnam Veterans Advisory Council, writes:

At the end of World War II the U.S. had 78,751 MIAs, 27 percent of the war's U.S. battle deaths. The Korean War resulted in 8,177 MIAs which represented 15.2 percent of the Americans killed-in-action. Of the 2.6 million Americans who served in Vietnam, 2,505 -- less than 5.5 percent of the U.S. battle deaths -- are listed as missing in action. But even that figure is misleading. Of that number 1,113 were killed in action, but their bodies were not recovered. Another 631 were presumed dead because of the circumstances of their loss -- i.e., airmen known to have crashed into the sea -- and 33 died in captivity. The remaining 728 are missing. It should be noted that 590 of the missing Americans (81 percent) were airmen; and there were strong indications that more than 442 of these individuals (75 percent) went down with their aircraft.

Are the Vietnam MIAs in a special category because of the refusal of the savage Communists to allow a thorough search? In the major study of the MIA campaign, Bruce Franklin points out that remains of MIAs from World War II are discovered almost every year in the European countryside, where no one has hampered any search for 45 years. Remains from General Custer's 1876 battle were still being located in the 1980s, as were skeletons of Confederate soldiers and US soldiers killed in Canada during the War of 1812.<sup>50</sup>

The truth of the matter is not hard to perceive. The state-media complex has been resorting to a trick familiar to every petty crook and tenth-rate lawyer: when you are caught with your hand in someone's pocket, cry "Thief! Thief!" Don't try to defend yourself, thus conceding that there is an issue to confront: rather, shift the onus to your accusers, who must then defend themselves against your charge. The technique can be highly effective when control over the doctrinal system is assured. The device is familiar to propagandists, virtually a reflex, adopted unthinkingly. The PC propaganda operation is a

transparent example ([chapter 2.4](#)).

The device also comes naturally to the corporate rulers, who commonly present themselves as pathetic and embattled, desperately trying to survive the onslaught of the liberal media, powerful unions, and hostile government forces that keep them from earning an honest dollar. Their media propagandists play the same game. During the Pittston mine workers strike in 1989-1990, the company president ran daily press conferences, though it was hardly necessary, since the media were eager to do his work for him. In the first (and only) TV gesture toward coverage, Robert Kulwich of CBS commented that Pittston Coal Group president "Mike Odom is willing to say that the union has done a very slick public relations job, and that he has some catching up to do." That takes care of the fact that the national media -- to the limited extent that they covered this historic labor struggle at all -- adopted the company point of view reflexively, deflecting union efforts to present the issues as the workers saw them with their practiced efficiency.<sup>51</sup>

The same device is standard in debate over the media. It is child's play to demonstrate their subordination to state power with regard to Indochina, Central America, and the Middle East. Accordingly, the sole issue we are permitted to discuss is whether the media went too far in their adversarial zeal, perhaps even undermining the foundations of democracy (the questions pondered in the solemn deliberations of the Trilateral Commission and Freedom House). An academic study of the media on Central America and the Middle East, led by a man with proper liberal credentials, considers only the question of the anti-establishment fervor of the media: Was it too extreme, or did they manage to keep it within tolerable bounds? As in this case, the "Thief! Thief!" technique is particularly effective when the analyst can be placed at the outer limits of dissidence. Thus long-time NPR Middle East correspondent Jim Lederman inquires into the fervent support of the US media for the cause of the Palestinians, their manipulation by Yasser Arafat, and their consuming hatred of Israel -- all so obvious to any reader. Exhibiting his left-liberal credentials, he concludes that there is no proof of a conscious anti-Semitic conspiracy, despite appearances.<sup>52</sup>

In such ways, mountains of evidence can be made to disappear with a mere flick of the wrist. The technique requires lock-step loyalty on the part of the cultural managers. But the unwashed masses are sometimes more difficult to handle.

In the case of Vietnam, by the late 1960s substantial sectors of the public were joining those whom Kennedy-Johnson National Security adviser McGeorge Bundy called "the wild men in the wings," questioning the "first team" that was running the war, and even the justice of the US cause.<sup>53</sup> With all the help provided by the mass media, things were reaching the point where the murderous barbarism of the US war could no longer be concealed or defended. The predictable response was to cry "Thief! Thief!" Of course, there was nothing new in this. But the Indochina wars were reaching the stage where something was needed beyond the norm.

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[50](#) Wouk, *CT*, June 2, 1992. Franklin, *MIA*.

[51](#) Puette, *Through Jaundiced Eyes*, ch. 7.

[52](#) For discussion of these examples, see *TNCW*, 68f., 89f. *MC*, secs. 5.1, 5.5.2, App. 3. *NI*, App. I, sec. 2. Lederman, *Battle Lines*; see my "Letter from Lexington," *Lies of Our Times*, Sept. 1992, for details.

[53](#) Bundy, *Foreign Affairs*, Jan. 1967. See *MC*, 175.

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By the late '60s, schoolchildren were given assignments in the *Weekly Reader*, which goes to elementary schools throughout the country, to write letters to Ho Chi Minh pleading with him to release the Americans he had captured -- the implication being that the evil Communists had snatched them as they strolled peacefully on Main Street, Iowa, spiriting them off to Hanoi for the purpose of torturing them. The PR campaign went into full gear in 1969, for two major reasons. First, US atrocities were reaching a scale that surpassed any hope of denial. Defense against the charges being impossible, the debate must be transferred to the evil nature of the enemy: *his* crimes against *us*. Second, corporate America had determined that the war must end. It would therefore no longer be possible to evade diplomacy and negotiations. But the Eisenhower-Kennedy-Johnson doctrine still held firm: diplomacy is not an option because the US and its clients were too weak politically to hope to prevail in the arena of peaceful competition. Accordingly, Nixon and Kissinger radically accelerated and expanded the violence, and sought in every way to deflect unwanted negotiations. The device used was to raise demands on prisoner return that no belligerent had ever so much as considered in the past, in the hope that Hanoi would keep to traditional Western standards and reject them, so that the Commie rats could be denounced for their infamy and the negotiations could be delayed.

After the war's end, a new motive arose. The destruction of Indochina was not considered a sufficient victory: it was necessary to continue to strangle and crush the Vietnamese enemy by other means -- refusal of diplomatic relations, economic warfare, and the other devices available to the toughest guy on the block. The cause was taken up by President Carter, accelerated as he made his "tilt toward China" in early 1978. It has been pursued since by his successors, with the support of the political class generally. Its current manifestations, we have just reviewed.

This resort to the "Thief! Thief!" technique was a brilliant success throughout, thanks to the compliance of the institutions of indoctrination. Franklin reviews the matter in some detail, showing how the press leaped into the fray on command while film-makers and TV pursued the ingenious strategy of selecting the best-publicized atrocities of the US and its client and rearranging personnel to transform them into crimes of the enemy. The supreme cynicism of the enterprise is highlighted by the maneuvers that had to be undertaken to shift from professed outrage over Pol Pot atrocities -- itself an utter fraud in elite circles, as demonstrated conclusively by their reaction to US atrocities in Cambodia a few years earlier and to those of the US-backed Indonesian client in Timor in the very same years<sup>54</sup> -- to a complex stand in which Pol Pot is condemned as the very symbol of Communist horror, while the Vietnamese invasion that saved Cambodia from his atrocities is shaped into a still more monstrous Communist atrocity, and the quiet US support for Pol Pot is somehow finessed. Even that task was effortlessly accomplished. And the ideological institutions shifted gears smoothly when the Cambodia pretext was lost and only the POW/MIA issue remained to justify the torture of the people of Indochina.

Michael Vickery makes the important point that every time Vietnam has had a chance, however slight, to escape from the conditions left from the cruel and destructive era of French colonialism, the US has stepped in to block that opportunity. When the Geneva settlement of 1954 laid the basis for unification with countrywide elections, the US barred that option, recognizing that the wrong side would surely win. Though the DRV (North Vietnam) was cut off from the traditional food surplus areas in the south, by 1958 it had achieved food self-sufficiency while industry was developing -- a prospect of success that caused much dismay among US planners, who urged secretly that the US do what it could to retard the economic progress of the Communist Asian states, with its dangerous demonstration effect. They were particularly concerned over the progress in the DRV in comparison to the failures of the US-imposed regime in the south: US intelligence in 1959 expected development in the South to "lag behind that in the North," where economic growth was proceeding and was "concentrated on building for the future." The Kennedy escalation and its aftermath took care of that threat.

After the war, Vietnam was admitted to the IMF, and in a confidential report of 1977, a World Bank team "praised the Vietnamese government's efforts to mobilize its resources and tap its vast potential." The US made short shrift of that danger as well, blocking any assistance and imposing an economic stranglehold. In 1988-1990, Vickery observes further, "in spite of an extremely unfavorable international position, Vietnam had come through with a surprising economic success," leading the IMF to present a "glowing report," the *Far Eastern Economic Review* reported. The response was George Bush's renewal of the embargo; and in the ideological institutions, a revival of lagging fervor over the abuse we endure at the hands of the criminal aggressors.<sup>55</sup>

There is method in the madness. Apart from the principled opposition to Third World development out of US control, it is important for subject peoples to understand that they dare not raise their heads in the presence of the master. If they do, not only will they be devastated by overwhelming violence, but they will continue to suffer, as long as we deem it in our interests. Current treatment of Nicaragua illustrates the pattern, as of Iraq, where Bush's friend and ally stepped out of line, so we must see to it that tens of thousands of his Iraqi victims die of starvation and disease after the war's end. The West sternly destroys the weapons of mass destruction it provided to this monster when it was profitable and advantageous to do so, while unleashing "the destructive power of another weapon of mass destruction -- the effective withdrawal of food and other necessities from the Iraqi people," two specialists on world hunger observe.<sup>56</sup> The lower orders must understand their place in a world of order and "stability."

In its editorial on Vietnam marking the Pearl Harbor anniversary, the editors of the *Washington Post* note the

abiding irony that the United States lost the war in a military sense but ended up imposing a victor's terms for normalization. It could do so because it remained a country representing dominant global values, powerfully influencing the regional balance and the international economy. This is how all the concessions came to be made by Vietnam.

The statement has merit, though a little amplification is in order. The "dominant global values" extolled by the *Post* editors are the values of those who wield the sword and thereby set the rules.<sup>57</sup>

It would be difficult to find an example in the 500-year conquest as sordid, dishonest, and cowardly as the carefully contrived display of self-pity on the part of the murderous aggressors who destroyed three countries, leaving mountains of corpses and countless others maimed and orphaned, in order to block a political settlement that they knew their clients were too weak to sustain -- a fact that is clear from the internal record, has been developed in detail by military historians, and is recognized even by the most fanatic government "scholars."<sup>58</sup> The "abiding irony" is that this shameful performance proceeds, untroubled, alongside our musings about the defects of the Japanese psyche.

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<sup>54</sup> On these enlightening and therefore intolerable comparisons, see *PEHR*, vols. I, II; *MC*.

<sup>55</sup> Vickery, *Cambodia After the 'Peace'*. On the internal US documents, see *FRS*, 31f., 36f.

<sup>56</sup> Drèze and Gazdar, *Hunger and Poverty*.

<sup>57</sup> See note 32. On the belief that the US "lost the war," and its significance, see *MC*, 241ff.; and below.

<sup>58</sup> E.g., Douglas Pike. For sources and discussion, see *MC*, 180f.; *PEHR*, vol. I, 338f. See *RC*, ch. 2.3.

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## 8. A Date which does not Live in Infamy

The irony -- to use a word that hardly meets the need -- is heightened by another anniversary that did not reach threshold. The 50th anniversary of the "date which will live in infamy" coincided with the 30th anniversary of John F. Kennedy's escalation of the Vietnam conflict from large-scale international terrorism to outright aggression. On October 11, 1961, Kennedy ordered dispatch of a US Air Force Farmgate squadron to South Vietnam, 12 planes especially equipped for counterinsurgency warfare (combat modified T-28 fighter bomber trainers, SC-47s, and B-26 bombers), soon authorized "to fly coordinated missions with Vietnamese personnel in support of Vietnamese ground forces." On December 16, Defense Secretary McNamara authorized their participation in combat operations. These were the first steps in engaging US forces directly in bombing and other combat operations in South Vietnam from 1962, along with sabotage missions in the North. These 1961-1962 actions laid the groundwork for the huge expansion of the war in later years.<sup>59</sup>

As we have seen, the anniversary did not pass entirely unmarked: Bush chose the occasion -- almost 30 years to the day after Kennedy's first major step in this fateful direction -- to block the admission of Vietnam to the world community, and the propaganda apparatus orchestrated a revival of its POW/MIA hypocrisies. To the best of my knowledge, the conjunction of anniversaries reached the media three times: Michael Albert (*Z magazine*), and Alexander Cockburn (*Nation*, *Los Angeles Times*).<sup>60</sup>

In a world of truth and honesty, that failure could be attributed to the distinction between the two cases, so large as to make the comparison irrelevant and unfair. It hardly makes sense to draw a comparison between Japan's attack on a naval facility in a US colony, after some relevant earlier interactions, and the first major act of aggression against a defenseless civilian society 10,000 miles away. History offers no controlled experiments, but those who seek an analogy might, perhaps, compare Japan's sneak attack to the US bombing of Libya in 1986, carefully timed for the 7pm EST national evening news; the Reagan PR folks borrowed a leaf from Lyndon Johnson, who had ordered the bombing of North Vietnam in retaliation for the alleged Tonkin Gulf incident in August 1964 for 7pm EST, though the military could not oblige in that case. But this comparison too, one might argue, is still unfair to the Japanese. The US attack on Libya was aimed at civilian targets, on fraudulent pretexts; the Tonkin Gulf "retaliation" too was readily detected to be a fraud, outside the compliant mainstream.<sup>61</sup>

Such thoughts are doubtless too outlandish to pursue. Let us therefore put them aside, though some might find something in them to consider as we turn to Year 501.

The coincidences of 1991-1992 are striking: great indignation on the 50th anniversary of Pearl Harbor, the backgrounds carefully sanitized; sober contemplation of the Mind of Japan and the social and cultural flaws revealed therein; silence on the 30th anniversary of John F. Kennedy's direct attack against the civilian society of South Vietnam. The combination is a rare tribute to the moral cowardice and intellectual corruption that are the natural concomitants of unchallenged privilege.

One last coincidence might be noted, of no small interest in itself. The forgotten 30th anniversary of JFK's aggression happened to be the occasion for an outpouring of adulation for the fallen leader who, it was claimed with some passion, intended to withdraw from Vietnam, a fact suppressed by the media; and had been assassinated for that reason, it was prominently charged. The awed admiration for Kennedy the lonely hero, struck down as (and perhaps because) he sought to prevent a US war in Vietnam, adds an interesting touch to the questions of *hansei* that might find some small place in the 500th year. This 1991-1992 drama proceeded at several levels, from cinema to scholarship, engaging some of the best-known Kennedy intellectuals as well as substantial segments of the popular movements that in large part grew from opposition to the Vietnam war. Much as they differ on parts of the picture and other issues, there is a shared belief across this spectrum that history changed course dramatically when Kennedy was assassinated in November 1963, an event that casts a dark shadow over all that followed. Specific timing apart, the renewal of Camelot enthusiasms is an interesting and enlightening manifestation of the cultural and political climate of the early 1990s.

There is no doubt about the import of what followed Kennedy's 1961 aggression. The nature of his plans and the reaction to them is therefore of great interest. The perception of current reality, the shaping of memories, and ideas about a better future could be significantly affected by the truth of the matter: At one end of the spectrum of views, the murder of the President, however tragic the killing of an individual may be, was an event of indeterminate political consequence, though one may speculate one way or another without firm basis<sup>62</sup>; at the other, it was a momentous historical event, with extraordinary long-term significance and ominous portent.

There are many sources of evidence that bear on the question: in particular, the record of internal deliberations is available far beyond the norm. While history never permits anything like definitive conclusions, in this case the richness of the record, and its consistency, permit some unusually confident judgments, in my opinion. The issue has aroused sufficient interest to merit a separate discussion, presented elsewhere, which I will only summarize here. The basic story that emerges from the historical and documentary record seems to me, in brief, as follows.<sup>63</sup>

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<sup>59</sup> *Foreign Relations of the United States, Vietnam, 1961-1963*, I, 343; III, 4n. Gibbons, *US Government*, 70-1, citing Air Force history.

[60](#) Albert, *Z magazine*, Dec., 1991; Cockburn, *LAT*, Dec. 5; *Nation*, Dec. 23, 1991.

[61](#) See ch. 2.1-2. Tonkin Gulf, *MC*, 5.5.1; and *RC*. On timing, see *Foreign Relations of the United States, Vietnam, 1964-1968*, 609.

[62](#) One speculation is that in Vietnam, Kennedy might have leaned towards an enclave strategy of the type advocated by General Maxwell Taylor and others or a Nixonian modification with intensified bombing and murderous "accelerated pacification" but many fewer US ground combat forces; while at home, he might not have proceeded so vigorously with Johnson's "Great Society" programs.

[63](#) See my article "Vain Hopes, False Dreams," *Z magazine*, October 1992, and for a much more extensive review and discussion, see *Rethinking Camelot*. Sources already cited, and others in the dissident literature, gave a generally accurate picture as events proceeded, requiring little modification in the light of what is now known. For a summary, see *MC*.

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Policy towards Vietnam fell within the general framework of doctrine that had been established for the post-World War II global order, and faced little challenge until the general framework was modified in the early 1970s. The US quickly threw in its lot with France, fully aware from the start that it was opposing the forces of Indochinese nationalism and that its own clients could not withstand political competition. Accordingly, resort to peaceful means was never an option; rather, a dire threat to be avoided. It was also understood, throughout, that domestic support for the US wars and subversion was thin. It was therefore necessary to wind the operation up as quickly as possible, leaving Indochina under the control of client regimes, to the extent feasible.

Basic policies held firm in planning circles (and among elites generally) from 1950 into the early 1970s, though by the end questions of feasibility and cost were seriously raised. The Geneva agreements of 1954 were at once subverted. The US imposed a fragile client regime in what came to be called "South Vietnam." Lacking popular support, the regime resorted to large-scale terror to control the population, finally eliciting resistance, which it could not control. As Kennedy took office, collapse of the US position seemed imminent. Kennedy therefore escalated the war to direct US aggression in 1961-1962. The military command was exuberant over the success of the enhanced violence, and thought that the war could soon be wound up, leading to US withdrawal after victory. Kennedy went along with these predictions though with reservations, never willing to commit himself to the withdrawal proposals. By mid-1963, coercive measures appeared to be successful in the countryside, but internal repression had evoked large-scale urban protest. Furthermore, the client regime was calling for a reduction of the US role or even US withdrawal, and was making overtures for a peaceful settlement with the North. The Kennedy Administration therefore resolved to overthrow its client in favor of a military regime that would be fully committed to military victory. This result was achieved with the military coup of November 1, 1963.

As the US command had predicted, the coup simply led to further disintegration, and as the bureaucratic structure of the former regime dissolved, to a belated recognition that reports of military progress were built on sand. Tactics were then modified in the light of two new factors: (1) the hope that at last a stable basis had been established for expanded military action, and (2) recognition that the military situation in the countryside was a shambles. The first factor made escalation possible, the second made it necessary, even more so as the former hopes were seen to be a mirage. The plans to withdraw, always predicated on victory, had to be abandoned as the precondition collapsed. By early 1965, only large-scale US aggression could prevent a political settlement. The unchallenged policy assumptions allowed few options: the attack against South Vietnam was sharply escalated in early 1965, and the war was extended to the North.

The January 1968 Tet offensive revealed that the war could not be quickly won. By that time, internal protest and deterioration of the US economy vis-à-vis its industrial rivals convinced domestic elites that the US should move towards disengagement.

These decisions set in motion the withdrawal of US ground forces, combined with another sharp escalation of the military assault against South Vietnam and by now all of Indochina in the hope that the basic policies could still somehow be salvaged. Negotiations continued to be deferred as long as possible, and when the US was finally compelled to sign a "peace treaty" in January 1973, Washington announced at once, in the clearest and most explicit terms, that it would subvert the treaty in every crucial respect. That it proceeded to do, in particular, by increasing the violence in the South in violation of the treaty, to much domestic acclaim as the tactic appeared to be successful. The dissident press could tell the story, but the mainstream was entirely closed to such heretical truths, and still is, a ban maintained with impressive rigor.<sup>64</sup> These actions of the US and its client again elicited a reaction, and the client regime again collapsed. This time the US could not enter to rescue it. By 1975, the war ended.

The US had achieved only a partial victory. On the negative side, the client regimes had fallen. On the positive side, the entire region was in ruins, and there was no fear that the "virus" of successful independent development might "infect" others. Improving the picture further, the region was now insulated from any residual danger by murderous military regimes that the US helped install and strongly supported. Another consequence, predictable years earlier, was that the indigenous forces in South Vietnam and Laos, unable to resist the US onslaught, had been decimated, leaving North Vietnam as the dominant force in Indochina.<sup>65</sup> As to what would have happened had these forces survived and the countries allowed to develop in their own ways, one can only speculate. The press and journals of opinion are happy to serve up the desired formulas, but these, as usual, reflect doctrinal requirements, nothing more.

Basic policy remained constant in essentials: disentanglement from an unpopular and costly venture as soon as possible, but after the virus was destroyed and victory assured (by the 1970s, with increasing doubt that US client regimes could be sustained). Tactics were modified with changing circumstances and perceptions. Changes of Administration, including the Kennedy assassination, had no large-scale effect on policy, and not even any great effect on tactics, when account is taken of the objective situation and how it was perceived.

The scale of these colonial wars and their destructiveness was extraordinary, and the long-term import for international and domestic society correspondingly great. But in their essentials, the Indochina wars fall well within the history of the 500-year conquest, and more specifically, within the framework of the period of US hegemony.

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[64](#) On the remarkable complicity of the intellectual community in suppressing the readily-available facts about US subversion of diplomacy, see *TNCW*, ch. 3; *MC*, ch. 5.5.3. The full story of this suppression -- in some cases, deliberate -- has yet to be told.

[65](#) On this prospect, see *AWWA*, 286.

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## Chapter Eleven

# The Third World at Home

## 1. "The Paradox of '92"

The basic theme of the 500-year conquest is misread if it sets Europe -- broadly construed -- against the subject domains. As Adam Smith stressed, the interests of the architects of policy are not those of the general population; the internal class war is an inextricable element of the global conquest. One of the memories that reverberates through the 500 years is that "European societies were also colonized and plundered," though the "better-organized" communities with "institutions for economic regulation and political self-government" and traditions of resistance were able to retain basic rights and even extend them through continuing struggle.<sup>1</sup>

The end of the affluent alliance and the onset of the "new imperial age" have intensified the internal class war. A corollary to the globalization of the economy is the entrenchment of Third World features at home: the steady drift towards a two-tiered society in which large sectors are superfluous for wealth-enhancement for the privileged. Even more than before, the rabble must be ideologically and physically controlled, deprived of organization and interchange, the prerequisite for constructive thinking and social action. "The paper has taken us one at a time and convinced us 'how good the times' are," Wobbly writer T-Bone Slim commented: "We have no opportunity to consult our neighbor to find out if the press speaketh the truth."<sup>2</sup> A large majority of the population regard the economic system as "inherently unfair," look back at the Vietnam war as not a "mistake" but "fundamentally wrong and immoral," favored diplomacy not war as the US prepared to bomb Iraq, and so on. But these are private thoughts; they do not raise the dread threat of democracy and freedom as long as there is no systematic way "to consult our neighbor." Whatever the individual thoughts may be, collectively we march in the parade. No presidential candidate, for example, could possibly say "I opposed the Vietnam war on principled grounds and honor those who refused to obey the order to fight a war that was 'fundamentally wrong and immoral'."

In any system of governance, a major problem is to secure obedience. We therefore expect to find ideological institutions and cultural managers to direct and staff them. The only exception would be a society with an equitable distribution of resources and popular engagement in decision-making; that is, a democratic society with libertarian social forms. But meaningful democracy is a remote ideal, regarded as a danger to be averted, not a value to be achieved: the "ignorant and meddling outsiders" must be

reduced to their spectator status, as Walter Lippmann phrased the theme that has long been common coin. The current mission is to ensure that any thought of controlling their destiny must be driven from the minds of the rascal multitude. Each person is to be an isolated receptacle of propaganda, helpless in the face of two external and hostile forces: the government and the private sector, with its sacred right to determine the basic character of social life. The second of these forces, furthermore, is to be veiled: its rights and power must be not only beyond challenge, but invisible, part of the natural order of things. We have travelled a fair distance on this path.

The rhetoric of the 1992 election campaign illustrates the process. The Republicans call for faith in the entrepreneur, accusing the "other party" of being the tool of social engineers who have brought the disaster of Communism and the welfare state (virtually indistinguishable). The Democrats counter that they only intend to improve the efficiency of the private sector, leaving its dictatorial rights over most of life and the political sphere unchallenged. Candidates say "vote for me," and I will do so-and-so for you. Few believe them, but more important, a different process is unthinkable: that in their unions, political clubs, and other popular organizations people should formulate their own plans and projects and put forth candidates to represent them. Even more unthinkable is that the general public should have a voice in decisions about investment, production, the character of work, and other basic aspects of life. The minimal conditions for functioning democracy have been removed far beyond thought, a remarkable victory of the doctrinal system.

Toward the more totalitarian end of the spectrum, self-styled "conservatives" seek to distract the rascal multitude with jingoist and religious fanaticism, family values, and other standard tools of the trade. The spectacle has elicited some bemused commentary abroad. Observing the 1992 Republican convention, from the pre-Enlightenment God and Country Rally on opening day to the party platform crafted by evangelical extremists, and the fact that the Democratic candidate "mentioned God six times in his acceptance speech" and "quoted from scriptures," the *Economist* wondered at a society "not ready yet for openly secular leaders," alone in the industrial world. Others watched with amazement as a debate between the Vice-President and a TV character occupied center stage. These are signs of the success in defanging democratic forms, to eliminate any threat to private power.<sup>3</sup>

Contemporary right-wing discourse can hardly fail to bring to mind earlier denunciations of "liberalism," with its call "for women's equality" and denial of the ancient truth that a woman's "world is her husband, her family, her children, and her home" (Adolf Hitler). Or the warning, from the same voice, that it is "a sin against the will of the Almighty that hundreds upon thousands of his most gifted creatures should be made to sink in the proletarian swamp while Kaffirs and Hottentots are trained for the liberal professions" -- however the current version may be masked in code words. The resort to "cultural" themes and religious-jingoist fervor revives the classic fascist technique of mobilizing the people who are under assault. The encouragement of religious "enthusiasm," in particular, has a long history within what E.P. Thompson called "the psychic processes of counter-revolution" used to tame the masses, breeding "the chiasm of despair," the desperate hope for some other world than this one, which can offer little.<sup>4</sup>

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[1](#) Pp. 17, 65.

[2](#) T-Bone Slim, *Juice*, 68.

[3](#) *Economist*, Aug. 22, 1992.

[4](#) Brady, *Spirit*, ch. VI; Schoenbaum, *Hitler's Social Revolution*, ch. VI. Thompson, *Making*, ch. 11.

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Studies of public opinion bring out other strands. A June 1992 Gallup poll found that 75 percent of the population do not expect life to improve for the next generation of Americans -- not too surprising, given that real wages have been dropping for 20 years, with an accelerated decline under Reaganite "conservatism," which also managed to extend the cloud over the college-educated. Public attitudes are illuminated further by the current popularity of ex-presidents: Carter is well in the lead (74 percent) followed by the virtually unknown Ford (68 percent), with Reagan at 58 percent, barely above Nixon (54 percent). Dislike of Reagan is particularly high among working people and "Reagan Democrats," who gave him "the highest unfavorable rating [63 percent] of a wide range of public officials," one study found. Reagan's popularity was always largely a media concoction; the "great communicator" was quickly dismissed when the farce would no longer play.<sup>5</sup>

The Harris polling organization has been measuring alienation from institutions for 25 years. Its latest survey, for 1991, found the numbers at an all-time high of 66 percent. Eighty-three percent of the population feel that "the rich are getting richer and the poor are getting poorer," saying that "the economic system is inherently unfair," Harris president Humphrey Taylor comments. The concerns of the overwhelming majority, however, cannot be addressed within the political system; even the words can barely be spoken or heard. The journalist who reports these facts sees only people who are angry at "their well-paid politicians" and want "more power to the people," not "more power to the government." We are not allowed to think that government might be of and by the people, or that they might seek to change an economic system that 83 percent regard as "inherently unfair."<sup>6</sup>

Another poll revealed that "faith in God is the most important part of Americans' lives." Forty percent "said they valued their relationship with God above all else"; 29 percent chose "good health" and 21 percent a "happy marriage." Satisfying work was chosen by 5 percent, respect of people in the community by 2 percent. That this world might offer basic features of a human existence is hardly to be contemplated. These are the kinds of results one might find in a shattered peasant society. Chiliastic visions are reported to be particularly prevalent among blacks; again, not surprising, when we learn from the *New England Journal of Medicine* that "black men in Harlem were less likely to reach the age of 65 than men in Bangladesh."<sup>7</sup>

Also driven from the mind is any sense of solidarity and community. Educational reform is designed for those whose parents can pay, or at least are motivated to "get ahead." The idea that there might be some general concern for children -- not to speak of others -- must be suppressed. We must make "the true costs of bearing a child out of wedlock clear" by letting "them be felt when they are incurred -- namely at the child's birth"; the teenage high-school dropout must realize that her child will get no help from us

(Michael Kaus). In the rising "culture of cruelty," Ruth Conniff writes, "the middle-class taxpayer, the politician, and the wealthy upper class are all victims" of the undeserving poor, who must be disciplined and punished for their depravity, down to future generations.

When the Caterpillar corporation recruited scabs to break a strike by the United Auto Workers, the union was "stunned" to find that unemployed workers crossed the picket line with no remorse, while Caterpillar workers found little "moral support" in their community. The union, which had "lifted the standard of living for entire communities in which its members lived," had "failed to realize how public sympathy had deserted organized labor," a study by three *Chicago Tribune* reporters concludes -- another victory in an unremitting business campaign of many decades that the union leadership refused to see. It was only in 1978 that UAW President Doug Fraser criticized the "leaders of the business community" for having "chosen to wage a one-sided class war in this country -- a war against working people, the unemployed, the poor, the minorities, the very young and the very old, and even many in the middle class of our society," and having "broken and discarded the fragile, unwritten compact previously existing during a period of growth and progress." That was far too late, and the tactics of the abject servant of the rich who soon took office destroyed a good bit of what was left.<sup>8</sup>

The *Tribune* study sees the defeat of the union as "the end of an era, the end of what may be the proudest creation of the American labor movement in the 20th century: a large blue-collar middle class." That era, based on a corporation-union compact in a state-subsidized private economy, had come to an end 20 years earlier, and the "one-sided class war" had been underway long before. Another component of the compact was "the exchange of political power for money" by the union leaders (David Milton), a bargain that lasted as long as the rulers found it to their advantage. Trust in the good faith and benevolence of the masters will yield no other outcome.

A crucial component of the state-corporate campaign is the ideological offensive to overcome "the crisis of democracy" caused by the efforts of the rabble to enter the political arena, reserved for their betters. Undermining of solidarity with working people is one facet of that offensive. In his study of media coverage of labor, Walter Puette provides ample evidence that in the movies, TV, and the press the portrayal of unions has generally "been both unrepresentative and virulently negative." Unions are depicted as corrupt, outside the mainstream, "special interests" that are either irrelevant or actually harmful to the interests of workers and the general public, "un-American in their values, strategies, and membership." The theme "runs deep and long through the history of media treatment," and "has helped push the values and goals of the American labor movement off the liberal agenda." This is, of course, the historic project, intensified when need arises.<sup>9</sup>

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<sup>5</sup> Steven Greenhouse, *NYT*, "Income Data Show Years of Erosion for U.S. Workers," *NYT*, Sept. 7;

Adam Pertman, *BG*, July 15; Garry Wills, *New York Review*, Sept. 24, 1992., 1992.

[6](#) John Dillin, *CSM*, July 14, 1992.

[7](#) AP, *BG*, April 4, 1991. *NE J. of Med.*, Jan. 1990, cited by Melvin Konner, *NYT*, Feb. 24, 1990.

[8](#) See ch. 4.3. Conniff, *Progressive*, Sept. 1992, reviewing Kaus, *End of Equality*. Stephen Franklin, Peter Kendall and Colin McMahon, "Caterpillar strikers face the bitter truth," pt. 3 of series, *Chicago Tribune*, Sept. 6, 7, 9, 1992. Fraser cited in Moody, *Injury*, 147.

[9](#) Milton, *Politics*, 155; Puette, *Through Jaundiced Eyes*.

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Caterpillar decided in the '80s that its labor contract with the UAW was "a thing of the past," the *Tribune* study observes: the company would "permanently change it with the threat of replacement workers." That tactic, standard in the 19th century, was reinstated by Ronald Reagan to destroy the air traffic controllers union (PATCO) in 1981, one of the many devices adopted to undermine labor and bring the Third World model home. In 1990, Caterpillar shifted some production to a small steel processor that had broken a Teamsters Local by hiring scabs, "a swift and stunning blow to the workers, a harbinger" of what was to come. Two years later, the hammer struck. For the first time in 60 years, a major US manufacturer felt free to use the ultimate anti-labor weapon. Congress followed shortly after by effectively denying railroad workers the right to strike after an employer lockout that stopped the trains.

Congress's General Accounting Office found that companies felt much more free to threaten to call in "permanent replacement workers" after Reagan used the device in 1981. From 1985 to 1989, employers resorted to the threat in one-third of all strikes, and fulfilled it in 17 percent of strikes in 1990. A 1992 study showed that "four of five employers are willing to wield the replacement-worker weapon," the *Wall Street Journal* reported after the Caterpillar strike, and one-third said they would use it at once.

Labor reporter John Hoerr points out that the decline in workers' income from the early 1970s has been paralleled by decline in strikes, now at the lowest ebb since World War II. Militant labor organizing during the Great Depression brought about labor's first -- and last -- political victories, notably the National Labor Relations Act (Wagner Act) of 1935, which granted labor rights that had long been established in other industrial societies. Though the right to organize was quickly weakened by Supreme Court rulings, it was not until the 1980s that corporate America felt strong enough to return to the good old days, moving the US off the international spectrum once again. The International Labor Organization (ILO), taking up an AFL-CIO complaint in 1991, noted that the right to strike is lost when workers run the risk of losing their jobs to permanent replacements and recommended that the US reassess its policies in the light of international standards -- strong words, from an organization traditionally beholden to its powerful sponsors. Among industrial countries the US is alone, apart from South Africa, in tolerating the ancient union-busting devices.<sup>[10](#)</sup>

"Paradox of '92: Weak Economy, Strong Profits." The headline of a lead article in the *Times* business section captures the consequences of the "one-sided class war" waged with renewed intensity since the end of the affluent alliance. "America is not doing very well, but its corporations are doing just fine," the article opens, with corporate profits "hitting new highs as profit margins expand." A paradox, inexplicable and insoluble. One that will only deepen as the architects of policy proceed without interference from "meddlesome outsiders."<sup>[11](#)</sup>

What the "paradox" entails for the general population is demonstrated by numerous studies of income distribution, real wages, poverty, hunger, infant mortality, and other social indices. A study released by the Economic Policy Institute on Labor Day, 1992, fleshed out the details of what people know from their experience: after a decade of Reaganism, "most Americans are working longer hours for lower wages and considerably less security," and "the vast majority" are "in many ways worse off" than in the late 1970s. From 1987, real wages have declined even for the college educated. "Poverty rates were high by historic standards," and "those in poverty in 1989 were significantly poorer than the poor in 1979." The poverty rate rose further in 1991, the Census Bureau reported. A congressional report released a few days later estimates that hunger has grown by 50 percent since the mid-1980s to some 30 million people. Other studies show that one of eight children under 12 suffers from hunger, a problem that reappeared in 1982 after having been overcome by government programs from the 1960s. Two researchers report that in New York, the proportion of children raised in poverty more than doubled to 40 percent, while nationwide, "the number of hungry American children grew by 26 percent" as aid for the poor shrank during "the booming 1980s" -- "one of the great golden moments that humanity has ever experienced," a spokesman for the culture of cruelty proclaimed (Tom Wolfe).<sup>12</sup>

The impact is brought out forcefully in more narrowly-focused studies; for example, at the Boston City Hospital, where researchers found that "the number of malnourished, low-weight children jumped dramatically following the coldest winter months," when parents had to face the agonizing choice between heat or food. At the hospital's clinic for malnourished children, more were treated in the first nine months of 1992 than in all of 1991; the wait for care reached two months, compelling the staff to "resort to triage." Some suffer from Third World levels of malnutrition and require hospitalization, victims of "the social and financial calamities that have befallen families" and the "massive retrenchment in social service programs."<sup>13</sup> By the side of a road, men hold signs that read "Will Work for Food," a sight that recalls the darkest days of the Great Depression.

But with a significant difference. Hope seems to have been lost to a far greater extent today, though the current recession is far less severe. For the first time in the modern history of industrial society, there is a widespread feeling that things will not be getting better, that there is no way out.

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<sup>10</sup> Franklin, et al., *op. cit.*; RR lockout, Alexander Cockburn, *Los Angeles Times*, July 13; Robert Rose, *WSJ*, April 20, 1992. Hoerr, *American Prospect*, Summer 1992.

<sup>11</sup> Floyd Norris, *NYT*, Aug. 30, 1992.

<sup>12</sup> Peter Gosselin, *BG*, Sept. 7; Frank Swoboda, *WP weekly*, Sept. 14-20, 1992. Shlomo Maital and Kim Morgan, *Challenge*, July 1992. Wolfe, *BG*, Feb. 18, 1990.

[13](#) Diego Ribadeneira and Cheong Chow, *BG*, Sept.8; Ribadeneira, *BG*, Sept. 25, 1992.

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## 2. "Fight to the Death"

The victory for working people and for democracy in 1935 sent a chill through the business community. The National Association of Manufacturers warned in 1938 of the "hazard facing industrialists" in "the newly realized political power of the masses"; "Unless their thinking is directed we are definitely headed for adversity." A counteroffensive was quickly launched, including the traditional recourse to murderous state violence. Recognizing that more would be needed, corporate America turned to "scientific methods of strike-breaking," "human relations," huge PR campaigns to mobilize communities against "outsiders" preaching "communism and anarchy" and seeking to destroy our communities, and so on. These devices, building upon corporate projects of earlier years, were put on hold during the war, but revived immediately after, as legislation and propaganda chipped away at labor's gains, with no little help from the union leadership, leading finally to the situation now prevailing.<sup>14</sup>

The shock of the labor victories of the New Deal period was particularly intense because of the prevailing assumption in the business community that labor organizing and popular democracy had been buried forever. The first warning was sounded in 1932, when the Norris-LaGuardia Act exempted unions from antitrust prosecution, granting labor rights that it had received in England sixty years earlier. The Wagner Act was entirely unacceptable, and has by now been effectively reversed by the business-state-media complex.

In the late 19th century, American workers made progress despite the extremely hostile climate. In the steel industry, the heart of the developing economy, union organization reached roughly the level of Britain in the 1880s. That was soon to change. A state-business offensive destroyed the unions with considerable violence, in other industries as well. In the business euphoria of the 1920s, it was assumed that the beast had been slain.

American labor history is unusually violent, considerably more so than in other industrial societies. Noting that there is no serious study, Patricia Sexton reports an estimate of 700 strikers killed and thousands injured from 1877 to 1968, a figure that may "grossly understate the total casualties"; in comparison, one British striker was killed since 1911.<sup>15</sup>

A major blow against working people was struck in 1892, when Andrew Carnegie destroyed the 60,000 member Amalgamated Association of Iron and Steel Workers (AAISW) by hiring scabs -- yet another anniversary that might have been commemorated in 1992, when the UAW was laid low by the very same methods, revived after a sixty-year lapse. The leading social historian Herbert Gutman describes 1892 as

"the really critical year" that "shaped and reshaped the consciousness of working-class leaders and radicals, of trade unionists." The use of state power for corporate goals at that time "was staggering," and led to "a growing awareness among workers that the state had become more and more inaccessible to them and especially to their political and economic needs and demands." It was to remain so until the Great Depression.

The 1892 confrontation at Homestead, commonly called "the Homestead strike," was actually a lockout by Carnegie and his manager on the scene, the thuggish Henry Clay Frick; Carnegie chose to vacation in Scotland, dedicating libraries he had donated. On July 1 the newly-formed Carnegie Steel Corporation announced that "No trade union will ever be recognized at the Homestead Steel Works hereafter." The locked-out workers could reapply individually, nothing more. It was to be "a Finish Fight against Organized Labor," the Pittsburgh press proclaimed, a fight "to the death between the Carnegie Steel Company, limited, with its \$25,000,000 capital, and the workmen of Homestead," the *New York Times* reported.

Carnegie and Frick overcame the workers of Homestead by force, first sending Pinkerton guards, then the Pennsylvania National Guard when the Pinkertons were defeated and expelled by the local population. "The lockout crushed the largest trade union in America, the AAISW, and it wrecked the lives of its most devoted members," Paul Krause writes in his comprehensive history. Unionism was not revived in Homestead for 45 years. The impact was far broader.

Destruction of unions was only one aspect of the general project of disciplining labor. Workers were to be deskilled, turned into pliable tools under the control of "scientific management." Management was particularly incensed that "the men ran the mill and the foreman had little authority" in Homestead, one official later said. As discussed earlier, it has been plausibly argued that the current malaise of US industry can be traced in part to the success of the project of making working people "as stupid and ignorant as it is possible for a human creature to be," in defiance of Adam Smith's warning that government must "take pains to prevent" this fate for the "labouring poor" as the "invisible hand" does its grim work (see pp. 18, 103). On the contrary, business called upon state power to accelerate the process. Elimination of the mechanisms "to consult our neighbor" is a companion process in the taming of the herd.

Homestead was a particularly tempting target because workers there were "thoroughly organized," and in control of local political life as well. Homestead held firm through the 1880s while a few miles away, in Pittsburgh, labor suffered severe defeats. Its multi-ethnic work force demanded their "rights as freeborn American citizens" in what Krause describes as "a workers' version of a modern American Republic," in which workers would have freedom and dignity. Homestead was "the nation's preeminent labor town," Krause writes, and Carnegie's next target in his ongoing campaign to destroy the right to organize.<sup>16</sup>

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[14](#) See Alex Carey, "Managing Public Opinion: The Corporate Offensive," ms., U. of New South Wales, 1986; Milton, Moody, *op. cit.*, Sexton, *War*. Also Ginger and Christiano, *Cold War*.

[15](#) Sexton, *War*, 76, 55.

[16](#) Demarest, "*River*", 44, 55, 216. Krause, *Battle*, 287, 13, 294, 205ff. 152, 178, 253, 486 (quoting Gutman interview).

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Carnegie's victory at Homestead enabled him to slash wages, impose twelve-hour workdays, eliminate jobs, and gain monumental profits. This "magnificent record was to a great extent made possible by the company's victory at Homestead," a historian of the company wrote in 1903. Carnegie's "free enterprise" achievements relied on more than the use of state violence to break the union. As in the case of other industries from textiles to electronics, state protection and public subsidy were critical to Carnegie's success. "Under the beauties of the protective tariff system the manufacturing interests of the country are experiencing unparalleled prosperity," the *Pittsburgh Post* reported on the eve of the lockout, while Carnegie and others like him were preparing "an enormous reduction in the wages of their men." Carnegie was also a master swindler, defrauding the city of Pittsburgh in collusion with city bosses. Famed as a pacifist as well as philanthropist, Carnegie looked forward to "millions for us in armor" in construction of battleships -- purely for defense, he explained, hence in accord with his pacifist principles. In 1890 Carnegie had won a large naval contract for his new Homestead plant. "It was with the help of...powerful politicians and crafty financiers who operated in the grand arenas of national and international government -- as well as in the backrooms of Pittsburgh's businesses and city hall -- that Carnegie was able to construct his immense industrial fiefdom," Krause writes: the world's first billion-dollar corporation, US Steel. Meanwhile, the new imperial navy was "defending" the US off the coasts of Brazil and Chile and across the Pacific.<sup>17</sup>

The press gave overwhelming support to the Company, as usual. The British press presented a different picture. The *London Times* ridiculed "this Scotch-Yankee plutocrat meandering through Scotland in a four-in-hand opening public libraries, while the wretched workmen who supply him with ways and means for his self-glorification are starving in Pittsburgh." The far-right British press ridiculed Carnegie's preachings on "the rights and duties of wealth," describing his self-congratulatory book *Triumphant Democracy* as "a wholesome piece of satire" in the light of his brutal methods of strike-breaking, which should be neither "permitted nor required in a civilized community," the *London Times* added.

In the US, strikers were depicted as "brigands," "blackmailers whom all the world loathes" (*Harper's Weekly*), a "Mob Bent on Ruin" (*Chicago Tribune*), "anarchists and socialist[s]...preparing to blow up...the Federal building and take possession" of the money in the treasury vaults (*Washington Post*). Eugene Debs was a "lawbreaker at large, an enemy of the human race," who should be jailed (he soon was), "and the disorder his bad teachings has engendered must be squelched" (*New York Times*). When Governor John Altgeld of Illinois wired President Cleveland that press accounts of abuses by strikers were often "pure fabrications" or "wild exaggerations," the *Nation* condemned him as "boorish, impudent, and ignorant"; the President should put him in his place forthwith for his "bad manners" and "the bad odor of his own principles." The strikers are "untaught men" of "the lowest class," the *Nation* continued: they must learn that society is "impregnable" and cannot allow them to "suspend, even for a

day, the traffic and industry of a great nation, merely as a means of extorting ten or twenty cents a day more wages from their employers."

The press was not alone in taking up the cudgels for the suffering businessman. The highly respected Reverend Henry Ward Beecher denounced "the importation of the communistic and like European notions as abominations. Their notions and theories that the Government should be paternal and take care of the welfare of its subjects [*sic*] and provide them with labor, is un-American... God has intended the great to be great, and the little to be little." How much has changed over a century.<sup>18</sup>

After its victory at Homestead, the company moved to destroy any vestige of workers' independence. Strike leaders were blacklisted, many jailed for lengthy periods. A European visitor to Homestead in 1900 described Carnegie's "Triumphant Democracy" as "Feudalism Restored." He found the atmosphere "heavy with disappointment and hopelessness," the men "afraid to talk." Ten years later, John Fitch, who took part in a study of Homestead by urban sociologists, wrote that employees of the company refuse to talk to strangers, even in their homes. "They are suspicious of one another, of their neighbors, and of their friends." They "do not dare openly express their convictions," or "assemble and talk over affairs pertaining to their welfare as mill men." Many were discharged "for daring to attend a public meeting." A national union journal described Homestead as "the most despotic principality of them all" in 1919, when the 89-year-old Mother Jones was dragged "to their filthy jail for daring to speak in behalf of the enslaved steel workers," though some were later "allowed to speak for the first time in 28 years" in Homestead, Mother Jones recalled. So matters continued until the movements of the 1930s broke the barriers. The relation between popular organization and democracy is vividly illustrated in this record.<sup>19</sup>

We cannot really say that the current corporate offensive has driven working class organization and culture back to the level of a century ago. At that time working people and the poor were nowhere near as isolated, nor subject to the ideological monopoly of the business media. "At the turn of the century," Jon Bekken writes, "the U.S. labor movement published hundreds of newspapers," ranging from local and regional to national weeklies and monthlies. These were "an integral part of working class communities, not only reporting the news of the day or week, but offering a venue where readers could debate political, economic and cultural issues." Some were "as large, and in many ways as professional, as many of the capitalist newspapers they co-existed with." "Like the labor movement itself, this press spanned the range from a fairly narrow focus on workplace conditions to advocacy of social revolution." The socialist press alone had a circulation of over 2 million before World War I; its leading journal, the weekly *Appeal To Reason*, reached over 760,000 subscribers. Workers also "built a rich array of ethnic, community, workplace and political organizations," all part of "vibrant working class cultures" that extended to every domain and retained their vitality until World War II despite harsh government repression, particularly under the Wilson Administration. Repression aside, the labor press ultimately succumbed to the natural effects of the concentration of wealth: advertisers kept to capitalist competitors that could produce below cost, and other market factors took their toll, as happened to the mass working class press in England as late as the 1960s. Similar factors, along with federal government policy, undermined efforts in the 1930s to prevent radio from becoming, in effect, a corporate monopoly.<sup>20</sup>

Left intellectuals took an active part in the lively working class culture. Some sought to compensate for the class character of the cultural institutions through programs of workers' education, or by writing best-selling books on mathematics, science, and other topics for the general public. Remarkably, their left counterparts today often seek to deprive working people of these tools of emancipation, informing us that the "project of the Enlightenment" is dead, that we must abandon the "illusions" of science and rationality -- a message that will gladden the hearts of the powerful, delighted to monopolize these instruments for their own use. One recalls the days when the evangelical church taught not-dissimilar lessons to the unruly masses, as their heirs do today in peasant societies of Central America.

It is particularly striking that these self-destructive tendencies should appear at a time when the overwhelming majority of the population wants to change the "inherently unfair" economic system, and belief in the basic moral principles of traditional socialism is surprisingly high (see p. 76). What is more, with Soviet tyranny finally overthrown, one long-standing impediment to the realization of these ideals is now removed. However meritorious personal motives may be, these phenomena in left intellectual circles, in my opinion, reflect yet another ideological victory for the culture of the privileged, and contribute to it. The same tendencies make a notable contribution to the endless project of murdering history as well. During periods of popular activism, it is often possible to salvage elements of truth from the miasma of "information" disseminated by the servants of power, and many people not only "consult their neighbors" but learn a good deal about the world; Indochina and Central America are two striking recent examples. When activism declines, the commissar class, which never falters in its task, regains command. While left intellectuals discourse polysyllabically to one another, truths that were once understood are buried, history is reshaped into an instrument of power, and the ground is laid for the enterprises to come.

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<sup>17</sup> Demarest, "*River*", 32; Krause, *Battle*, 361, 274ff.

<sup>18</sup> Demarest, "*River*", 159; Sexton, *War*, 83, 106ff.

<sup>19</sup> Demarest, "*River*", 199, 210f.; Krause, ch. 22.

<sup>20</sup> Bekken, in Solomon and McChesney, *New Perspectives*. England, see *MC*, ch. 1.1-2.

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### 3. "To Consult Our Neighbor"

"The men and women who fought for hearth and home in 1892 provided a lesson as important for our age as it was for their own," labor historian David Montgomery writes in summarizing a collection of reports on Homestead. "People work in order to provide their own material needs, but that everyday effort also builds a community with purposes more important than anyone's personal enrichment. The last 100 years have shown how heavily the health of political democracy in a modern industrial society depends on the success of working people in overcoming personal and group differences to create their own effective voice in the shaping of their own futures. The fight for hearth and home is still with us."<sup>21</sup>

The community of labor in Homestead was destroyed by state violence "mobilized to protect the claims of business enterprises to undisturbed use of their property in their pursuit of personal gain," Montgomery writes. The impact on workers' lives was enormous. By 1919, after organizing efforts were broken once again -- in this case, with the help of Wilson's Red Scare -- "the average compulsory work week in American steel mills was twenty hours longer than in British ones, and American hours were longer than they had been in 1914 or even 1910," Patricia Sexton observes. Communal values disintegrated. When Homestead was a union town, large steps were taken towards overcoming traditional barriers between skilled and unskilled workers, and the rampant anti-immigrant racism. Immigrant workers, bitterly despised at the time, were in the forefront of the struggle, and were saluted as "brave Hungarians, sons of toil, ...seeking which is right." "Such praise from `American' workers was seldom heard" in later years, Montgomery points out.<sup>22</sup>

Democracy and civil liberties collapsed with the union. "If you want to talk in Homestead, you talk to yourself," residents said; outsiders were struck by the atmosphere of suspicion and fear, as we have seen. In 1892, the working class population was in charge of local politics. In 1919, town officials denied union organizers the right to hold meetings and barred "foreign speakers"; and when forced by court order to tolerate meetings, placed state police on the platform "to warn speakers against inflammatory remarks or criticism of local or national authorities" (Montgomery). The experience of Mother Jones outraged others, but few could speak about it in Homestead.

Forty years after the crushing of the union and freedom, "the establishment of rights at work through union recognition and the reawakening of democracy in political life appeared hand in hand" in Homestead, Montgomery continues. Working people organized, democracy revived; as always, the opportunity to consult our neighbors in an ongoing and systematic fashion is decisive in establishing democracy, a lesson understood by priests in El Salvador as well as labor organizers in Homestead, and

understood no less by those who use what means they can to keep the rabble scattered and bewildered. The struggle continues along an uneven path. During the past several decades, the institutions of power and their priesthood have gained some impressive victories, and sustained some serious defeats.

The tendencies towards the new imperial age heralded by the international financial press are obvious and understandable, along with the extension of the North-South divide to the habitations of the rich. There are also countertendencies. Throughout the North, notably in the United States, much has changed in the past 30 years, at least in the cultural and moral spheres, if not at the institutional level. Had the quincentennial of the Old World Order fallen in 1962, it would have been celebrated once again as the liberation of the hemisphere. In 1992, that was impossible, just as few can blandly talk of our task of "felling trees and Indians." The European invasion is now officially an "encounter," though large sectors of the population reject that euphemism as only somewhat less offensive.

The domestic constraints on state violence that are fully recognized by the US political leadership are another case in point. Many were depressed by the inability of the peace movement to prevent the Gulf war, failing to recall that perhaps for the first time ever, large-scale protests actually preceded the bombing, a radical change from the US assault against South Vietnam 30 years earlier, in that case without even the shreds of a pretext. The ferment of the '60s reached much wider circles in the years that followed, eliciting new sensitivity to racist and sexist oppression, concern for the environment, respect for other cultures and for human rights. One of the most striking examples is the Third World solidarity movements of the 1980s, with their unprecedented engagement in the lives and fate of the victims. This process of democratization and concern for social justice could have large significance.

Such developments are perceived to be dangerous and subversive by the powerful, and bitterly denounced. That too is understandable: they do threaten the vile maxim of the masters, and all that follows from it. They also offer the only real hope for the great mass of people in the world, even for the survival of the human species in an era of environmental and other global problems that cannot be faced by primitive social and cultural structures that are driven by short term material gain, and that regard human beings as mere instruments, not ends.

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<sup>21</sup> Demarest, "*River*", Afterword.

<sup>22</sup> *Ibid.*; Sexton, *War*, 87.

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# Glossary

## Periodicals/News Organizations

- AP = Associated Press
- BG = Boston Globe
- BMJ = British Medical Journal
- BW = Business Week
- CAHI = Central America Historical Institute
- CAN = Central America Newspak
- CAR = Central America Report
- CIIR = Catholic Institute of International Relations
- COHA = Council on Hemispheric Affairs
- CSM = Christian Science Monitor
- CT = Chicago Tribune
- FEER = Far Eastern Economic Review
- FT = Financial Times
- G&M = Toronto Globe and Mail
- IHT = International Herald Tribune

IPS	=	Inter Press Service
LANU	=	Latin America News Update
LAT	=	Los Angeles Times
MH	=	Miami Herald
NCR	=	National Catholic Reporter
NR	=	The New Republic
NYRB	=	The New York Review of Books
NYT	=	The New York Times
SFC	=	San Francisco Chronicle
SFE	=	San Francisco Examiner
WOLA	=	Washington Office on Latin America
WP	=	The Washington Post
WP-MG	=	Washington Post-Manchester Guardian Weekly
WSJ	=	The Wall Street Journal

## **Books**

APNM	=	American Power and the New Mandarins
AWWA	=	At War with Asia
COT	=	Culture of Terrorism
DD	=	Deterring Democracy
FRS	=	For Reasons of State
FTR	=	The Fateful Triangle

MC = Manufacturing Consent

NI = Necessary Illusions

P&E = Pirates and Emperors

PEHR = Political Economy and Human Rights

PI = On Power and Ideology

PPV = Pentagon Papers

RC = Rethinking Camelot

TNCW = Towards a New Cold War

TTT = Turning the Tide

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# *The Prosperous Few* and the *Restless Many*

Noam Chomsky

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## Introduction

This book was compiled from three interviews I conducted with Noam Chomsky in the Boston area on December 16, 1992 and January 14 and 21, 1993, which were then edited and revised. (A few lines were added in November, 1993.)

**My questions appear in boldface.** We've tried to define terms or names that may be unfamiliar the first time they occur. These explanations appear [in square brackets].

Tapes and transcripts of hundreds of Chomsky's interviews and talks -- and those of many other interesting speakers -- are also available. For a free catalog, call 303-444-8788 or write me at 2129 Mapleton, Boulder CO 80304.

*David Barsamian*

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## About the author

Noam Chmsky was born in Philadelphia in 1928. Since 1955, he's taught at the Massachusetts Institute of Technology, where he became a full professor at the age of 32.

A major figure in 20th-century linguistics, Chomsky has also written many books on contemporary issues (see pp. 87-89). His political talks have been heard, typically by standing-room-only audiences, all over the country and the globe, and he's received countless honors and awards.

In a saner world, his tireless efforts to promote justice would have long since won him the Nobel Peace Prize, but the committee keeps giving it to peole like Henry Kissinger.

*Arthur Naiman*

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## The new global economy

**I was on Brattle Street [in Cambridge] just last night. There were panhandlers, people asking for money, people sleeping in the doorways of buildings. This morning, in the subway station at Harvard Square, there was more of the same.**

**The spectre of poverty and despair has become increasingly obvious to the middle and upper class. You just can't avoid it as you could years ago, when it was limited to a certain section of town. This has a lot to do with the pauperization (the internal Third Worldization, I think you call it) of the United States.**

There are several factors involved. About twenty years ago there was a big change in the world order, partly symbolized by Richard Nixon's dismantling of the postwar economic system. He recognized that US dominance of the global system had declined, and that in the new "tripolar" world order (with Japan and German-based Europe playing a larger role), the US could no longer serve -- in effect -- as the world's banker.

That led to a lot more pressure on corporate profits in the US and, consequently, to a big attack on social welfare gains. The crumbs that were permitted to ordinary people had to be taken away. Everything had to go to the rich.

There was also a tremendous expansion of unregulated capital in the world. In 1971, Nixon dismantled the Bretton Woods system, thereby deregulating currencies. That, and a number of other changes, tremendously expanded the amount of unregulated capital in the world, and accelerated what's called the globalization (or the internationalization) of the economy.

That's a fancy way of saying that you export jobs to high-repression, low-wage areas -- which undercuts the opportunities for productive labor at home. It's a way of increasing corporate profits, of course. And it's much easier to do with a free flow of capital, advances in telecommunications, etc.

There are two important consequences of globalization. First, it extends the Third World model to industrial countries. In the Third World, there's a two-tiered society -- a sector of extreme wealth and privilege, and a sector of huge misery and despair among useless, superfluous people.

That division is deepened by the policies dictated by the West. It imposes a neoliberal "free market" system that directs resources to the wealthy and to foreign investors, with the idea that something will

trickle down by magic, some time after the Messiah comes.

You can see this happening everywhere in the industrial world, but most strikingly in the three English-speaking countries. In the 1980s, England under Thatcher, the United States under the Reaganites and Australia under a Labor government adopted some of the doctrines they preached for the Third World.

Of course, they would never really play this game completely. It would be too harmful to the rich. But they flirted with it. And they suffered. That is, the general population suffered.

Take, for example, South Central Los Angeles. It had factories once. They moved to Eastern Europe, Mexico, Indonesia -- where you can get peasant women flocking off the land. But the rich did fine, just like they do in the Third World.

The second consequence, which is also important, has to do with governing structures. Throughout history, the structures of government have tended to coalesce around other forms of power -- in modern times, primarily around economic power. So, when you have national economies, you get national states. We now have an international economy and we're moving towards an international state -- which means, finally, an international executive.

To quote the business press, we're creating "a new imperial age" with a "de facto world government." It has its own institutions -- like the International Monetary Fund (IMF) and the World Bank, trading structures like NAFTA and GATT [the North American Free Trade Agreement and the General Agreement on Tariffs and Trade, both discussed in the next section], executive meetings like the G-7 [the seven richest industrial countries -- the US, Canada, Japan, Germany, Britain, France and Italy -- who meet regularly to discuss economic policy] and the European Community bureaucracy.

As you'd expect, this whole structure of decision making answers basically to the transnational corporations, international banks, etc. It's also an effective blow against democracy. All these structures raise decision making to the executive level, leaving what's called a "democratic deficit" -- parliaments and populations with less influence.

Not only that, but the general population doesn't know what's happening, and it doesn't even know that it doesn't know. One result is a kind of alienation from institutions. People feel that nothing works for them.

Sure it doesn't. They don't even know what's going on at that remote and secret level of decision making. That's a real success in the long-term task of depriving formal democratic structures of any substance.

**At Clinton's Little Rock economic conference and elsewhere, there was much talk of economic recovery and restoring competitiveness. Political economist Gar Alperovitz wrote in the *New York Times* that what's being proposed is "not likely to make a dent in our deeper economic problems. We may simply be in for a long, painful era of unresolved economic decay." Would you agree?**

I haven't seen that piece yet, but the *Financial Times* [of London, the world's leading business journal] has been talking with some pleasure of the fiscal conservatism shown by Clinton and his advisors.

There are serious issues here. First of all, we have to be careful in the use of terms. When someone says America is in for a long period of decline, we have to decide what we mean by "America." If we mean the geographical area of the United States, I'm sure that's right. The policies now being discussed will have only a cosmetic effect. There has been decline and there will be further decline. The country is acquiring many of the characteristics of a Third World society.

But if we're talking about US-based corporations, then it's probably not right. In fact, the indications are to the contrary -- their share in manufacturing production, for example, has been stable or is probably even increasing, while the share of the US itself has declined. That's an automatic consequence of sending productive labor elsewhere.

General Motors, as the press constantly reports, is closing some 24 factories in North America. But in the small print you read that it's opening new factories -- including, for example, a \$700 million high-tech factory in East Germany. That's an area of huge unemployment where GM can pay 40% of the wages of Western Europe and none of the benefits.

There was a nice story on the front page of the *Financial Times*, in which they described what a great idea this was. As they put it, GM doesn't have to worry about the "pampered" West European workers any longer -- they can just get highly exploited workers now that East Germany is being pushed back to its traditional Third World status. It's the same in Mexico, Thailand, etc.

**The prescription for our economic problems is more of the same -- "leave it to the market." There's such endless trumpeting of the free market that it assumes almost a myth-like quality. "It'll correct the problems." Are there any alternatives?**

We have to first separate ideology from practice, because to talk about a free market at this point is something of a joke. Outside of ideologues, the academy and the press, no one thinks that capitalism is a viable system, and nobody has thought that for sixty or seventy years -- if ever.

Herman Daly and Robert Goodland, two World Bank economists, circulated an interesting study recently. In it they point out that received economic theory -- the standard theory on which decisions are supposed to be based -- pictures a free market sea with tiny little islands of individual firms. These islands, of course, aren't internally free -- they're centrally managed.

But that's okay, because these are just tiny little islands on the sea. We're supposed to believe that these firms aren't much different than a mom-and-pop store down the street.

Daly and Goodland point out that by now the islands are approaching the scale of the sea. A large

percentage of cross-border transactions are within a single firm, hardly "trade" in any meaningful sense. What you have is centrally managed transactions, with a very visible hand -- major corporate structures -- directing it. And we have to add a further point -- that the sea itself bears only a partial resemblance to free trade.

So you could say that one alternative to the free market system is the one we already have, because we often don't rely on the market where powerful interests would be damaged. Our actual economic policy is a mixture of protectionist, interventionist, free market and liberal measures. And it's directed primarily to the needs of those who implement social policy, who are mostly the wealthy and the powerful.

For example, the US has always had an active state industrial policy, just like every other industrial country. It's been understood that a system of private enterprise can survive only if there is extensive government intervention. It's needed to regulate disorderly markets and protect private capital from the destructive effects of the market system, and to organize a public subsidy for targeting advanced sectors of industry, etc.

But nobody *called* it industrial policy, because for half a century it has been masked within the Pentagon system. Internationally, the Pentagon was an intervention force, but domestically it was a method by which the government could coordinate the private economy, provide welfare to major corporations, subsidize them, arrange the flow of taxpayer money to research and development, provide a state-guaranteed market for excess production, target advanced industries for development, etc. Just about every successful and flourishing aspect of the US economy has relied on this kind of government involvement.

**At the Little Rock conference I heard Clinton talking about structural problems and rebuilding the infrastructure. One attendee, Ann Markusen, a Rutgers economist and author of the book *Dismantling the Cold War Economy*, talked about the excesses of the Pentagon system and the distortions and damages that it has caused to the US economy. So it seems that there's at least some discussion of these issues, which is something I don't recall ever before.**

The reason is that they can't maintain the Pentagon-based system as readily as before. They've got to start talking about it, because the mask is dropping. It's very difficult now to get people to lower their consumption or their aspirations in order to divert investment funds to high-technology industry on the pretext that the Russians are coming.

So the system is in trouble. Economists and bankers have been pointing out openly for some time that one of the main reasons why the current recovery is so sluggish is that the government hasn't been able to resort to increased military spending with all of its multiplier effects -- the traditional pump -- priming mechanism of economic stimulation. Although there are various efforts to continue this (in my opinion, the current operation in Somalia is one such effort to do some public relations work for the Pentagon), it's just not possible the way it used to be.

There's another fact to consider. The cutting edge of technology and industry has for some time been shifting in another direction, away from the electronics-based industry of the postwar period and towards biology-based industry and commerce.

Biotechnology, genetic engineering, seed and drug design (even designing animal species), etc. is expected to be a huge growth industry with enormous profits. It's potentially vastly more important than electronics -- in fact, compared to the potential of biotechnology (which may extend to the essentials of life), electronics is sort of a frill.

But it's hard to disguise government involvement in these areas behind the Pentagon cover. Even if the Russians were still there, you couldn't do that.

There are differences between the two political parties about what should be done. The Reagan-Bush types, who are more fanatically ideological, have their heads in the sand about it to some extent. They are a bit more dogmatic. The Clinton people are more up front about these needs. That's one of the main reasons why Clinton had substantial business support.

Take the question of "infrastructure" or "human capital" -- a kind of vulgar way of saying keep people alive and allow them to have an education. By now the business community is well aware that they've got problems with that.

The *Wall Street Journal*, for example, was the most extreme advocate of Reaganite lunacies for ten years. They're now publishing articles in which they're bemoaning the consequences -- without, of course, conceding that they're consequences.

They had a big news article on the collapse of California's educational system, which they're very upset about. Businessmen in the San Diego area have relied on the state system -- on a public subsidy -- to provide them with skilled workers, junior managers, applied research, etc. Now the system is in collapse.

The reason is obvious -- the large cutbacks in social spending in the federal budget, and the fiscal and other measures that greatly increased the federal debt (which the *Wall Street Journal* supported), simply transferred the burden of keeping people alive and functioning to the states. The states are unable to support that burden. They're in serious trouble and have tried to hand down the problem to the municipalities, which are also in serious trouble.

The same is true if you're a rich businessman living in a rich suburb here in the Boston area. You would like to be able to get into your limousine and drive downtown and have a road. But the road has potholes. That's no good. You also want to be able to walk around the city and go to the theater without getting knifed.

So now businessmen are complaining. They want the government to get back into the business of providing them with what they need. That's going to mean a reversal of the fanaticism that the *Wall*

*Street Journal* and others like it have been applauding all these years.

### **Talking about it is one thing, but do they really have a clue about what to do?**

I think they do have a clue. If you listen to smart economists like Bob Solow, who started the Little Rock conference off, they have some pretty reasonable ideas.

What they want to do is done openly by Japan and Germany and every functioning economy -- namely, rely on government initiatives to provide the basis for private profit. In the periphery of Japan -- for example in South Korea and Taiwan -- we've been seeing a move out of the Third World pattern to an industrial society through massive state intervention.

Not only is the state there powerful enough to control labor, but it's powerful enough to control capital. In the 1980s, Latin America had a huge problem of capital flight because they're open to international capital markets. South Korea has no such problem -- they have the death penalty for capital flight. Like any sane planners, they use market systems for allocating resources, but very much under planned central direction.

The US has been doing it indirectly through the Pentagon system, which is kind of inefficient. It won't work as well any more anyway, so they'd like to do it openly. The question is whether that can be done. One problem is that the enormous debt created during the Reagan years -- at the federal, state, corporate, local and even household levels -- makes it extremely difficult to launch constructive programs.

### **There's no capital available.**

That's right. In fact, that was probably part of the purpose of the Reaganite borrow-and-spend program.

### **To eliminate capital?**

Recall that about ten years ago, when David Stockman [director of the Office of Management and Budget in the early Reagan years] was kicked out, he had some interviews with economic journalist William Greider. There Stockman pretty much said that the idea was to try to put a cap on social spending, simply by debt. There would always be plenty to subsidize the rich. But they wouldn't be able to pay aid to mothers with dependent children -- only aid to dependent corporate executives.

Incidentally, the debt itself, just the numbers, may not be such a huge problem. We've had bigger debts than that -- not in numbers, but relative to the GNP [the gross national product] -- in the past. The exact amount of the debt is a bit of a statistical artifact. You can make it different things depending on how you count. Whatever it is, it's not something that couldn't be dealt with.

The question is -- what was done with the borrowing? If the borrowing in the last ten years had been used for constructive purposes -- say for investment or infrastructure -- we'd be quite well off. But the

borrowing was used for enrichment of the rich -- for consumption (which meant lots of imports, building up the trade deficit), financial manipulation and speculation. All of these are very harmful to the economy.

There's another problem, a cultural and ideological problem. The government has for years relied on a propaganda system that denies these truths. It's other countries that have government involvement and social services -- we're rugged individualists. So IBM doesn't get anything from the government. In fact, they get plenty, but it's through the Pentagon.

The propaganda system has also whipped up hysteria about taxation (though we're undertaxed by comparative standards) and about bureaucracies that interfere with profits -- say, by protecting worker and consumer interests. Pointy-headed bureaucrats who funnel a public subsidy to industry and banks are just fine, of course.

Propaganda aside, the population *is*, by comparative standards, pretty individualistic and kind of dissident and doesn't take orders very well, so it's not going to be easy to sell state industrial policy to people. These cultural factors are significant.

In Europe there's been a kind of social contract. It's now declining, but it has been largely imposed by the strength of the unions, the organized work force and the relative weakness of the business community (which, for historical reasons, isn't as dominant in Europe as it has been here). European governments do see primarily to the needs of private wealth, but they also have created a not insubstantial safety net for the rest of the population. They have general health care, reasonable services, etc.

We haven't had that, in part because we don't have the same organized work force, and we have a much more class-conscious and dominant business community.

Japan achieved pretty much the same results as Europe, but primarily because of the highly authoritarian culture. People just do what they're told. So you tell them to cut back consumption -- they have a very low standard of living, considering their wealth -- work hard, etc. and people just do it. That's not so easy to do here.

**Given the economic situation, it would seem to be a propitious moment for the left, the progressive movement, to come forward with some concrete proposals. Yet the left seems to be either bogged down in internecine warfare or in a reactive mode. It's not proactive.**

What people call the "left" (the peace and justice movements, whatever they are) has expanded a lot over the years. They tend to be very localized. On particular issues they focus and achieve things.

But there's not much of a broader vision, or of institutional structure. The left can't coalesce around unions because the unions are essentially gone. To the extent that there's any formal structure, it's usually something like the church.

There's virtually no functioning left intelligentsia [intellectuals viewed as a distinct group or class]. Nobody's talking much about what should be done, or is even available to give talks. The class warfare of the last decades has been fairly successful in weakening popular organizations. People are isolated.

I should also say that the policy issues that have to be faced are quite deep. It's always nice to have reforms. It would be nice to have more money for starving children. But there are some objective problems which you and I would have to face if we ran the country.

One problem was kindly pointed out to the Clinton administration by a front page article in the *Wall Street Journal* the other day. It mentioned what might happen if the administration gets any funny ideas about taking some of their own rhetoric seriously -- like spending money for social programs. (Granted, that's not very likely, but just in case anybody has some funny ideas.)

The United States is so deeply in hock to the international financial community (because of the debt) that they have a lock on US policy. If something happens here -- say, increasing workers' salaries -- that the bondholders don't like and will cut down their short-term profit, they'll just start withdrawing from the US bond market.

That will drive interest rates up, which will drive the economy down, which will increase the deficit. The *Journal* points out that Clinton's twenty-billion-dollar spending program could be turned into a twenty-billion-dollar cost to the government, to the debt, just by slight changes in the purchase and sale of bonds.

So social policy, even in a country as rich and powerful as the United States (which is the richest and most powerful of them all), is mortgaged to the international wealthy sectors here and abroad. Those are issues that have to be dealt with -- and that means facing problems of revolutionary change.

There are doubtless many debates over this issue. All those debates assume that investors have the right to decide what happens. So we have to make things as attractive as possible to them. But as long as the investors have the right to decide what happens, nothing much is going to change.

It's like trying to decide whether to change from proportional representation to some other kind of representation in the state-run parliament of a totalitarian state. That might change things a little, but it's not going to matter much.

Until you get to the source of power, which ultimately is investment decisions, other changes are cosmetic and can only take place in a limited way. If they go too far, the investors will just make other choices, and there's nothing much you can do about it.

To challenge the right of investors to determine who lives, who dies, and how they live and die -- that would be a significant move toward Enlightenment ideals (actually the classical liberal ideal). That

would be revolutionary.

**I'd like you to address another factor at work here. Psychologically, it's a lot easier to criticize something than to promote something constructive. There's a completely different dynamic at work.**

You can see a lot of things that are wrong. Small changes you can propose. But to be realistic, substantial change (which will really alter the large-scale direction of things and overcome major problems) will require profound democratization of the society and the economic system.

A business or a big corporation is a fascist structure internally. Power is at the top. Orders go from top to bottom. You either follow the orders or get out.

The concentration of power in such structures means that everything in the ideological or political domains is sharply constrained. It's not totally controlled, by any means. But it's sharply constrained. Those are just facts.

The international economy imposes other kinds of constraints. You can't overlook those things -- they're just true. If anybody bothered to read Adam Smith instead of prating about him, they'd see he pointed out that social policy is class-based. He took the class analysis for granted.

If you studied the canon properly at the University of Chicago [home of Milton Friedman and other right-wing economists], you learned that Adam Smith denounced the mercantilist system and colonialism because he was in favor of free trade. That's only half the truth. The other half is that he pointed out that the mercantilist system and colonialism were very beneficial to the "merchants and manufacturers...the principal architects of policy" but were harmful to the people of England.

In short, it was a class-based policy which worked for the rich and powerful in England. The people of England paid the costs. He was opposed to that because he was an enlightened intellectual, but he recognized it. Unless you recognize it, you're just not in the real world.

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## NAFTA and GATT -- who benefits?

**The last US-based typewriter company, Smith Corona, is moving to Mexico. There's a whole corridor of *maquiladoras* [factories where parts made elsewhere are assembled at low wages] along the border. People work for five dollars a day, and there are incredible levels of pollution, toxic waste, lead in the water, etc.**

One of the major issues before the country right now is the North American Free Trade Agreement. There's no doubt that NAFTA's going to have very large effects on both Americans and Mexicans. You can debate what the effect will be, but nobody doubts that it'll be significant.

Quite likely the effect will be to accelerate just what you've been describing -- a flow of productive labor to Mexico. There's a brutal and repressive dictatorship there, so it's guaranteed wages will be low.

During what's been called the "Mexican economic miracle" of the last decade, their wages have dropped 60%. Union organizers get killed. If the Ford Motor Company wants to toss out its work force and hire super cheap labor, they just do it. Nobody stops them. Pollution goes on unregulated. It's a great place for investors.

One might think that NAFTA, which includes sending productive labor down to Mexico, might improve their real wages, maybe level the two countries. But that's most unlikely. One reason is that the repression there prevents organizing for higher wages. Another reason is that NAFTA will flood Mexico with industrial agricultural products from the United States.

These products are all produced with big public subsidies, and they'll undercut Mexican agriculture. Mexico will be flooded with American crops, which will contribute to driving an estimated thirteen million people off the land to urban areas or into the *maquiladora* areas -- which will again drive down wages.

NAFTA will very likely be quite harmful for American workers too. We may lose hundreds of thousands of jobs, or lower the level of jobs. Latino and black workers are the ones who are going to be hurt most.

But it'll almost certainly be a big bonanza for investors in the United States and for their counterparts in the wealthy sectors in Mexico. They're the ones -- along with the professional classes who work for them -- who are applauding the agreement.

**Will NAFTA and GATT essentially formalize and institutionalize relations between the North** [prosperous, industrialized, mostly northern nations] **and the South** [poorer, less industrialized, mostly southern nations]?

That's the idea. NAFTA will also almost certainly degrade environmental standards. For example, corporations will be able to argue that EPA [Environmental Protection Agency] standards are violations of free-trade agreements. This is already happening in the Canada-US part of the agreement. Its general effect will be to drive life down to the lowest level while keeping profits high.

It's interesting to see how the issue has been handled. The public hasn't the foggiest idea what's going on. In fact, they can't know. One reason is that NAFTA is effectively a secret -- it's an executive agreement that isn't publicly available.

In 1974, the Trade Act was passed by Congress. One of its provisions was that the Labor Advisory Committee -- which is based in the unions -- had to have input and analysis on any trade-related issue. Obviously that committee had to report on NAFTA, which was an executive agreement signed by the president.

The Labor Advisory Committee was notified in mid-August 1992 that their report was due on September 9, 1992. However, they weren't given a text of the agreement until about 24 hours before the report was due. That meant they couldn't even convene, and they obviously couldn't write a serious report in time.

Now these are conservative labor leaders, not the kind of guys who criticize the government much. But they wrote a very acid report. They said that, to the extent that we can look at this in the few hours given to us, it looks like it's going to be a disaster for working people, for the environment, for Mexicans -- and a great boon for investors.

The committee pointed out that although treaty advocates said it won't hurt many American workers, maybe just unskilled workers, their definition of "unskilled worker" would include 70% of the workforce. The committee also pointed out that property rights were being protected all over the place, but workers' rights were scarcely mentioned. The committee then bitterly condemned the utter contempt for democracy that was demonstrated by not giving the committee the complete text ahead of time.

GATT is the same -- nobody knows what's going on there unless they're some kind of specialist. And GATT is even more far-reaching. One of the things being pressed very hard in those negotiations is what's called "intellectual property rights." That means protection for patents -- also things like software, records, etc. The idea is to guarantee that the technology of the future remains in the hands of multinational corporations, for whom the world government works.

You want to make sure, for example, that India can't produce drugs for its population at 10% the cost of drugs produced by Merck Pharmaceutical, which is government supported and subsidized. Merck relies extensively on research that comes out of university biology laboratories (which are supported by public

funds) and on all sorts of other forms of government intervention.

### **Have you seen details of these treaties?**

By now it's theoretically possible to get a text. But what I've seen is the secondary comment on the text, like the Labor Advisory Committee report, and the report of the Congressional Office of Technology Assessment, which is fairly similar.

The crucial point is that even if you and I could get a text, what does that mean for American democracy? How many people even know that this is going on? The Labor Advisory Committee report, and the fact that the treaty was withheld from the Committee, was never even reported by the press (to my knowledge).

I just came back from a couple of weeks in Europe, where GATT is a pretty big issue for the people in the countries of the European Community. They're concerned about the gap that's developing between executive decisions (which are secret) and democratic (or at least partially democratic) institutions like parliaments, which are less and less able to influence decisions made at the Community level.

**It seems that the Clinton-Gore Administration is going to be in a major conflict. It supports NAFTA and GATT, while at the same time talking -- at least rhetorically -- about its commitment to environmental protection and creating jobs for Americans.**

I would be very surprised if there's a big conflict over that. I think your word "rhetorically" is accurate. Their commitment is to US-based corporations, which means transnational corporations. They approve of the form NAFTA is taking -- special protection for property rights, but no protection for workers' rights -- and the methods being developed to undercut environmental protection. That's in their interests. I doubt that there'll be a conflict in the administration unless there's a lot of public pressure.

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## Food and Third World "economic miracles"

**Talk about the political economy of food, its production and distribution, particularly within the framework of IMF and World Bank policies. These institutions extend loans under very strict conditions to the nations of the South: they have to promote the market economy, pay back the loans in hard currency and increase exports -- like coffee, so that we can drink cappuccino, or beef, so that we can eat hamburgers -- at the expense of indigenous agriculture.**

You've described the basic picture. It's also interesting to have a close look at the individual cases. Take Bolivia. It was in trouble. There'd been brutal, highly repressive dictators, huge debt -- the whole business.

The West went in -- Jeffrey Sachs, a leading Harvard expert, was the advisor -- with the IMF rules: stabilize the currency, increase agro-export, cut down production for domestic needs, etc. It worked. The figures, the macroeconomic statistics, looked quite good. The currency has been stabilized. The debt has been reduced. The GNP has been increasing.

But there are a few flies in the ointment. Poverty has rapidly increased. Malnutrition has increased. The educational system has collapsed. But the most interesting thing is what's stabilized the economy -- exporting coca [the plant from which cocaine is made]. It now accounts for about two-thirds of Bolivian exports, by some estimates.

The reason is obvious. Take a peasant farmer somewhere and flood his area with US-subsidized agriculture -- maybe through a Food for Peace program -- so he can't produce or compete. Set up a situation in which he can only function as an agricultural exporter. He's not an idiot. He's going to turn to the most profitable crop, which happens to be coca.

The peasants, of course, don't get much money out of this, and they also get guns and DEA [the US Drug Enforcement Agency] helicopters. But at least they can survive. And the world gets a flood of coca exports.

The profits mostly go to big syndicates or, for that matter, to New York banks. Nobody knows how many billions of dollars of cocaine profits pass through New York banks or their offshore affiliates, but it's undoubtedly plenty.

Plenty of it also goes to US-based chemical companies which, as is well known, are exporting the

chemicals used in cocaine production to Latin America. So there's plenty of profit. It's probably giving a shot in the arm to the US economy as well. And it's contributing nicely to the international drug epidemic, including here in the US.

That's the economic miracle in Bolivia. And that's not the only case. Take a look at Chile. There's another big economic miracle. The poverty level has increased from about 20% during the Allende years [Salvador Allende, a democratically elected Socialist president of Chile, was assassinated in a US-backed military coup in 1973] up to about 40% now, after the great miracle. And that's true in country after country.

These are the kinds of consequences that will follow from what has properly been called "IMF fundamentalism." It's having a disastrous effect everywhere it's applied.

But from the point of view of the perpetrators, it's quite successful. As you sell off public assets, there's lots of money to be made, so much of the capital that fled Latin America is now back. The stock markets are doing nicely. The professionals and businessmen are very happy with it. And they're the ones who make the plans, write the articles, etc.

And now the same methods are being applied in Eastern Europe. In fact, the same people are going. After Sachs carried through the economic miracle in Bolivia, he went off to Poland and Russia to teach them the same rules.

You hear lots of praise for this economic miracle in the US too, because it's just a far more exaggerated version of what's happening here. The wealthy sector is doing fine, but the general public is in deep trouble. It's mild compared with the Third World, but the structure is the same.

**Between 1985 and 1992, Americans suffering from hunger rose from twenty to thirty million. Yet novelist Tom Wolfe described the 1980s as one of the "great golden moments that humanity has ever experienced."**

A couple of years ago Boston City Hospital -- that's the hospital for the poor and the general public in Boston, not the fancy Harvard teaching hospital -- had to institute a malnutrition clinic, because they were seeing it at Third World levels.

Most of the deep starvation and malnutrition in the US had pretty well been eliminated by the Great Society programs in the 1960s. But by the early 1980s it was beginning to creep up again, and now the latest estimates are thirty million or so in deep hunger.

It gets much worse over the winter because parents have to make an agonizing decision between heat and food, and children die because they're not getting water with some rice in it.

**The group World Watch says that one of the solutions to the shortage of food is control of**

## **population. Do you support efforts to limit population?**

First of all, there's no shortage of food. There are serious problems of distribution. That aside, I think there should be efforts to control population. There's a well-known way to do it -- increase the economic level.

Population is declining very sharply in industrial societies. Many of them are barely reproducing their own population. Take Italy, which is a late industrializing country. The birth rate now doesn't reproduce the population. That's a standard phenomenon.

## **Coupled with education?**

Coupled with education and, of course, the means for birth control. The United States has had a terrible role. It won't even help fund international efforts to provide education about birth control.

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## Photo ops in Somalia

### **Does Operation Restore Hope in Somalia represent a new pattern of US intervention in the world?**

I don't think it really should be classified as an intervention. It's more of a public relations operation for the Pentagon.

In fact, it's intriguing that it was almost openly stated this time. Colin Powell, the [former] Chairman of the Joint Chiefs, made a statement about how this was a great public relations job for the military. A *Washington Post* editorial described it as a bonanza for the Pentagon.

The reporters could scarcely fail to see what was happening. After all, when the Pentagon calls up all the news bureaus and major television networks and says: "Look, be at such-and-such a beach at such-and-such an hour with your cameras aiming in this direction because you're going to watch Navy Seals climbing out of the water and it will be real exciting," nobody can fail to see that this is a PR job. That would be a level of stupidity that's too much for anyone.

The best explanation for the "intervention," in my opinion, was given in an article in the London *Financial Times* on the day of the landing. It didn't mention Somalia -- it was about the US recession and why the recovery is so sluggish.

It quoted various economists from investment firms and banks -- guys that really care about the economy. The consensus was that the recovery is slow because the standard method of government stimulation -- pump priming through the Pentagon system -- simply isn't available to the extent that it's been in the past.

Bush put it pretty honestly in his farewell address when he explained why we intervened in Somalia and not Bosnia. What it comes down to is that in Bosnia somebody might shoot at us. In Somalia it's just a bunch of teenaged kids. We figure thirty thousand Marines can handle that.

The famine was pretty much over and fighting had declined. So it's photo opportunities, basically. One hopes it will help the Somalis more than harm them, but they're more or less incidental. They're just props for Pentagon public relations.

This has to be finessed by the press at the moment, because Somalia is not a pretty story. The US was the main support for Siad Barre, a kind of Saddam Hussein clone, from 1978 through 1990 (so it's not ancient history). He was tearing the country apart.

He destroyed the civil and social structures -- in fact, laid the basis for what's happening now -- and, according to Africa Watch [a human rights monitoring group based in Washington, DC], probably killed fifty or sixty thousand people. The US was, and may well be still, supporting him. The forces, mostly loyal to him, are being supported through Kenya, which is very much under US influence.

The US was in Somalia for a reason -- the military bases there are part of the system aimed at the Gulf region. However, I doubt that that's much of a concern at this point. There are much more secure bases and more stable areas. What's needed now, desperately needed, is some way to prevent the Pentagon budget from declining.

When the press and commentators say the US has no interests there, that's taking a very narrow and misleading view. Maintaining the Pentagon system is a major interest for the US economy.

**A Navy and Marine White Paper in September 1992 discussed the military's shift in focus from global threats to "regional challenges and opportunities," including "humanitarian assistance and nation-building efforts in the Third World."**

That's always been the cover, but the military budget is mainly for intervention. In fact, even strategic nuclear forces were basically for intervention.

The US is a global power. It isn't like the Soviet Union, which used to carry out intervention right around its borders, where they had an overwhelming conventional force advantage. The US carried out intervention everywhere -- in Southeast Asia, in the Middle East and in places where it had no such dominance. So the US had to have an extremely intimidating posture to make sure that nobody got in the way.

That required what was called a "nuclear umbrella" -- powerful strategic weapons to intimidate everybody, so that conventional forces could be an instrument of political power. In fact, almost the entire military system -- its military aspect, not its economic aspect -- was geared for intervention. But that was often covered as "nation building." In Vietnam, in Central America -- we're always humanitarian.

So when the Marine Corps documents say we now have a new mission -- humanitarian nation building -- that's just the old cover story. We now have to emphasize it more because traditional pretext -- the conflict with the Russians -- is gone, but it's the same as it's always been.

**What kind of impact will the injection of US armed forces into Somalia have on the civil society? Somalia has been described by one US military official as "Dodge City" and the Marines as "Wyatt Earp." What happens when the marshal leaves town?**

First of all, that description has little to do with Somalia. One striking aspect of this intervention is that

there's no concern for Somalia. No one who knew anything about Somalia was involved in planning it, and there's no interaction with Somalis as far as we know (so far, at least).

Since the Marines have gone in, the only people they've dealt with are the so-called "warlords," and they're the biggest gangsters in the country. But Somalia is a *country*. There are people who know and care about it, but they don't have much of a voice here.

One of the most knowledgeable is a Somali woman named Rakiya Omaar, who was the Executive Director of Africa Watch. She did most of the human rights work, writing, etc. up until the intervention. She strongly opposed the intervention and was fired from Africa Watch.

Another knowledgeable voice is her co-director, Alex de Waal, who resigned from Africa Watch in protest after she was fired. In addition to his human rights work, he's an academic specialist on the region. He's written many articles and has published a major book on the Sudan famine with Oxford University Press. He knows not only Somalia but the region very well. And there are others. Their picture is typically quite different from the one we get here.

Siad Barre's main atrocities were in the northern part of Somalia, which had been a British colony. They were recovering from his US-backed attack and were pretty well organized (although they could, no doubt, have used aid). Their own civil society was emerging -- a rather traditional one, with traditional elders, but with lots of new groups. Women's groups, for example, emerged in this crisis.

The area of real crisis was one region in the south. In part, that's because of General Mohammed Hersi's forces, which are supported from Kenya. (Hersi, who's known as Morgan, is Siad Barre's son-in-law.) His forces, as well as those of General Mohammed Farah Aidid and Ali Mahdi, were carrying out some of the worst atrocities. This led to a serious breakdown in which people just grabbed guns in order to survive. There was lots of looting, and teenaged gangsters.

By September-October [1992], that region was already recovering. Even though groups like US Care and the UN operations were extremely incompetent, other aid groups -- like the International Red Cross, Save The Children, and smaller groups like the American Friends Service Committee or Australian Care -- were getting most of the aid through.

By early November, 80-90% of their aid was reportedly getting through; by late November the figures were up to 95%. The reason was that they were working with the reconstituting Somalian society. In this southern corner of real violence and starvation, things were already recovering, just as they had in the north.

A lot of this had been under the initiative of a UN negotiator, Mohammed Sahnoun of Algeria, who was extremely successful and highly respected on all sides. He was working with traditional elders and the newly emerging civic groups, especially the women's groups, and they were coming back together under his guidance, or at least his initiative.

But Sahnoun was kicked out by [UN Secretary General] Boutros-Ghali in October because he publicly criticized the incompetence and corruption of the UN effort. The UN put in an Iraqi replacement, who apparently achieved very little.

A US intervention was apparently planned for shortly after the election. The official story is that it was decided upon at the end of November, when George Bush saw heart -- rending pictures on television. But, in fact, US reporters in Baidoa in early November saw Marine officers in civilian clothes walking around and scouting out the area, planning for where they were going to set up their base.

This was rational timing. The worst crisis was over, the society was reconstituting and you could be pretty well guaranteed a fair success at getting food in, since it was getting in anyway. Thirty thousand troops would only expedite it in the short term. There wouldn't be too much fighting, because that was subsiding. So it wasn't Dodge City.

Bush got the photo opportunities and left somebody else to face the problems that were bound to arise later on. Nobody cared what happens to the Somalis. If it works, great, we'll applaud and cheer ourselves and bask in self-acclaim. If it turns into a disaster, we'll treat it the same as other interventions that turn into disasters.

After all, there's a long series of them. Take Grenada. That was a humanitarian intervention. We were going to save the people from tragedy and turn it into what Reagan called a "showplace for democracy" or a "showplace for capitalism."

The US poured aid in. Grenada had the highest per capita aid in the world the following year -- next to Israel, which is in another category. And it turned into a complete disaster.

The society is in total collapse. About the only thing that's functioning there is money laundering for drugs. But nobody hears about it. The television cameras were told to look somewhere else.

So if the Marine intervention turns out to be a success, which is conceivable, then there'll be plenty of focus on it and how marvelous we are. If it turns into a disaster, it's off the map -- forget about it. Either way we can't lose.

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## Slav vs. Slav

**Would you comment on the events in the former Yugoslavia, which constitute the greatest outburst of violence in Europe in fifty years -- tens of thousands killed, hundreds of thousands of refugees. This isn't some remote place like East Timor we're talking about -- this is Europe -- and it's on the news every night.**

In a certain sense, what's happening is that the British and American right wings are getting what they asked for. Since the 1940s they've been quite bitter about the fact that Western support turned to Tito and the partisans, and against Mikailovich and his Chetniks, and the Croatian anti-Communists, including the Ustasha, who were outright Nazis. The Chetniks were also playing with the Nazis and were trying to overcome the partisans.

The partisan victory imposed a communist dictatorship, but it also federated the country. It suppressed the ethnic violence that had accompanied the hatreds and created the basis of some sort of functioning society in which the parts had their role. We're now essentially back in the 1940s, but without the partisans.

Serbia is the inheritor of the Chetniks and their ideology. Croatia is the inheritor of the Ustasha and its ideology (less ferocious than the Nazi original, but similar). It's possible that they're now carrying out pretty much what they would've done if the partisans hadn't won.

Of course, the leadership of these elements comes from the Communist party, but that's because every thug in the region went into the ruling apparatus. (Yeltsin, for example, was a Communist party boss.)

It's interesting that the right wing in the West -- at least its more honest elements -- defend much of what's happening. For example, Nora Beloff, a right-wing British commentator on Yugoslavia, wrote a letter to the London *Economist* condemning those who denounce the Serbs in Bosnia. She's saying it's the fault of the Muslims. They're refusing to accommodate the Serbs, who are just defending themselves.

She's been a supporter of the Chetniks from way back, so there's no reason why she shouldn't continue to support Chetnik violence (which is what this amounts to). Of course there may be another factor. She's an extremist Zionist, and the fact that the Muslims are involved already makes them guilty.

**Some say that, just as the Allies should have bombed the rail lines to Auschwitz to prevent the deaths of many people in concentration camps, so we should now bomb the Serbian gun positions**

**surrounding Sarajevo that have kept that city under siege. Would you advocate the use of force?**

First of all, there's a good deal of debate about how much effect bombing the rail lines to Auschwitz would have had. Putting that aside, it seems to me that a judicious threat and use of force, not by the Western powers but by some international or multinational group, might, at an earlier stage, have suppressed a good deal of the violence and maybe blocked it. I don't know if it would help now.

If it were possible to stop the bombardment of Sarajevo by threatening to bomb some emplacements (and perhaps even carrying the threat out), I think you could give an argument for it. But that's a very big *if*. It's not only a moral issue -- you have to ask about the consequences, and they could be quite complex.

What if a Balkan war were set off? One consequence is that conservative military forces within Russia could move in. They're already there, in fact, to support their Slavic brothers in Serbia. They might move in *en masse*. (That's traditional, incidentally. Go back to Tolstoy's novels and read about how Russians were going to the south to save their Slavic brothers from attacks. It's now being reenacted.)

At that point you're getting fingers on nuclear weapons involved. It's also entirely possible that an attack on the Serbs, who feel that they're the aggrieved party, could inspire them to move more aggressively in Kosovo, the Albanian area. That could set off a large-scale war, with Greece and Turkey involved. So it's not so simple.

Or what if the Bosnian Serbs, with the backing of both the Serbian and maybe even other Slavic regions, started a guerrilla war? Western military "experts" have suggested it could take a hundred thousand troops just to more or less hold the area. Maybe so.

So one has to ask a lot of questions about consequences. Bombing Serbian gun emplacements sounds simple, but you have to ask how many people are going to end up being killed. That's not so simple.

**Zeljko Raznjatovic, known as Arkan, a fugitive wanted for bank robbery in Sweden, was elected to the Serb Parliament in December 1992. His Tigers' Militia is accused of killing civilians in Bosnia. He's among ten people listed by the US State Department as a possible war criminal. Arkan dismissed the charges and said, "There are a lot of people in the United States I could list as war criminals."**

That's quite correct. By the standards of Nuremberg, there are plenty of people who could be listed as war criminals in the West. It doesn't absolve him in any respect, of course.

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## The chosen country

### **The conditions of the US-Israel alliance have changed, but have there been any structural changes?**

There haven't been any significant structural changes. It's just that the capacity of Israel to serve US interests, at least in the short term, has probably increased.

The Clinton administration has made it very clear that it intends to persist in the extreme pro-Israeli bias of the Bush administration. They've appointed Martin Indyk, whose background is in AIPAC [the American Israel Public Affairs Committee, a lobbying group], to the Middle East desk of the National Security Council.

He's headed a fraudulent research institute, the Washington Institute for Near East Studies. It's mainly there so that journalists who want to publish Israeli propaganda, but want to do it "objectively," can quote somebody who'll express what they want said.

The United States has always had one major hope from the so-called peace negotiations -- that the traditional tacit alliance between Israel and the family dictatorships ruling the Gulf states will somehow become a little more overt or solidified. And it's conceivable.

There's a big problem, however. Israel's plans to take over and integrate what they want of the occupied territories -- plans which have never changed -- are running into some objective problems. Israel has always hoped that in the long run they would be able to expel much of the Palestinian population.

Many moves were made to accelerate that. One of the reasons they instituted an educational system on the West Bank was in hopes that more educated people would want to get out because there weren't any job opportunities.

For a long time it worked -- they were able to get a lot of people to leave -- but they now may well be stuck with the population. This is going to cause some real problems, because Israel intends to take the water and the usable land. That may not be so pretty or so easy.

### **What's Israel's record of compliance with the more than twenty Security Council resolutions condemning its policies?**

It's in a class by itself.

### **No sanctions, no enforcement?**

None. Just to pick one at random -- Security Council Resolution 425, March 1978. It called on Israel to withdraw immediately and unconditionally from Lebanon. Israel is still there, even though the request was renewed by the government of Lebanon in February 1991, when everyone was going at Iraq.

The United States will block any attempt to change things. Many of the large number of Security Council resolutions vetoed by the US have to do with Israeli aggression or atrocities.

For example, take the invasion of Lebanon in 1982. At first the United States went along with the Security Council condemnations. But within a few days the US had vetoed the major Security Council resolution that called on everyone to withdraw and stop fighting, and later vetoed another, similar one.

### **The US has gone along with the last few UN resolutions or deportations.**

The US has gone along, but has refused to allow them to have any teeth. The crucial question is: Does the US do anything about it? For example, the United States went along with the Security Council resolution condemning the annexation of the Golan Heights. But when the time came to do something about it, they refused.

### **International law transcends state law, but Israel says these resolutions are not applicable. How are they not applicable?**

Just as international law isn't applicable to the United States, which has even been condemned by the World Court. States do what they feel like -- though of course small states have to obey.

Israel's not a small state. It's an appendage to the world superpower, so it does what the United States allows. The United States tells it: You don't have to obey any of these resolutions, therefore they're null and void -- just as they are when the US gets condemned.

The US never gets condemned by a Security Council resolution, because it vetoes them. Take the invasion of Panama. There were two resolutions in the Security Council condemning the United States for that invasion. We vetoed them both.

You can find repeated Security Council resolutions that never passed that condemn the US, ones which would have passed if they were about a defenseless country. And the General Assembly passes resolutions all the time, but they have no standing -- they're just recommendations.

**I remember talking to Mona Rishmawi, a lawyer for the human rights organization Al Haq in Ramallah on the West Bank. She told me that when she would go to court, she wouldn't know**

**whether the Israeli prosecutor would prosecute her clients under British mandate emergency law, Jordanian law, Israeli law or Ottoman law.**

Or their own laws. There are administrative regulations, some of which are never published. As any Palestinian lawyer will tell you, the legal system in the territories is a joke. There's no law -- just pure authority.

Most of the convictions are based on confessions, and everybody knows what it means when people confess. Finally, after about sixteen years, a Druze Israeli army veteran who'd confessed and was sentenced was later proven to be innocent. Then it became a scandal.

There was an investigation, and the Supreme Court stated that for sixteen years the secret services had been lying to them. The secret services had been torturing people -- as everybody knew -- but telling the Court they weren't.

There was a big fuss about the fact that they'd been lying to the Supreme Court. How could you have a democracy when they lie to the Supreme Court? But the torture wasn't a big issue -- everyone knew about it all along.

Amnesty International interviewed Supreme Court Justice Moshe Etzioni in London in 1977. They asked him to explain why such an extremely high percentage of Arabs confessed. He said, "It's part of their nature."

That's the Israeli legal system in the territories.

**Explain these Orwellisms of "security zone" and "buffer zone."**

In southern Lebanon? That's what Israel calls it, and that's how it's referred to in the media.

Israel invaded southern Lebanon in 1978. It was all in the context of the Camp David agreements. It was pretty obvious that those agreements would have the consequence they did -- namely, freeing up Israel to attack Lebanon and integrate the occupied territories, now that Egypt was eliminated as a deterrent.

Israel invaded southern Lebanon and held onto it through clients -- at the time it was Major Sa'ad Haddad's militia, basically an Israeli mercenary force. That's when Security Council Resolution 425 [described on page 41] was passed.

When Israel invaded in 1982, there'd been a lot of recent violence across the border, all from Israel north. There had been an American-brokered cease-fire which the PLO [the Palestine Liberation Organization] had held to scrupulously, initiating no cross-border actions. But Israel carried out thousands of provocative actions, including bombing of civilian targets -- all to try to get the PLO to do something, thus giving Israel an excuse to invade.

It's interesting the way that period has been reconstructed in American journalism. All that remains is tales of the PLO's bombardment of Israeli settlements, a fraction of the true story (and in the year leading up to the 1982 Israeli invasion, not even that).

The truth was that Israel was bombing and invading north of the border, and the PLO wasn't responding. In fact, they were trying to move towards a negotiated settlement. (The truth about earlier years also has only a limited resemblance to the standard picture, as I've documented several times -- uselessly, of course.)

We know what happened after Israel invaded Lebanon. They were driven out by what they call "terrorism" -- meaning resistance by people who weren't going to be cowed. Israel succeeded in awakening a fundamentalist resistance, which it couldn't control. They were forced out.

They held on to the southern sector, which they call a "security zone" -- although there's no reason to believe that it has the slightest thing to do with security. It's Israel's foothold in Lebanon. It's now run by a mercenary army, the South Lebanon Army, which is backed up by Israeli troops. They're very brutal. There are horrible torture chambers.

We don't know the full details, because they refuse to allow inspections by the Red Cross or anyone else. But there have been investigations by human rights groups, journalists and others. Independent sources -- people who got out, plus some Israeli sources -- overwhelmingly attest to the brutality. There was even an Israeli soldier who committed suicide because he couldn't stand what was going on. Some others have written about it in the Hebrew press.

Ansar is the main camp. They very nicely put it in the town of Khiyam. There was a massacre there by the Haddad militia under Israeli eyes in 1978, after years of Israeli bombing, that drove out most of the population. That's mainly for Lebanese who refuse to cooperate with the South Lebanon Army.

So that's the "security zone."

### **Israel dumped scores of deportees in Lebanon in the 1970s and 1980s. Why has that changed now? Why has Lebanon refused?**

It's not so much that it has refused. If Israel dropped some deportees by helicopter into the outskirts of Sidon, Lebanon couldn't refuse. But this time I think Israel made a tactical error. The deportation of 415 Palestinians [in December 1992] is going to be very hard for them to deal with.

According to the Israeli press, this mass deportation was fairly random, a brutal form of collective punishment. I read in *Ha'aretz* [the leading Israeli newspaper] that the Shabak [the Israeli secret police] leaked the information that they had only given six names of security risks, adding a seventh when the Rabin Labor government wanted a larger number. The other four hundred or so were added by Rabin's

government, without intelligence information.

So there's no reason to believe that those who were deported were Hamas [Islamic fundamentalist] activists. In fact, Israel deported virtually the whole faculty of one Islamic university. They essentially deported the intellectuals, people involved in welfare programs and so on.

But to take this big class of people and put them in the mountains of southern Lebanon, where it's freezing now and boiling hot in the summer -- that's not going to look pretty in front of the TV cameras. And that's the only thing that matters. So there may be some problems, because Israel's not going to let them back in without plenty of pressure.

**I heard Steven Solarz [former Democratic congressman from Brooklyn] on the BBC. He said the world has a double standard: 700,000 Yemenis were expelled from Saudi Arabia and no one said a word (which is true); 415 Palestinians get expelled from Gaza and the West Bank and everybody's screaming.**

Every Stalinist said the same thing: "We sent Sakharov into exile and everyone was screaming. What about this or that other atrocity -- which is worse?" There is always somebody who has committed a worse atrocity. For a Stalinist mimic like Solarz, why not use the same line?

Incidentally, there is a difference -- the Yemenis were deported *to* their country, the Palestinians *from* their country. Would Solarz claim that we all should be silent if he and his family were dumped into a desert in Mexico?

**Israel's record and its attitude toward Hamas have evolved over the years. Didn't Israel once favor it?**

They not only favored it, they tried to organize and stimulate it. Israel was sponsoring Islamic fundamentalists in the early days of the *intifada* [the uprising of Palestinians within Israel against the Israeli government]. If there was a strike of students at some West Bank university, the Israeli army would sometimes bus in Islamic fundamentalists to break up the strike.

Sheikh Yaseen, an anti-Semitic maniac in Gaza and the leader of the Islamic fundamentalists, was protected for a long time. They liked him. He was saying, "Let's kill all the Jews." It's a standard thing, way back in history. Seventy years ago Chaim Weizmann was saying: Our danger is Arab moderates, not the Arab extremists.

The invasion of Lebanon was the same thing. Israel wanted to destroy the PLO because it was secular and nationalist, and was calling for negotiations and a diplomatic settlement. That was the threat, not the terrorists. Israeli commentators have been quite frank about that from the start.

Israel keeps making the same mistake, with the same predictable results. In Lebanon, they went in to

destroy the threat of moderation and ended up with Hezbollah [Iranian-backed fundamentalists] on their hands. In the West Bank, they also wanted to destroy the threat of moderation -- people who wanted to make a political settlement. There Israel's ending up with Hamas, which organizes effective guerrilla attacks on Israeli security forces.

It's important to recognize how utterly incompetent secret services are when it comes to dealing with people and politics. Intelligence agencies make the most astonishing mistakes -- just as academics do.

In a situation of occupation or domination, the occupier, the dominant power, has to justify what it's doing. There is only one way to do it -- become a racist. You have to blame the victim. Once you become a raving racist in self-defense, you've lost your capacity to understand what's happening.

The US in Indochina was the same. They never could understand -- there are some amazing examples in the internal record. The FBI right here is the same -- they make the most astonishing mistakes, for similar reasons.

**In a letter to the *New York Times*, Anti-Defamation League director Abraham Foxman wrote that the Rabin government has "unambiguously demonstrated its commitment to the peace process" since assuming leadership. "Israel is the last party that has to prove its desire to make peace." What's been the record of Rabin's Labor government?**

It's perfectly true that Israel wants peace. So did Hitler. Everybody wants peace. The question is, on what terms?

The Rabin government, exactly as was predicted, harshened the repression in the territories. Just this afternoon I was speaking to a woman who's spent the last couple of years in Gaza doing human rights work. She reported what everyone reports, and what everybody with a brain knows -- as soon as Rabin came, it got tougher. He's the iron-fist man -- that's his record.

Likud actually had a better record in the territories than Labor did. Torture and collective punishment stopped under Begin. There was one bad period when Sharon was in charge, but under Begin it was generally better. When the Labor party came back into the government in 1984, torture and collective punishment started again, and later the *intifada* came.

In February 1989, Rabin told a group of Peace Now leaders that the negotiations with the PLO didn't mean anything -- they were going to give him time to crush the Palestinians by force. And they will be crushed, he said, they will be broken.

**It hasn't happened.**

It happened. The *intifada* was pretty much dead, and Rabin awakened it again with his own violence. He has also continued settlement in the occupied territories, exactly as everyone with their eyes open

predicted. Although there was a very highly publicized settlement cutoff, it was clear right away that it was a fraud. Foxman knows that. He reads the Israeli press, I'm sure.

What Rabin stopped was some of the more extreme and crazy Sharon plans. Sharon was building houses all over the place, in places where nobody was ever going to go, and the country couldn't finance it. So Rabin eased back to a more rational settlement program. I think the current number is 11,000 new homes going up.

Labor tends to have a more rational policy than Likud -- that's one of the reasons the US has always preferred Labor. They do pretty much the same things as Likud, but more quietly, less brazenly. They tend to be more modern in their orientation, better attuned to the norms of Western hypocrisy. Also, they're more realistic. Instead of trying to make seven big areas of settlement, they're down to four.

But the goal is pretty much the same -- to arrange the settlements so that they separate the Palestinian areas. Big highway networks will connect Jewish settlements and surround some little Arab village way up in the hills. That's to make certain that any local autonomy will never turn into a form of meaningful self-government. All of this is continuing and the US is, of course, funding it.

**Critics of the Palestinian movement point to what they call the "intrafada," the fact that Palestinians are killing other Palestinians -- as if this justifies Israeli rule and delegitimizes Palestinian aspirations.**

You might look back at the Zionist movement -- there were plenty of Jews killed by other Jews. They killed collaborators, traitors and people they thought were traitors. And they weren't under anything like the harsh conditions of the Palestinian occupation. As plenty of Israelis have pointed out, the British weren't nice, but they were gentlemen compared with us.

The Labor-based defense force Haganah had torture chambers and assassins. I once looked up their first recorded assassination in the official Haganah history. It's described there straight.

It was in 1921. A Dutch Jew named Jacob de Haan had to be killed, because he was trying to approach local Palestinians to see if things could be worked out between them and the new Jewish settlers. His murderer was assumed to be the woman who later became the wife of the first president of Israel. They said that another reason for assassinating him was that he was a homosexual.

Yitzhak Shamir became head of the Stern gang by killing the guy who was designated to be the head. He didn't like him for some reason. Shamir was supposed to take a walk with him on a beach. He never came back. Everyone knows Shamir killed him.

As the *intifada* began to self-destruct under tremendous repression, the killing got completely out of hand. It began to be a matter of settling old scores and gangsters killing anybody they saw. Originally the *intifada* was pretty disciplined, but it ended up with a lot of random killing, which Israel loves. Then they

can point out how rotten the Arabs are.

**It's a dangerous neighborhood.**

Yes, it is. They help make it dangerous.

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## Gandhi, nonviolence and India

**I've never heard you talk about Gandhi. Orwell wrote of him that, "Compared to other leading political figures of our times, how clean a smell he has managed to leave behind." What are your views on the Mahatma?**

I'd hesitate to say without analyzing more closely what he did and what he achieved. There were some positive things -- for example, his emphasis on village development, self-help and communal projects. That would have been very healthy for India. Implicitly, he was suggesting a model of development that could have been more successful and humane than the Stalinist model that was adopted (which emphasized the development of heavy industry, etc.).

But you really have to think through the talk about nonviolence. Sure, everybody's in favor of nonviolence rather than violence, but under what conditions and when? Is it an absolute principle?

**You know what he said to Lewis Fisher in 1938 about the Jews in Germany -- that German Jews ought to commit collective suicide, which would "have aroused the world and the people of Germany to Hitler's violence."**

He was making a tactical proposal, not a principled one. He wasn't saying that they should have walked cheerfully into the gas chambers because that's what nonviolence dictates. He was saying, "if you do it, you may be better off."

If you divorce his proposal from any principled concern other than how many people's lives can be saved, it's conceivable that it would have aroused world concern in a way that the Nazi slaughter didn't. I don't believe it, but it's not literally impossible. On the other hand, there's nothing much that the European Jews could have done anyway under the prevailing circumstances, which were shameful everywhere.

**Orwell adds that after the war Gandhi justified his position, saying, "The Jews had been killed anyway and might as well have died significantly."**

Again, he was making a tactical, not a principled, statement. One has to ask what the consequences of the actions he recommended would have been. That's speculation based on little evidence. But for him to have made that recommendation at the time would have been grotesque.

What he should have been emphasizing is: "Look, powerless people who are being led to slaughter can't

do anything. Therefore it's up to others to prevent them from being massacred." To give them advice on how they should be slaughtered isn't very uplifting -- to put it mildly.

You can say the same about lots of other things. Take people being tortured and murdered in Haiti. You want to tell them: "The way you ought to do it is to walk up to the killers and put your head in front of their knife -- and maybe people on the outside will notice." Could be. But it'd be a little more significant to tell the people who are giving the murderers the knives that they should do something better.

Preaching nonviolence is easy. One can take it seriously when it's someone like [long-time pacifist and activist] Dave Dellinger, who's right up front with the victims.

**India today is torn asunder by various separatist movements. Kashmir is an incredible mess, occupied by the Indian army, and there are killings, detentions and massive human rights violations in the Punjab and elsewhere.**

**I'd like you to comment on a tendency in the Third World to blame the colonial masters for all the problems that are besetting their countries today. They seem to say, "Yes, India has problems, but it's the fault of the British -- before that, India was just one happy place."**

It's difficult to assess blame for historical disasters. It's somewhat like trying to assess blame for the health of a starving and diseased person. There are lots of different factors. Let's say the person was tortured -- that certainly had an effect. But maybe when the torture was over, that person ate the wrong diet, lived a dissolute life and died from the combined effects. That's the kind of thing we're talking about.

There's no doubt that imperial rule was a disaster. Take India. When the British first moved into Bengal, it was one of the richest places in the world. The first British merchant warriors described it as a paradise. That area is now Bangladesh and Calcutta -- the very symbols of despair and hopelessness.

There were rich agricultural areas producing unusually fine cotton. They also had advanced manufacturing, by the standards of the day. For example, an Indian firm built one of the flagships for an English admiral during the Napoleonic Wars. It wasn't built in British factories -- it was the Indians' own manufacture.

You can read about what happened in Adam Smith, who was writing over two hundred years ago. He deplored the deprivations that the British were carrying out in Bengal. As he puts it, they first destroyed the agricultural economy and then turned "dearth into a famine." One way they did this was by taking the agricultural lands and turning them into poppy production (since opium was the only thing Britain could sell to China). Then there was mass starvation in Bengal.

The British also tried to destroy the existing manufacturing system in the parts of India they controlled. Starting from about 1700, Britain imposed harsh tariff regulations to prevent Indian manufacturers from

competing with British textiles. They had to undercut and destroy Indian textiles because India had a comparative advantage. They were using better cotton and their manufacturing system was in many respects comparable to, if not better than, the British system.

The British succeeded. India deindustrialized, it ruralized. As the industrial revolution spread in England, India was turning into a poor, ruralized and agrarian country.

It wasn't until 1846, when their competitors had been destroyed and they were way ahead, that Britain suddenly discovered the merits of free trade. Read the British liberal historians, the big advocates of free trade -- they were very well aware of it. Right through that period they say: "Look, what we're doing to India isn't pretty, but there's no other way for the mills of Manchester to survive. We have to destroy the competition."

And it continues. We can pursue this case by case through India. In 1944, Nehru wrote an interesting book [*The Discovery of India*] from a British prison. He pointed out that if you trace British influence and control in each region of India, and then compare that with the level of poverty in the region, they correlate. The longer the British have been in a region, the poorer it is. The worst, of course, was Bengal -- now Bangladesh. That's where the British were first.

You can't trace these same things in Canada and North America, because there they just decimated the population. It's not only the current "politically correct" commentators that describe this -- you can go right back to the founding fathers.

The first secretary of defense, General Henry Knox, said that what we're doing to the native population is worse than what the conquistadors did in Peru and Mexico. He said future historians will look at the "destruction" of these people -- what would nowadays be called genocide -- and paint the acts with "sable colors" [in other words, darkly].

This was known all the way through. Long after John Quincy Adams, the intellectual father of Manifest Destiny, left power, he became an opponent of both slavery and the policy toward the Indians. He said he'd been involved -- along with the rest of them -- in a crime of "extermination" of such enormity that surely God would punish them for these "heinous sins."

Latin America was more complex, but the initial population was virtually destroyed within a hundred and fifty years. Meanwhile, Africans were brought over as slaves. That helped devastate Africa even before the colonial period, then the conquest of Africa drove it back even further.

After the West had robbed the colonies -- as they did, no question about that, and there's also no question that it contributed to their own development -- they changed over to so-called "neocolonial" relationships, which means domination without direct administration. After that it was generally a further disaster.

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## Divide and conquer

**To continue with India: talk about the divide-and-rule policy of the British Raj, playing off Hindus against Muslims. You see the results of that today.**

Naturally, any conqueror is going to play one group against another. For example, I think about 90% of the forces that the British used to control India were Indians.

**There's that astonishing statistic that at the height of British power in India, they never had more than 150,000 people there.**

That was true everywhere. It was true when the American forces conquered the Philippines, killing a couple hundred thousand people. They were being helped by Philippine tribes, exploiting conflicts among local groups. There were plenty who were going to side with the conquerors.

But forget the Third World -- just take a look at the Nazi conquest of nice, civilized Western Europe, places like Belgium and Holland and France. Who was rounding up the Jews? Local people, often. In France they were rounding them up faster than the Nazis could handle them. The Nazis also used Jews to control Jews.

If the United States was conquered by the Russians, Ronald Reagan, George Bush, Elliott Abrams and the rest of them would probably be working for the invaders, sending people off to concentration camps. They're the right personality types.

That's the traditional pattern. Invaders quite typically use collaborators to run things for them. They very naturally play upon any existing rivalries and hostilities to get one group to work for them against others.

It's happening right now with the Kurds. The West is trying to mobilize Iraqi Kurds to destroy Turkish Kurds, who are by far the largest group and historically the most oppressed. Apart from what we might think of those guerrillas, there's no doubt that they had substantial popular support in southeastern Turkey.

(Turkey's atrocities against the Kurds haven't been covered much in the West, because Turkey is our ally. But right into the Gulf War they were bombing in Kurdish areas, and tens of thousands of people were driven out.)

Now the Western goal is to use the Iraqi Kurds as a weapon to try and restore what's called "stability" -- meaning their own kind of system -- in Iraq. The West is using the Iraqi Kurds to destroy the Turkish Kurds, since that will extend Turkey's power in the region, and the Iraqi Kurds are cooperating.

In October 1992, there was a very ugly incident in which there was a kind of pincers movement between the Turkish army and the Iraqi Kurdish forces to expel and destroy Kurdish guerrillas from Turkey.

Iraqi Kurdish leaders and some sectors of the population cooperated because they thought they could gain something by it. You could understand their position -- not necessarily approve of it, that's another question -- but you could certainly understand it.

These are people who are being crushed and destroyed from every direction. If they grasp at some straw for survival, it's not surprising -- even if grasping at that straw means helping to kill people like their cousins across the border.

That's the way conquerors work. They've always worked that way. They worked that way in India.

It's not that India was a peaceful place before -- it wasn't. Nor was the western hemisphere a pacifist utopia. But there's no doubt that almost everywhere the Europeans went they raised the level of violence to a significant degree. Serious military historians don't have any doubts about that -- it was already evident by the eighteenth century. Again, you can read it in Adam Smith.

One reason for that is that Europe had been fighting vicious, murderous wars internally. So it had developed an unsurpassed culture of violence. That culture was even more important than the technology, which was not all that much greater than other cultures.

The description of what the Europeans did is just monstrous. The British and Dutch merchants -- actually merchant warriors -- moved into Asia and broke into trading areas that had been functioning for long, long periods, with pretty well-established rules. They were more or less free, fairly pacific -- sort of like free-trade areas.

The Europeans destroyed what was in their way. That was true over almost the entire world, with very few exceptions. European wars were wars of extermination. If we were to be honest about that history, we would describe it simply as a barbarian invasion.

The natives had never seen anything like it. The only ones who were able to fend it off for a while were Japan and China. China sort of made the rules and had the technology and was powerful, so they were able to fend off Western intervention for a long time. But when their defenses finally broke down in the nineteenth century, China collapsed.

Japan fended it off almost entirely. That's why Japan is the one area of the Third World that developed.

That's striking. The one part of the Third World that wasn't colonized is the one part that's part of the industrialized world. That's not by accident.

To strengthen the point, you need only look at the parts of Europe that were colonized. Those parts -- like Ireland -- are much like the Third World. The patterns are striking. So when people in the Third World blame the history of imperialism for their plight, they have a very strong case to make.

It's interesting to see how this is treated in the West these days. There was an amazing article in the *Wall Street Journal* [of January 7, 1993] criticizing the intervention in Somalia. It was by Angelo Codevilla, a so-called scholar at the Hoover Institute at Stanford, who says: Look, the problem in the world is that Western intellectuals hate their culture and therefore they terminated colonialism. Only civilizations of great generosity can undertake tasks as noble as colonialism, which tries to rescue barbarians all over the world from their miserable fate. The Europeans did it -- and of course gave them enormous gifts and benefits. But then these Western intellectuals who hate their own cultures forced them to withdraw. The result is what you now see.

You really have to go to the Nazi archives to find anything comparable to that. Apart from the stupendous ignorance -- ignorance so colossal that it can only appear among respected intellectuals -- the moral level is so low you'd have to go to the Nazi archives. And yet this is an op-ed in the *Wall Street Journal*. It probably won't get much criticism.

It was interesting to read the right-wing papers in England -- the *Sunday Telegraph* and the *Daily Telegraph* -- after Rigoberta Menchu [a Guatemalan Indian activist and author] won the Nobel Prize. They, especially their Central America correspondent, were infuriated. Their view is: True, there were atrocities in Guatemala. But either they were carried out by the left-wing guerrillas or they were an understandable response by the respectable sectors of the society to the violence and atrocities of these Marxist priests. So to give a Nobel Prize to the person who's been torturing the Indians all these years, Rigoberta Menchu....

It's hard for me to reproduce this. You have to read the original. Again, it's straight out of the Stalinist and Nazi archives -- at their worst. But it's very typical of elements of British and American culture.

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## The roots of racism

**All over the world -- from LA to the Balkans to the Caucasus to India -- there's a surge of tribalism, nationalism, religious fanaticism, racism. Why now?**

First of all, let's remember that it's always been going on.

**I grant you that, but it seems more pronounced.**

In parts of the world it's more pronounced. Take Eastern Europe. Europe is altogether a very racist place, even worse than the US, but Eastern Europe is particularly ugly. That society traditionally had very bitter ethnic hatreds. One of the reasons why many of us are here is that our grandparents fled from that.

Up until a couple of years ago, Eastern Europe was under the control of a very harsh tyranny -- the Soviet system. It immobilized the civil society, which meant that it eliminated what was good, but it also suppressed what was bad. Now that the tyranny is gone, the civil society is coming back -- including its warts, of which there are plenty.

Elsewhere in the world, say in Africa, there are all kinds of atrocities. They were always there. One of the worst atrocities was in the 1980s. From 1980 to 1988, US-backed South Africa was responsible for about a million and a half killings, plus about sixty billion dollars worth of damage -- and that's only in the region surrounding South Africa.

Nobody here cared about that, because the US was backing it. If you go back to the 1970s in Burundi, there was a huge massacre, tens of thousands of people killed. Nobody cared.

In Western Europe, there's an increase in regionalism. This in part reflects the decline of their democratic institutions. As the European Community slowly consolidates towards executive power, reflecting big economic concentrations, people are trying to find other ways to preserve their identity. That leads to a lot of regionalism, with both positive and negative aspects. That's not the whole story, but a lot of it.

**Germany had the most liberal asylum policies in the world -- now they want to limit civil liberties, and ban political parties.**

There's a lot of talk about German racism, and it's bad enough. For example, kicking out the Gypsies and

sending them off to Romania is a scandal you can't even describe. The Gypsies were treated just like the Jews in the Holocaust, but nobody's batting an eyelash about that because nobody gives a damn about the Gypsies.

But we should remember that there are other things going on too, which are getting less publicity. Take Spain. It was admitted into the European Community with some conditions. One was that it's to be a barrier to the hordes of North Africans whom the Europeans are afraid will flock up to Europe.

There are plenty of boat people trying to get across the narrow distance between North Africa to Spain -- kind of like Haiti and the Dominican Republic. If they make it, the boat people are immediately expelled by the Spanish police and navy. It's very ugly.

There are, of course, reasons why people are going from Africa to Europe and not the other direction. There are five hundred years of reasons for that. But it's happening, and Europe doesn't want it. They want to preserve their wealth and keep the poor people out.

The same problem is occurring in Italy. The Lombard League, which includes a kind of neofascist element, won a recent electoral victory. It reflects northern Italian interests. They don't want to be saddled with the poor people in the south of Italy. And they're concerned about the North Africans coming up from the south, drifting up through Sicily into Italy. The north Italians don't want them -- they want rich white people.

**That brings in the whole question of race and racism and how that factored into the relationship between the North and the South.**

There has always been racism. But it developed as a leading principle of thought and perception in the context of colonialism. That's understandable. When you have your boot on someone's neck, you have to justify it. The justification has to be their depravity.

It's very striking to see this in the case of people who aren't very different from one another. Take a look at the British conquest of Ireland, the earliest of the Western colonial conquests. It was described in the same terms as the conquest of Africa. The Irish were a different race. They weren't human. They weren't like us. We had to crush and destroy them.

**Some Marxists say racism is a product of the economic system, of capitalism. Would you accept that?**

No. It has to do with conquest, with oppression. If you're robbing somebody, oppressing them, dictating their lives, it's a very rare person who can say: "Look, I'm a monster. I'm doing this for my own good." Even Himmler didn't say that.

A standard technique of belief formation goes along with oppression, whether it's throwing them in gas

chambers or charging them too much at a corner store, or anything in between. The standard reaction is to say: "It's their depravity. That's why I'm doing it. Maybe I'm even doing them good."

If it's their depravity, there's got to be something about them that makes them different from me. What's different about them will be whatever you can find.

**And that's the justification.**

Then it becomes racism. You can always find something -- they have a different color hair or eyes, they're too fat, or they're gay. You find something that's different enough. Of course you can lie about it, so it's easier to find.

Take the Serbs and the Croats. They're indistinguishable. They use a different alphabet, but they speak the same language. They belong to different branches of the Catholic Church. That's about it. But many of them are perfectly ready to murder and destroy each other. They can imagine no higher task in life.

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## The unmentionable five-letter word

**It's a given that ideology and propaganda are phenomena of other cultures. They don't exist in the United States. Class is in the same category. You've called it the "unmentionable five-letter word."**

It's kind of interesting the way it works. Statistics about things like quality of life, infant mortality, life expectancy, etc. are usually broken down by race. It always turns out that blacks have horrible statistics as compared with whites.

But an interesting study was done by Vicente Navarro, a professor at Johns Hopkins who works on public health issues. He decided to reanalyze the statistics, separating out the factors of race and class. For example, he looked at white workers and black workers versus white executives and black executives. He discovered that much of the difference between blacks and whites was actually a class difference. If you look at poor white workers and white executives, the gap between them is enormous.

The study was obviously relevant to epidemiology and public health, so he submitted it to the major American medical journals. They all rejected it. He then sent it to the world's leading medical journal, *Lancet*, in Britain. They accepted it right away.

The reason is very clear. In the United States you're not allowed to talk about class differences. In fact, only two groups are allowed to be class-conscious in the United States. One of them is the business community, which is rabidly class-conscious. When you read their literature, it's all full of the danger of the masses and their rising power and how we have to defeat them. It's kind of vulgar, inverted Marxism.

The other group is the high planning sectors of the government. They talk the same way -- how we have to worry about the rising aspirations of the common man and the impoverished masses who are seeking to improve standards and harming the business climate.

So they can be class-conscious. They have a job to do. But it's extremely important to make other people, the rest of the population, believe that there is no such thing as class. We're all just equal, we're all Americans, we live in harmony, we all work together, everything is great.

Take, for example, the book *Mandate for Change*, put out by the Progressive Policy Institute, the Clinton think tank. It was a book you could buy at airport newsstands, part of the campaign literature describing the Clinton administration's program. It has a section on "entrepreneurial economics," which is economics that's going to avoid the pitfalls of the right and the left.

It gives up these old-fashioned liberal ideas about entitlement and welfare mothers having a right to feed their children -- that's all passé. We're not going to have any more of that stuff. We now have "enterprise economics," in which we improve investment and growth. The only people we want to help are workers and the firms in which they work.

According to this picture, we're all workers. There are firms in which we work. We would like to improve the firms in which we work, like we'd like to improve our kitchens, get a new refrigerator.

There's somebody missing from this story -- there are no managers, no bosses, no investors. They don't exist. It's just workers and the firms in which we work. All the administration's interested in is helping us folks out there.

The word *entrepreneurs* shows up once, I think. They're the people who assist the workers and the firms in which they work. The word *profits* also appears once, if I recall. I don't know how that sneaked in -- that's another dirty word, like *class*.

Or take the word *jobs*. It's now used to mean *profits*. So when, say, George Bush took off to Japan with Lee Iacocca and the rest of the auto executives, his slogan was "Jobs, jobs, jobs." That's what he was going for.

We know exactly how much George Bush cares about jobs. All you have to do is look at what happened during his presidency, when the number of unemployed and underemployed officially reached about seventeen million or so -- a rise of eight million during his term of office.

He was trying to create conditions for exporting jobs overseas. He continued to help out with the undermining of unions and the lowering of real wages. So what does he mean when he and the media shout, "Jobs, jobs, jobs"? It's obvious: "Profits, profits, profits." Figure out a way to increase profits.

The idea is to create a picture among the population that we're all one happy family. We're America, we have a national interest, we're working together. There are us nice workers, the firms in which we work and the government who works for us. We pick them -- they're our servants.

And that's all there is in the world -- no other conflicts, no other categories of people, no further structure to the system beyond that. Certainly nothing like class. Unless you happen to be in the ruling class, in which case you're very well aware of it.

**So then equally exotic issues like class oppression and class warfare occur only in obscure books and on Mars?**

Or in the business press and the business literature, where it's written about all the time. It exists there because they have to worry about it.

**You use the term "elite." The political economist and economic historian Samir Amin says it confers too much dignity upon them. He prefers "ruling class." Incidentally, a more recent invention is "the ruling crass."**

The only reason I don't use the word *class* is that the terminology of political discourse is so debased it's hard to find any words at all. That's part of the point -- to make it impossible to talk. For one thing, *class* has various associations. As soon as you say the word *class*, everybody falls down dead. They think, "There's some Marxist raving again."

But the other thing is that to do a really serious class analysis, you can't just talk about the ruling class. Are the professors at Harvard part of the ruling class? Are the editors of the *New York Times* part of the ruling class? Are the bureaucrats in the State Department? There are lots of different categories of people. So you can talk vaguely about *the establishment* or *the elites* or the people in *the dominant sectors*.

But I agree, you can't get away from the fact that there are sharp differences in power which in fact are ultimately rooted in the economic system. You can talk about *the masters*, if you like. It's Adam Smith's word, and he's now in fashion. The elite are the masters, and they follow what he called their "vile maxim" -- namely, "all for ourselves and nothing for anyone else."

**You say that class transcends race, essentially.**

It certainly does. For example, the United States *could* become a color-free society. It's possible. I don't think it's going to happen, but it's perfectly possible that it would happen, and it would hardly change the political economy at all. Just as women could pass through the "glass ceiling" and that wouldn't change the political economy at all.

That's one of the reasons why you commonly find the business sector reasonably willing to support efforts to overcome racism and sexism. It doesn't matter that much for them. You lose a little white-male privilege in the executive suite, but that's not all that important as long as the basic institutions of power and domination survive intact.

**And you can pay the women less.**

Or you can pay them the same amount. Take England. They just went through ten pleasant years with the Iron Lady running things. Even worse than Reaganism.

**Lingering in the shadows of the liberal democracies -- where there's this pyramid of control and domination, where there's class and race and gender bias -- is coercion, force.**

That comes from the fact that objective power is concentrated. It lies in various places, like in patriarchy,

in race. Crucially it also lies in ownership.

If you think about the way the society generally works, it's pretty much the way the founding fathers said. As John Jay put it, the country should be governed by those who own it, and the owners intend to follow Adam Smith's vile maxim. That's at the core of things. That can remain even if lots of other things change.

On the other hand, it's certainly worth overcoming the other forms of oppression. For people's lives, racism and sexism may be much worse than class oppression. When a kid was lynched in the South, that was worse than being paid low wages. So when we talk about the roots of the system of oppression, that can't be spelled out simply in terms of suffering. Suffering is an independent dimension, and you want to overcome suffering.

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## Human nature and self-image

### **Is racism something that's learned, or is it innately endowed?**

I don't think either of those is the right answer. There's no doubt that there's a rich, complex human nature. We're not rocks. Anybody sane knows that an awful lot about us is genetically determined, including aspects of our behavior, our attitudes. That's not even a question among sane people.

When you go beyond that and ask what it is, you're entering into general ignorance. We know there's something about human nature that forces us to grow arms, not wings, and undergo puberty at roughly a certain age. And by now we know that acquisition of language, growth of the visual system and so on, are part of human nature in fundamental respects.

When you get to cultural patterns, belief systems and the like, the guess of the next guy you meet at the bus stop is about as good as that of the best scientist. Nobody knows anything. People can rant about it if they like, but they basically know almost nothing.

In this particular area we can at best make some reasonable speculations. I think the one I've outlined may be a reasonable guess. It's not so much that racism is in our genes. What is in our genes is the need for protecting our self-image. It's probably in our nature to find a way to recast anything that we do in some way that makes it possible for us to live with it.

It's the same in the broader social sphere, where there are institutions functioning, and systems of oppression and domination. The people who are in control, who are harming others -- those people will construct justifications for themselves. They may do it in sophisticated ways or nonsophisticated ways, but they're going to do it. That much is in human nature. One of the consequences of that can turn out to be racism. It can turn out to be other things too.

Take the sophisticated ones. One of the intellectual gurus of the modern period in the United States was Reinhold Niebuhr. He was called the "theologian of the establishment." He was revered by the Kennedy liberal types, by people like George Kennan. He was considered a moral teacher of the contemporary generation.

It's interesting to look at why he was so revered. I went through his stuff once. (There was supposed to be a chapter about him in one of my books -- but the publisher thought it would be too arcane for the audience, so I didn't include it.) The intellectual level is depressingly low -- you can hardly keep a

straight face.

But something made him appealing -- his concept of the "paradox of grace." What it comes down to is this: No matter how much you try to do good, you're always going to do harm. Of course, he's an intellectual, so he had to dress it up with big words, but that's what it comes down to.

That's very appealing advice for people who are planning to enter a life of crime -- to say, "No matter how much I try to do good, I'm always going to harm people. I can't get out of it." It's a wonderful idea for a Mafia don. He can go ahead and do whatever he feels like. If he harms people, "Oh my God, the paradox of grace."

That may well explain why Niebuhr was so appealing to American intellectuals in the post-World War II period. They were preparing to enter a life of major crime. They were going to be either the managers or the apologists for a period of global conquest.

Running the world is obviously going to entail enormous crimes. So they think, "Isn't it nice to have this doctrine behind us? Of course we're superbenevolent and humane, but the paradox of grace...."

Again, if you're an intellectual, you dress it up and write articles about it. The mechanisms, however, are quite simple.

I suppose all of that is, if you like, part of our nature, but in such a transparent way that we can't seriously call this a theory. Everybody knows from their own experience just about everything that's understood about human beings -- how they act and why -- if they stop to think about it. It's not quantum physics.

**What about the so-called "competitive ethic?" Is there any evidence that we are naturally competitive? Many proponents of free market theory and market capitalism say you've got to give people the ability to compete -- it's a natural thing.**

There are certainly conditions under which people will compete, and there are also conditions under which people will cooperate. For example, take a family. Suppose that whoever is providing the money for the family loses his or her job, so they don't have enough food to eat.

The father is probably the strongest one in the family. Does he steal all the food and eat it, so all the kids starve? (I guess there are people who do that, but then you lock them up. There's a pathological defect there somewhere.) No, what you do is share.

Does that mean they're not competitive? No. It means that in *that* circumstance, they share. Those circumstances can extend quite broadly -- for example, they can extend to the whole working class. That's what happens in periods of working class solidarity, when people struggle together to create unions and decent working conditions.

That's true of the United States, after all. Take a look at the Homestead strike a century ago [when Andrew Carnegie locked striking workers out of a steel mill in Pennsylvania]. That was a period of enormous ethnic rivalry and racism, directed mostly against Eastern European immigrants. But during that conflict they worked together. It's one of the few periods of real ethnic harmony. They worked together with Anglo-Saxon Americans and the Germans and the rest of them.

Let me tell you a personal story. I'm not particularly violent, but when I was in college, we had to take boxing. So the way we did it was to spar with a friend, wait until the thing was over and go home. But we were all amazed to find that after doing this pushing around for a while, we really wanted to hurt that other guy, our best friend. We could feel it coming out -- we wanted to kill each other.

Does that mean that the desire to kill people is innate? In certain circumstances that desire is going to come out, even if it's your best friend. There are circumstances under which this aspect of our personality will dominate. But there are other circumstances in which other aspects will dominate. If you want to create a humane world, you change the circumstances.

**How crucial is social conditioning in all of this? Let's say you're a child growing up in Somalia today.**

How about a child growing up two blocks from here in Cambridge? Just last summer a student at MIT was killed -- knifed -- by a couple of teenagers from the local high school. They were engaged in a sport that works like this: They walk around and find somebody walking the street. Then one of the teenagers is picked to knock the person down with a single blow. If he fails to do it, the other kids beat the kid who failed.

So they were walking along and saw this MIT student. The chosen kid knocked the student down with one blow. For unexplained reasons, they also knifed and killed him. The teenagers didn't see anything especially wrong with it. They walked off and went to a bar somewhere. They were later picked up by the police because somebody had seen them. They hadn't even tried to get away.

These kids are growing up in Cambridge -- not in the wealthy sections, but probably in the slums. Those aren't Somali slums by any means, or even Dorchester slums, but surely kids in the more affluent suburbs wouldn't act like that.

Does that mean they're different genetically? No. There's something about the social conditions in which they're growing up that makes this acceptable behavior, even natural behavior. Anyone who has grown up in an urban area must be aware of this.

I can remember from childhood, that there were neighborhoods where if you went, you'd be beaten up. You weren't supposed to be there. The people who were doing it -- kids -- felt justified and righteous about it. They were defending their turf. What else do they have to defend?

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## It can't happen here -- can it?

**Huey Long** [a populist Louisiana governor and senator in the early 1930s] **once said that when fascism comes to this country, it's going to be wrapped in an American flag. You've commented on tendencies toward fascism in this country. You've even been quoting Hitler on the family and the role of women.**

The Republican convention -- fortunately I saved myself the pain of watching television, but I read about it -- struck such chords that I began looking up some literature on fascism from the 1930s. I looked up Hitler's speeches to women's groups and big rallies. The rhetoric was very similar to that of the "God-and-country" rally the first night of the Republican convention.

But I don't really take that similarity too seriously, because the levers of power are firmly in the hands of the corporate sector. It'll permit rabid fundamentalists to scream about God and country and family, but they're very far from having any influence over major power decisions.

That was obvious in the way the campaign developed. They were given the first night to scream and yell. They were even given the party platform -- it was pre-Enlightenment. But then when the campaign started, we were back to business as usual.

But that can change. When people grow more alienated and isolated, they begin to develop highly irrational and very self-destructive attitudes. They want something in their lives. They want to identify themselves somehow. They don't want to be just glued to the television set. If most of the constructive ways are cut off, they turn to other ways.

You can see that in the polls too. I was just looking at a study by an American sociologist (published in England) of comparative religious attitudes in various countries. The figures are shocking. Three quarters of the American population literally believe in religious miracles. The numbers who believe in the devil, in resurrection, in God doing this and that -- it's astonishing.

These numbers aren't duplicated anywhere else in the industrial world. You'd have to maybe go to mosques in Iran or do a poll among old ladies in Sicily to get numbers like this. Yet this is the American population.

Just a couple of years ago, there was a study of what people thought of evolution. The percentage of the population that believed in Darwinian evolution at that point was 9% -- not all that much above statistical

error. About half the population believed in divinely-guided evolution, Catholic church doctrine. About 40% thought the world was created a few thousand years ago.

Again, you've got to go back to pre-technological societies, or devastated peasant societies, before you get numbers like that. Those are the kinds of belief systems that show up in things like the God-and-country rally.

Religious fundamentalism can be a very scary phenomenon. It could be the mass base for an extremely dangerous popular movement. These fundamentalist leaders aren't stupid. They have huge amounts of money, they're organizing, they're moving the way they should, beginning to take over local offices where nobody notices them.

There was a striking phenomenon in the last election -- it even made the front pages of the national newspapers. It turned out that in many parts of the country ultraright fundamentalist extremists had been running candidates without identifying them. It doesn't take a lot of work to get somebody elected to the school committee. Not too many people pay attention. You don't have to say who you are. You just appear with a friendly face and a smile and say "I'm going to help your kids" and people will vote for you.

A lot of people got elected because of these organized campaigns to take over local structures. If that ties in with some charismatic power figure who says, "I'm your leader, follow me," it could be very ugly. We could move back to real pre-Enlightenment times.

**There's also a huge increase in fundamentalist media, particularly electronic media. You can't drive across the country without noticing it.**

That was true years ago. I remember driving across the country, being bored out of my head and turning on the radio. Every station I found was some ranting minister. Now it's much worse, and of course now there's television.

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## Hume's paradox

**You've said the real drama since 1776 has been the "relentless attack of the prosperous few upon the rights of the restless many." I want to ask you about the "restless many." Do they hold any cards?**

Sure. They've won a lot of victories. The country is a lot more free than it was two hundred years ago. For one thing, we don't have slaves. That's a big change. Thomas Jefferson's goal, at the very left-liberal end of the spectrum, was to create a country "free of blot or mixture" -- meaning no red Indians, no black people, just good white Anglo-Saxons. That's what the liberals wanted.

They didn't succeed. They did pretty much get rid of the native population -- they almost succeeded in "exterminating" them (as they put it in those days) -- but they couldn't get rid of the black population, and over time they've had to incorporate them in some fashion into society.

Freedom of speech has been vastly extended. Women finally received the franchise 150 years after the revolution. After a very bloody struggle, workers finally won some rights in the 1930s -- about fifty years after they did in Europe. (They've been losing them ever since, but they won them to some extent.)

In many ways large parts of the general population have been integrated into the system of relative prosperity and relative freedom -- almost always as a result of popular struggle. So the general population has lots of cards.

That's something that [English philosopher] David Hume pointed out a couple of centuries ago. In his work on political theory, he describes the paradox that, in any society, the population submits to the rulers, even though force is always in the hands of the governed.

Ultimately the governors, the rulers, can only rule if they control opinion -- no matter how many guns they have. This is true of the most despotic societies and the most free, he wrote. If the general population won't accept things, the rulers are finished.

That underestimates the resources of violence, but expresses important truths nonetheless. There's a constant battle between people who refuse to accept domination and injustice and those who are trying to force people to accept them.

**How to break from the system of indoctrination and propaganda? You've said that it's nearly impossible for individuals to do anything, that it's much easier and better to act collectively. What prevents people from getting associated?**

There's a big investment involved. Everybody lives within a cultural and social framework which has certain values and certain opportunities. It assigns cost to various kinds of action and benefits to others. You just live in that -- you can't help it.

We live in a society that assigns benefits to efforts to achieve individual gain. Let's say I'm the father or mother of a family. What do I do with my time? I've got 24 hours a day. If I've got children to take care of, a future to worry about, what do I do?

One thing I can do is try to play up to the boss and see if I can get a dollar more an hour. Or maybe I can kick somebody in the face when I walk past them (if not directly then indirectly, by the mechanisms that are set up within a capitalist society). That's one way.

The other way is to spend my evenings trying to organize other people, who will then spend their evenings at meetings, go out on a picket line and carry out a long struggle in which they'll be beaten up by the police and lose their jobs. Maybe they'll finally get enough people together so they'll ultimately achieve a gain, which may or may not be greater than the gain that they tried to achieve by following the individualist course.

In game theory, this kind of situation is called "prisoner's dilemma." You can set up things called "games" -- interactions -- in which each participant will gain more if they work together, but you only gain if the other person works with you. If the other person is trying to maximize his or her own gain, you lose.

Let me take a simple case -- driving to work. It would take me longer to take the subway than to drive to work. If we all took the subway and put the money into that instead of into roads, we'd all get there faster by the subway. But we all have to do it. If other people are going to be driving and I'm taking the subway, then private transportation is going to be better for the people who are doing it.

It's only if we all do something a different way that we'll all benefit a lot more. The costs to you -- an individual -- to work to create the possibilities to do things together can be severe. It's only if lots of people begin to do it, and do it seriously, that you get real benefits.

The same has been true of every popular movement that ever existed. Suppose you were a twenty-year-old black kid at Spelman College in Atlanta in 1960. You had two choices. One was: "I'll try to get a job in a business somewhere. Maybe somebody will be willing to pick a black manager. I'll be properly humble and bow and scrape. Maybe I'll live in a middle class home."

The other was to join SNCC [the Student Nonviolent Coordinating Committee, a black civil rights group

of the 1960s], in which case you might get killed. You were certainly going to get beaten and defamed. It would be a very tough life for a long time. Maybe you'd finally be able to create enough popular support so that people like you and your family could live better.

It would be hard to make that second choice, given the alternatives available. Society is very much structured to try to drive you toward the individualist alternative. It's a remarkable fact that many young people took that second choice, suffered for it and helped create a much better world.

**You've noted polls that indicate that 83% of the population regard the entire economic system as "inherently unfair." But it doesn't translate into anything.**

It can only translate into anything if people do something about it. That's true whether you're talking about general things -- like the inherent unfairness of the economic system, which requires revolutionary change -- or about small things.

Take, say, health insurance. In public, almost nobody calls for a "Canadian-style" system. (That's the kind of system they have everywhere in the world -- an efficient, nationally organized public health system that guarantees health services for everyone and -- if it's more serious than Canada's system -- also provides preventive care.)

And yet according to some polls, a majority of the population is in favor of it anyway, even though they've scarcely heard anybody advocate it. Does it matter? No. There'll be some kind of insurance company-based, "managed" health care system -- designed to ensure that insurance companies and the health corporations they run will make plenty of money.

There are only two ways we could get the health care that most of the population wants. There either needs to be a large-scale popular movement -- which would mean moving towards democracy, and nobody in power wants that -- or the business community must decide that it would be good for them. They might do that.

This highly bureaucratized, extremely inefficient system designed for the benefit of one sector of the private enterprise system happens to harm other sectors. Auto companies pay more in health benefits here than they would across the border. They notice that. They may press for a more efficient system that breaks away from the extreme inefficiencies and irrationalities of the capitalist-based system.

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## "Outside the pale of intellectual responsibility"

**Canadian journalist David Frum has called you the "great American crackpot." I think that ranks up there with the *New Republic's* Martin Peretz placing you "outside the pale of intellectual responsibility." Frum also says, "There was a time when the *New York Times* op-ed page was your stomping ground." Have I missed something here?**

I guess I have too. I did have an op-ed once -- it was in 1971, I think. This was the period when the corporate sector, and later the *New York Times*, had decided we'd better get out of Vietnam because it was costing us too much.

I had testified before the Senate Foreign Relations Committee. Senator Fulbright had in effect turned the Committee into a seminar. He was very turned off by the war and American foreign policy at that time. He invited me to testify. That was respectable enough. So they ran a segment of....

**Excerpts of your comments. It wasn't an original piece you had written for the *Times*.**

Maybe it was slightly edited, but it was essentially a piece of my testimony at the Committee. So it's true, the *Times* did publish a piece of testimony at the Foreign Relations Committee.

**And that was your "stomping grounds." What about letters? How many letters of yours have they printed?**

Occasionally, when an outlandish slander and lie about me has appeared there, I've written back to them. Sometimes they don't publish the letters. Once, maybe more, I was angry enough that I contacted a friend inside, who was able to put enough pressure on so they ran the letter.

But sometimes they just refused. In the *Times* book review section, there were a bunch of vicious lies about me and the Khmer Rouge. I wrote back a short letter responding, and they refused to publish it. I got annoyed and wrote back again -- and actually got a response. They said they'd published a different letter -- one they thought was better.

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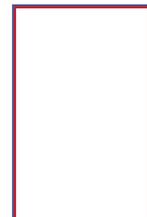
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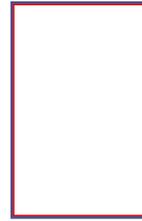
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# *The Prosperous Few*

and the

# *Restless Many*

**Noam Chomsky**

Interviewed by David Barsamian

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A fascinating state-of-the-world report from the man the *New York Times* called "arguably the most important intellectual alive." Here are a few excerpts:

- We now have an international economy and we're moving toward an international state -- "creating," to quote the business press, "a new imperial age with a de facto world government."
- NAFTA is a secret document whose decisions will override those of Congress, states, localities. It's a real success in the long-term project of depriving democratic structures of any substance.
- Biotechnology, genetic engineering, designing animal species, etc. is potentially vastly more important than electronics. In fact, compared to the potential of biotechnology, electronics is sort of a frill.
- I don't think Somalia should be classified as an intervention. It's more of a public relations operation for the Pentagon.... They desperately need

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# *Keeping the Rabble in Line*

## Interviews with David Barsamian

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## Introduction

*Keeping the Rabble in Line* is a sequel as well as a departure from *Chronicles of Dissent*. In this latest collection Noam Chomsky focuses on economic and trade issues and the emerging global economic order. While an increasingly spectacle-driven media wine and dine us on a menu of O.J. Simpson, Tonya Harding, or whatever the current diversion is, major shifts in the international scene are occurring. As Chomsky points out, nation-states are becoming increasingly challenged by the power and reach of transnational corporations. The latter may be the defining feature of the coming era. Our response will be crucial. Again and again in these interviews and elsewhere Chomsky suggests the need to organize and become active. Passive consumption of information is not enough. Rabble will hopefully get people moving in a practical direction, be it direct action protests, getting involved with or establishing a community radio station, producing and distributing a video, starting a bookstore, publishing a newsletter or having discussions in your living room with a few friends.

I think Chomsky's contribution lies in the fact that he constantly stresses not just the need to be informed and act but that we are all capable of doing so. His own commitment, involvement and accessibility is a concrete example. He is a cartographer. He provides a detailed road map to assist in figuring out where things are and in charting out routes. And in another sense he is a memory bank. So while the punditocracy engineer history Chomsky is there as a constant corrective to remind us about the concerted U.S. effort to destroy popular organizations in post-war Europe or the monstrous crimes of the Indochina War or the real accomplishments of the Nixons, Kissingers, Clintons and other luminaries who direct the global pillage.

The interviews in this collection were recorded in Chomsky's office at MIT or by phone. "Crime and Gun Control" was a live radio call-in on KGNU in Boulder. Titles reflect the core theme of the interviews but each discussion covers several topics. Many people from all over ask me to ask him certain questions. It would be impossible to acknowledge everyone's contribution but Carlos Otero in particular has been most helpful with his criticisms, suggestions and encouragement. My thanks to Sandy Adler for her transcriptions. Much appreciation to Noam Chomsky for his time and effort.

David Barsamian  
August 1, 1994

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# The World Bank, GATT and Free Trade

April 20, 1992

**DB:** In 1944 at the Bretton Woods conference in New Hampshire the World Bank and the International Monetary Fund (IMF) were both created. What function do these two major financial entities play?

Their early role was in helping to carry through the reconstruction of the state capitalist industrial societies that had been wrecked by the Second World War. After that they shifted to what is called "development," which is often a form of controlled underdevelopment in the Third World, which means designing and supporting particular kinds of programs for the Third World. At this point we move into controversy. Their effect, and you can argue about their intention, is overwhelmingly to integrate the South, the old colonial areas, into the global society dominated by concentrated sectors of wealth within the North, the rich society.

**DB:** You know that old song, "Where Have All The Flowers Gone"? Well, where have all the billions gone? The World Bank has lent tens of billions of dollars. Who lent what to whom exactly? What did it do there?

You can't answer that simply. In the advanced industrial societies [that money] helped carry out a reconstruction from postwar damage. In the Third World [lending has] had mixed effects. It's had effects in changing the nature of agriculture, developing infrastructure, steering projects towards particular areas and away from other areas. It's been part of the long process of trying to undercut import substitution and move toward export oriented agriculture. By and large [World Bank loans have] been a subsidiary to the policies of those who control it. The United States has an overwhelming role in the financial institution because of its wealth and power. And the United States and its immediate allies have designed programs of what they called development throughout the world. The money may have gone into anything from dams to agro-export producers to occasionally some peasant project.

**DB:** The International Monetary Fund has been vilified in the Third World for the draconian measures that it has imposed on those developing countries.

Take a Latin American country today. There is a huge debt crisis. Remember that the Bretton Woods system basically broke down in the early 1970s. The Bretton Woods system involved regulation of currencies, convertibility of the dollar for gold, all sorts of other rules which essentially made the United States an international banker. By 1970 or so the U.S. could no longer sustain that. It was very advantageous to the United States in the 1950s and 1960s. It allowed enormous overseas investment by American corporations. But by 1970 the U.S. was unable to sustain [the role of international banker]. President Nixon dismantled the system in 1971. That led to an enormous amount of unregulated currency floating around in international channels. The world was awash with unregulated capital, particularly after the rise in the oil prices. Bankers wanted to lend that capital, and they did. They lent it primarily to Third World countries, which means to elite elements. For example, Latin American dictatorships would go on huge borrowing binges. The results were praised in the West as "economic miracles," like the Brazilian "miracle" under the generals which left that country saddled with huge indebtedness. When the 1980s came along, U.S. interest rates went up and started pulling money toward the United States and increasing interest payments on the debt. The Latin American economies started going into free fall. Capital flowed out of them at a rapid rate. They were unable to control their own internal wealthy classes. The capital export from Latin America may not have been at the level of the debt, but it probably wasn't very far below it. There was a flow of hundreds of billions of dollars from south to north, partly debt service, which far outweighs new aid by the late 1980s -- payment of interest on the debt, and so on, and other forms of capital flight. By now, deeply impoverished African countries are even exporting capital to the international lending institutions.

The net effect of this is what some people jokingly call a program in which the poor in the rich countries pay the rich in the poor countries. That's approximately the way it comes out. Then the IMF comes along, run by the wealthy countries, which have certain rules for the weak. They are that if you have a high level of inflation and the currency isn't stable and various other economic indicators aren't satisfied, then you impose extreme forms of austerity: balance the budget, cut back services, control the currency, etc. That's neoliberal free market economics. That's typically disastrous for the general mass of the population. That's why the rich countries themselves will never accept those rules unless they're forced to. For example, there was a time in the late 1970s when Britain was forced to adopt certain IMF rules because of its weakness. But no country rich or powerful enough would ever do it, like the U.S., for example, which has incredible debt but doesn't accept IMF "suggestions". We're too powerful to follow those rules. Third World countries, which are much weaker, especially those which are under the control of Western-oriented elites anyway, who often benefit by it, do follow the rules and there's disaster for the population. That's why you get vilification. The same thing is happening in Eastern Europe now. The whole neoliberal free market story is basically designed for the benefit of the people who are going to win the game. Nobody else follows those rules. The West doesn't follow them either when it's not going to win. For example, the World Bank estimates that right now protectionist measures imposed by the rich countries cost the Third World more than twice as much as total aid going from the North to the South -- and that "aid" is mostly a disguised form of export promotion.

**DB:** To whom are the World Bank and the IMF accountable?

To the people who put the money in, which means a bunch of rich countries, primarily the United States,

which is the dominant element there. It's mainly funded by the wealthy states, and the U.S. has the largest vote, so that's who they're beholden to.

**DB:** Where does the General Agreement on Tariffs and Trade, GATT, fit into this economic picture? One commentator has called it the "economic teeth of the new world order."

GATT is the international trading system, also set up in the 1940s. It's in the news now because for the last several years the Uruguay Round of GATT negotiations has been going on with an effort to achieve some new form of freeing up international trade. Freeing up international trade in itself, in a general sense, is not a bad thing. It's often a good thing. The point is, nobody goes into that game, if they have the power, without ample protection for their own internal needs. So for example every one of the Western powers, including the United States, is entering the GATT negotiations with a certain agenda, a mixture of liberalization and protectionism geared to the particular strengths and weaknesses of that economy. When we speak of "that economy" we mean the people in the dominant positions in it. So the European Community wants high level protection for the aerospace industry and agricultural production. The United States has a mixture of policies. It's calling for liberalization and free trade in many areas. On the other hand, it's also calling for enhanced protection in areas where the U.S. is strong. Take so-called services like banking. The U.S. is calling for a liberalization of services in the Third World, which would have the instantaneous effect of swamping and overwhelming all Third World banks and financial institutions by western ones, since they're so much richer and more powerful. That would eliminate the possibility of any national industrial development programs within the Third World. That's the kind of liberalization that the U.S. is in favor of. It means that Third World economies would be managed by western banks and those who run them and the governments that are tied to them.

On the other hand, the U.S. is calling for more protection in other areas, particularly intellectual property rights, which includes anything from pop music to cinema to software to patents. Right now the U.S. is racing ahead in patenting what may turn out to be parts of genes. The idea is to patent the genes of corn, or for that matter humans, so that future biotechnology, which will involve various kinds of genetic engineering, will be in the hands of mainly U.S. private firms. They will control that field, and they want to make sure it's protected. So they want long patent rights and so on. That means that drugs, software, new technology, new agricultural forms, any form of biotechnology that may involve health will be in the hands of Merck Corporation and others like them who will make tens of billions of dollars in profits. It means that India, which could duplicate a lot of this much cheaper, duplicate Merck drugs at a fraction of the cost, will not be permitted to do it. The U.S. also demands product rather than only process patents, to insure, say, that India's pharmaceutical industry doesn't invent a cheaper way to produce some drug -- a barrier to efficiency and innovation, but a boon for profits. That's understandable on the part of the rich. They want to control the future, naturally, and that means control technology. The biotechnology aspect, the patenting of genes, has been causing an international furor in the scientific world. It can have a huge impact in the future. One shouldn't minimize it.

The U.S. (like others) also insists on a high level of protection for U.S. shipping. Shipping between U.S. ports has to be in U.S. ships. If Alaskan oil comes down to California, it has to be in U.S. ships. The U.S.

insists that anything involving U.S. goods be done to a very high percentage in U.S. ships, which benefits the U.S. maritime industry.

Similarly, "defense" expenditures are not considered subsidies under GATT rules. That's enormously important for the U.S., which spends more on its military system than the rest of the world combined, as has always used that as a cover for massive public subsidy to high-tech industry. The point is that there is a mixture of protectionism and liberalization geared to the interests of those who are designing the policies, which are the powerful economic forces within the state in question. That's not a great surprise, after all, but that's what GATT is all about, and that's what the negotiations are about.

If the current GATT programs succeed, it's clear that they're tending towards a world government ruled by a club of rich men who meet in their organizations, like the G-7 meetings, the meetings of the seven richest industrial countries, which have their own institutions, like the IMF and the World Bank, which have a network of arrangements established in GATT and which administer a system of what's sometimes been called "corporate mercantilism." Remember that although this is called "liberalization" and "free trade," there's a tremendous amount of managed trade internal to it. So huge corporations which are often more powerful than many states carry out controlled, managed trade internally. This means trade across borders, too, because they're internationalized. They do planning of investments, of production, of commercial interactions, manipulation of prices, and so on, and they naturally manage it for their own interests. Corporate mercantilism is fine. It's governments that are not allowed to get into the game. The rich western powers don't have any objection at all to managed trade. They just don't want it to be done by governments, because governments have a dangerous feature that corporations don't have: governments may to some extent fall under the influence of popular forces, usually to a limited extent. But to some extent there's always that fear. There's no such fear in corporations. They are immune from any form of public control or even surveillance. Therefore they are much more acceptable management agents for this mercantilist system being designed globally in the interests of the rich. GATT plays its role in this.

**DB:** You mentioned the powerful economic forces. Increasingly those forces transcend frontiers. There has been a massive internationalization of capital and finance over the last few years. What are the implications of that?

First of all, there's nothing novel about it. Back in the 1930s there were, for example, notorious interconnections between, say, I.G. Farben in Germany and Du Pont. In fact, big U.S. corporations were essentially producing for the German war machine right up until the war and some even claim afterwards in various devious ways. But there was a big change after the Second World War. There was a big upsurge in the creation of multinational firms, even beyond the traditional multinationals, for example, the energy corporations, which always were highly internationalized. But it extended much beyond. The Marshall Plan, for example, gave a big shot in the arm to the internationalization of capital. It would designate some project in Belgium where you could build a steel complex. It would then encourage bids from American corporations, which would naturally win the bidding most of the time. Marshall Plan funds were then used, as intended, to underlie the expansion of U.S. investment through the rich areas,

primarily in Europe. That led to an explosion of international corporations. U.S. foreign investment exploded in the 1950s and 1960s. Not long after came European international capital. Britain had always been substantially involved in the internationalization of capital. In recent years Japan has joined the game and done plenty of foreign investing. This has increased through the 1980s.

There are a lot of reasons for this in the recent period. One is the one I mentioned before, the breakdown of the Bretton Woods system, which led to an enormous amount of unregulated internationalized wealth. Another was a revolution in telecommunications, which makes it extremely easy to control international operations in which production is done in one place and the financing comes from somewhere else and you shift the dollars around. That means you can have executive offices in a skyscraper in New York and production facilities in Papua, New Guinea and fake banks in the Cayman Islands which may be nothing more than a fax machine set up to evade regulation. You can transfer funds around. You can control and manage importing and exporting within the corporate empire through management decisions. It can be scattered all over the world, with branch offices in Zurich. That's had a lot of effect. Everyone knows that the U.S. share in international trade has been declining in the last ten years. But in fact if you look at the share in international trade of U.S.-based corporations, it has not been declining. It may have been either stable or slightly increasing. Everyone knows the U.S. is supposed to have a big trade deficit. On the other hand, if you take into account the operations of overseas producers that are part of U.S.-based corporations, and imports into the United States that are actually transfers from U.S. corporations operating abroad to the same U.S. corporations operating internally, if they import parts for their own production, it probably levels out the trade deficit, maybe even gives the U.S. a trade surplus.

The functioning institutions in the world system are increasingly corporate empires. I say "increasingly" because national states, the rich states, at least, retain substantial importance. They are instruments of integrated corporate systems. And also increasing because it's an old phenomenon. It goes back to the origins of capitalism. It is true that it has grown by leaps and bounds in recent years.

**DB:** To continue with GATT: The Environmental News Network has said that GATT will "open borders for businesses seeking lower labor costs and less rigorous environmental regulation, thus blackmailing U.S. workers to accept deteriorating working conditions and lower wages or lose their jobs." Do you think that's a fair assessment?

It's not even controversial. Of course it will have that effect. It's already having that effect. Take the free-trade agreement with Canada. It's actually working both ways. Canada has just objected to U.S. environmental regulations on use of asbestos, claiming that that's interference with free trade. Canada is an asbestos exporter, and they want the barriers lowered. Perhaps they've already won on that, meaning that U.S. environmental regulations on asbestos will have to decline. Sooner or later the U.S. is probably going to object to the Canadian Health Service as an interference with free trade because it means that Canadian-based corporations are freed from the burden of paying parts of health costs that U.S. corporations have to bear because of the grotesquely incompetent and highly bureaucratized health system. Threats from U.S. insurance companies were enough to cause Ontario to drop plans for a provincial auto insurance program that would have reduced costs, but cut out the highly inefficient private

corporations -- an interference with free trade, they claimed, and won. Canada has lost several hundred thousand jobs. There are various estimates, but none are less than a quarter of a million jobs, to the United States, manufacturing and similar type labor, because Canadian corporations would much prefer to produce in the southeastern United States, where the government enforces what are called "right-to-work laws," which means state policy coerces labor to ensure that there will be no unionization. As a result, working conditions are far inferior. Wages are less. Naturally, corporations will move to such places. Even the threat to move serves to discipline labor. In general, the effect of the free-trade agreements will be to move to the lowest common denominator with regard to wages, and environmental protection.

**DB:** So do you think that under the rubric of free trade that the Canadian health care system would be seen as an unfair advantage that Canadians have?

It hasn't yet happened, but I would expect it. I expect that American corporations sooner or later may decide that it would be a good idea to undermine the Canadian Health Service by an argument of that sort. There are a lot of calculations involved in that. One problem is that production is so internationalized that Canadian corporations are often U.S. corporations.

**DB:** What did you make of the spectacle of the President of the United States going to Japan with about a score of CEOs of major U.S. corporations and essentially demanding a kind of "international affirmative action," as Jesse Jackson has called it?

First of all, remember that the propaganda phrase was, "I'm going for jobs, jobs, jobs." How much Bush cares about jobs you can see by looking at U.S. policy towards American workers. So while he's talking about jobs, jobs, jobs, the U.S. government is trying to set up the basis for maquiladora industries in Central America to take away American jobs. The phrase means "profits, profits, profits." That's what he was there for. It was kind of stupid for the CEOs to come along. It left the United States as an object of ridicule. But whether they were along or not, that's what the trip was for. Everybody should have known that. The trip was to coerce Japan into accepting managed trade, meaning what's called here "fair-trade practices," which means mercantilist arrangements between powerful states to violate free-trade arrangements and ensure that their own powerful economic forces get benefits. There's nothing novel about that. The Reagan administration combined free-trade bombast with a highly protectionist record. Take control over imports. Various kinds of control over imports amount to duties. They practically doubled, from about twelve percent to about twenty-three percent, during the Reagan years, through what are sometimes called "voluntary arrangements," meaning "you do what we say or we'll close off your market." The latest effort to get Japan to buy American auto parts is just another part of the state-managed trade system that the rich always insist upon while of course beating their breasts about free trade when you can use it as a weapon against someone else.

**DB:** Is Japan powerful enough to resist?

That's an interesting question. No one really has answers to these questions. The domestic and

international economies are only very dimly understood by anyone. So anything we say will sound a lot more confident than it ought to be. My own suspicion has always been that the strength of the Japanese economy has been overestimated, that it's much flimsier than is alleged. For objective reasons. Japan is a resource-poor country, highly dependent upon export for survival. In particular it depends very heavily on the U.S. market. It's expanding into Asian markets, but that doesn't compare with the U.S. market. The U.S. remains the richest country in the world. Also, it's dependent, unlike the United States -- which has plenty of internal resources and enough military power to control other sources of raw materials -- on trade for resources and raw materials as well. Also, the Japanese, when you look at the numbers, look very rich. But if you look at the way people live, they don't look very rich. People are crammed into tiny apartments. They live a highly coerced and submissive existence. If you develop any reasonable quality of life standards, Japan would not rank very high by many measures, although it ranks quite high in others, like health, for example. So it's a mixed story. I think there are serious weaknesses in that economy. I'm not all that surprised by the current recession and financial crisis in Japan. They have such resources and capital. They'll doubtless pull out of this one.

**DB:** Along with the Arab oil producing states and some portions of Europe, Japan seems to be the only other area where there is excess capital formation for investment.

There is a lot of excess capital, but it's not clear what it's going to look like after this crisis has passed. A lot of it was based on very chancy investments and a huge bubble in real estate which was highly inflated. But it's still true. They have plenty of excess capital. In my opinion, German-based Europe is a more likely prospect for a world economic leader in the long term.

**DB:** You just said "crisis," which reminds me of something I've been hearing as long as I can remember, and I am certain you have as well, the "current crisis in capitalism." It seems to be an ongoing story. Is this particular crisis any different?

There has been a global stagnation for about twenty years now. The growth rates and the rise in productivity of the 1950s and 1960s are things of the past. It leveled off around the early 1970s. Things like the breakdown of the Bretton Woods system were symptomatic. Since then there has been a kind of stagnation. It's not level across the globe. For example, for Africa it's been a catastrophe. For Latin America it's been a catastrophe. In fact, for most of the domains of the capitalist world it has been absolutely catastrophic, including internally. Large parts of American and British society have suffered severely, too. On the other hand, other sectors have done quite well. The so-called newly industrializing countries of East Asia, the ones in the Japanese orbit, like South Korea and Taiwan, didn't succumb in the 1980s to the international crisis of capitalism as Latin America did. Up until then their growth rates had been pretty comparable. But they separated sharply in the 1980s, with the East Asian ones doing much better. Again, nobody really knows the reasons for this, but one factor appears to have been that, unlike Latin America, the East Asian countries don't make any pretense of following free-market rules. Capital flight was a huge problem in Latin America. The wealthy just sent their capital elsewhere, or else it was just payment on debt. East Asian countries didn't do that. South Korea has no capital flight problem

because the state is powerful enough not only to control labor, which is the norm, but also to control capital. You can get the death penalty for capital flight. Other forms of state-corporate managed industrial and financial development did protect them from this global crisis of capitalism. Within the rich countries there were various reactions. The United States and Britain are probably the ones that suffered most from it, thanks to Reaganite and Thatcherite measures.

Whether you call this a crisis or not, it's not a well enough defined term so you can answer the question. For a very large part, probably a considerable majority, of the American work force, real wages have either stagnated or maybe even declined for about a twenty-year period.

**DB:** The decline of major U.S. industries, such as auto, textiles, electronics, etc., is well documented. It's not even a matter of discussion. The fastest area of growth in jobs in the U.S. is in such areas as janitors, waiters, truck drivers.

Actually, the fastest growing white collar profession is security guard.

**DB:** What does that tell you?

It means that there is a large superfluous population that has to be controlled and a large number of rich people who have to be protected from them.

**DB:** Is there any economic strategy or planning to create real jobs with decent wages?

For U.S. workers? Why should there be?

**DB:** It would seem that elites would want to protect their position.

But their position does not rely primarily on U.S. labor. They do want to have a domestic work force for services, but production is a different matter.

**DB:** But if there's major economic dislocation in this country, unrest would surely result and their position of power and strength would be threatened.

That depends on whether you can keep the public under control. For example, the *Washington Post* reported on a study about black males in Washington, D.C.

**DB:** Forty-six percent of all black males between 18 and 35 are incarcerated in the District of Columbia.

I think they say at any particular moment about seventy percent of them are somehow within the control of the justice system, on probation, etc. That's a way of keeping people from bothering us: keep them in jail. If they're not useful for wealth production they have to be controlled somehow. But it's not clear that that's a threat to the elites in the Washington area. Or take New York City, which is an absolute disaster. But you can walk around wealthy sectors of downtown Manhattan that look very glitzy and cheery.

**DB:** Prison construction in the U.S. is one of the fastest growing industries.

Yes. The U.S. has by far the highest per capita prison population in the world. Even things like the drug epidemic are functional in a way. I'm not claiming that the government starts it for this purpose. Things go on because they have certain functions for elite groups that set policy. One effect of the so-called "drug war," which has very little to do with controlling drugs and a lot to do with controlling people, has been to create a huge explosion in the prison population. Anybody who works with prisons will tell you that a very substantial part of the prison population is people who are in there for possession, not for harming anyone. That's a technique of control. Whether it's an economical technique of control you could argue. Look how much it costs to control people by putting them in prison and having them on drugs and therefore not bothering you or having them shooting and robbing each other in inner cities. How that compares with other techniques of social control would be a hard question to answer.

However, to go back to your original question. If you were a wealthy professional or corporate executive living in Westchester County, there are certain things you want. You want a comfortable environment, a golf course, to be able to go to the theater in downtown Manhattan. You want your executive offices to be in good shape. You want fancy restaurants around. You want to be able to leave your limousine somewhere without having it broken into. You want good schools for your children. You want a powerful army to protect your interests. You want a skilled work force insofar as you need it. But much of what happens in this country is of no interest to you. If most of the country goes down the tube, that's no big problem.

**DB:** I love your comment "'Ultimately' is a notion that does not occur in capitalist planning." Why not?

First of all, there are no capitalist systems. If there were a capitalist system it couldn't survive for more than a couple of weeks. The only capitalist systems are the ones that are imposed on Third World countries for the purpose of weakening them so that they'll collapse and be taken over by the rich. But there are systems that are more or less capitalist. The more capitalist they are, that is, the more competitive, and less planned and integrated, the more they will tend towards short-term gains. That's inherent in the system. To the extent that a system is competitive and unplanned, those participating in it will be devoting their resources, both intellectual and capital, to short-term gain, short-term profit, short-term increase in market share. The reasons for that are pretty straightforward. Let's imagine that there are three car companies: Ford, General Motors, and Chrysler. Let's say they're really competitive. Then suppose that General Motors decided to put its resources into dealing with problems of global pollution or even trying to produce better cars ten years from now that would be better than those of Ford and

Chrysler. At the same time its competitors Ford and Chrysler would be putting their resources into increasing profits and market share tomorrow, next month, next year. During that period, General Motors would be out of luck. They wouldn't have the capital and the profits to carry out their plans. That's exactly why in countries like Japan in the 1950s, the ministry that directed and organized the Japanese economy, together with the big corporate conglomerates, explicitly and openly decided to abandon free-market illusions and to carry out national industrial planning aimed at Japanese development in "strategic sectors" with high long-term potential. In newly developing industries, the industries of the future, the startup costs can be quite considerable. Profit doesn't come for some time. In a competitive, more capitalist society, you're out of luck. But in a more managed society you can deal with that. There are many well-known free-market inadequacies that typically lead capitalist entrepreneurs to call upon the state to intervene for their benefit. In Japan this led to a conscious decision to carry out substantial, organized, planned interference with the market mechanism so that the economy could prosper. Questions of pollution are perfect examples. If one company tries to devote resources to effects on the environment, they will simply be undercut by other companies which are not doing it. Therefore they will not be in a position to compete in the market. These are matters which are inherent in our capitalist systems. There were experiments with *laissez faire* in Britain in the nineteenth century, when people actually took their own rhetoric seriously. But they pretty quickly called it off. It's too destructive.

**DB:** So you're saying that this class of managers is impervious to the bridges literally collapsing on the homeless and tunnels bursting under the city of Chicago?

Not because they're bad people, but because if they stopped being impervious to it they wouldn't be managers any more. Suppose that the CEO of some big corporation decides he's going to be a nice guy and devote his resources from that corporation to the homeless people under the bridges that are falling down or to global pollution.

**DB:** He's out of a job.

He's out of a job. That's inherent in the system. These are institutional facts. If you want to watch this at its more extreme limits, you should take a look at the World Bank plans on pollution. These recently surfaced. One of my favorite issues of the *New York Times* must have been February 7, back in the business section. There was a report called something like "Can Capitalism Save the Ozone Layer?" Ozone being a metaphor for saving the environment. The question was whether capitalism could save the environment. That was a story by their financial correspondent Sylvia Nasser. The World Bank had come out with a consensus report for the rich countries on a position to take at the Rio conference in June on the global environment. It was written by Lawrence Summers, the chief liberal economist from Harvard. The idea is that the rich countries should take the position, led by the World Bank, that the problem of pollution is that the poor countries, the Third World, don't follow rational policies. "Rational" means market policies. Many of them are resource and raw material producers, energy producers, and they sometimes try to use their own resources for their own development. That's irrational. That means that they're using resources for themselves, often at below market rates, when there are more efficient producers in the West who would use those resources more efficiently. That's interference with the

market. Also, these Third World countries often introduce some measures to protect their own population from total devastation and starvation, and that's an interference with the market. It's an interference with rational market policies. The effect of this Third World irrationality is to increase production in places where it shouldn't be taking place, to increase development in places where it shouldn't be going on, and that causes pollution. So if we could only convince those Third World countries to behave rationally, that is, to give all their resources to us and stop protecting their own populations, that would reduce the pollution problem.

This document was produced with a straight face. It happened that on the same day on the same page of the *New York Times* there was a little article, unrelated, about a World Bank memo, an internal memo, that had leaked. It had been published by the London *Economist*, a right-wing British *Wall Street Journal*, but weekly. It was written by the same Lawrence Summers. The Times had a brief, slightly apologetic summary of it, including an interview with Summers in which he claimed it was intended to be sarcastic. The World Bank memo added to what I have just said about Third World irrationality. It said that any kind of production is going to involve pollution. So what you have to do is to do it as rationally as possible, meaning with minimal cost. So suppose we have a chemical factory producing carcinogenic gases that are going into the environment. If we put that factory in Los Angeles, we can calculate the number of people who will die of cancer in the next forty years. We can even calculate the value of their lives in terms of income or whatever. Suppose we put that factory in Sao Paulo or some even poorer area. Many fewer people will die of cancer because they'll die anyway of something else, and besides, their lives aren't worth as much by any rational measure. So it makes sense to move all the polluting industries to places where poor people die, not where rich people die. That's on simple economic grounds.

Combine that with the other document. What it says is that the Third World should stop producing and protecting its own population because that's irrational. We should send our polluting industries to them because that is rational. Summers in this memo points out that you might have counterarguments to this based on human rights and the right of people to a certain quality of life. But he points out that if we allowed those arguments to enter into our calculations, then just about everything the World Bank does would be undermined. That's quite accurate. That's supposed to be a *reductio ad absurdum*. Obviously we can't undermine everything the World Bank does, so obviously we can't allow such considerations to enter. We consider only economic rationality, of course geared to the interests of the World Bank. That's what you do with pollution. Try to convince the Third World to stop producing and to stop protecting their own population and to accept our pollution. It's all perfectly explicable on rational economic grounds. Any graduate student in economics can prove it to you.

**DB:** Apropos of this blindness of the planners: you have a fantasy ...

It's not blindness. I think it's very reasonable on their part.

**DB:** Within their framework.

Yes.

**DB:** You tell of a fantasy that involves the *Wall Street Journal* and the greenhouse effect.

Someone asked me once and I simply said that if I had the talent, which I don't, I would write a short story about the *Wall Street Journal*. I suppose their offices are on the seventeenth floor of some New York skyscraper. They're sitting there in that office putting out an issue of the *Wall Street Journal* claiming once again that the greenhouse effect is just a fraud invented by left fanatics. As the issue goes to press the water level would have risen to that point and you could hear them gurgling as they start the printer running. That's about what it's like.

**DB:** Let's talk about organized labor unions in the United States. Only fifteen or sixteen percent of the total U.S. work force is now unionized, far below, perhaps by half or even more, what it was decades ago. This is the era of givebacks, benefits reductions, skipping, deferring or eliminating raises. Does organized labor really have a positive, progressive role to play?

It should, but it's in a very weakened state. It's been weak for a long time, but it was smashed during the 1980s. It started with Reagan's success in breaking the air-traffic controllers' strike, and it's continuing until today. The UAW just lost a serious strike at Caterpillar. Their strategy has been so overcome by class collaboration -- We nice guys work together with management -- that when the crisis came at Caterpillar they were probably unprepared. They were simply wiped out. At this point Caterpillar probably won't even live up to the terms of the latest agreement. It seems to be continuing to lock them out. These are serious blows to the labor movement, and that means to American democracy, but they're much to the benefit of the small sectors that are enriching themselves. Does labor have a part to play? It depends on whether working people can get their act together and rebuild the labor movement and turn it into a powerful force for both people's rights and democracy as it once was. It's going to have to be rebuilt from the bottom up. Labor's role has declined significantly since the 1940s. They're not unaware of it. Doug Fraser, the former head of the UAW, pointed out almost fifteen years ago that there has been a bitter, one-sided class war led by American capitalists fighting against labor, while labor, meaning labor bureaucrats, have been seduced by class-collaboration slogans. They're not fighting a class war. The effect of a bitter, one-sided class war is very evident.

**DB:** The *New York Times*, in talking about the economic woes, says "There is little mystery about what caused the economic problems. The country is suffering a hangover from the mergers, rampant speculation, overbuilding, heavy borrowing and irresponsible government fiscal policy in the 1980s." How well did the *Times* and its brethren in the media during this period of economic dislocation and decline actually cover the events and give the American people information that they could act upon?

The *Times* isn't in the business of giving the American people information they can act upon. They hailed the Reagan revolution and its achievements. There were sectors of the population that profited marvelously, including the corporate sectors, of which the Times is a part. They couldn't fail to see that there are social costs. You can't walk around New York City and not see that there are severe social costs, so they probably saw it too. But this was considered as a glorious period of success. There were people who were upset about it. Take a look at, say, Mondale's funding in 1984: a lot of it was from fiscal conservatives who were worried about the long-term effects to their own interests of this kind of mad-dog Keynesianism, wild crazed spending, and government stimulation of the economy through borrowing that was going on through the Reagan years. People could see that that was going to be very problematic for the economy. Take what's just happened in Chicago. The estimates of the costs of fixing those leaks in the underground tunnels might have been at the level of \$10,000. They didn't fix them because they wanted to save the \$10,000 as part of the cutback in civic services. The net effect will be a loss of maybe over a billion dollars or more. That's a loss to private capital, too.

**DB:** But compared to the S&L bailout that's peanuts.

Yes, the S&L bailout is much bigger than that. Chicago is just one piece of a growing disaster. Spending on infrastructure has declined radically in the last ten years, and that's going to have its costs. What happened in Chicago is going to happen all over the place.

**DB:** It can't help but affect even the elites. The area that was flooded ...

And it's hurting them in Chicago. Chicago businesses are suffering. Insurance companies are going to suffer.

**DB:** They're not going to like that.

No, but there's not a lot that they can do about it except to accept more long-term, integrated state corporate planning. There are other possibilities, like democracy, but nobody's going to talk about that.

**DB:** Yeah, right. And maybe there will just be more slogans like "belt-tightening" and "austerity" and "biting the bullet" as opposed to genuine economic policy.

There is genuine economic policy, but it's geared to the short term economic interests of the rich. It's very genuine. And there's plenty of state intervention for that purpose. Take the Pentagon budget. That's massive state intervention in the economy for the benefit of the rich. That's what keeps the electronics industry going, for example.

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# They Don't Even Know That They Don't Know

December 16, 1992

**DB:** Tis the season of fantasies and fairy tales, and in that holiday spirit, today's *New York Times* editorial offers the following history lesson: "America became rich by tapping its natural resources and building large manufacturing plants that imposed rigid work rules." What an inspiring story!

Actually, it's a good year to mention that. This year is sort of historic in this respect. For one thing, it's the centenary of the destruction of the largest union in the United States, the American Steelworkers Union, by Andrew Carnegie, who had just in 1892 established the Carnegie Steel Works, which became the first billion dollar U.S. corporation. His most advanced plant was in Homestead, Pennsylvania, a working-class city with a working-class mayor and a lively cultural scene and a commitment to workers' rights and a union base. He locked the workers out. They took over control of the plant and the town. He sent Pinkerton guards, who were driven away. He then got the National Guard sent in, which took over. It was exactly as the *New York Times* described. In fact, they described it at the time. He was able not only to destroy the union, but to institute twelve-hour work days, and miserable labor standards. The company history published not too long after described this as the basis for the enormous profits that they made. Although he was a pacifist, he succeeded in overcoming his pacifist principles to take on a huge contract for steel for naval vessels. The U.S. was then building up a big navy for purposes of international intervention. He also succeeded crucially, and this is important, in destroying utterly the democratic structure of the town and the region. Scholars who went in to investigate Homestead afterwards found that people were afraid to talk to them. They wouldn't even talk in their homes because they were too terrified of blacklisting and other retaliation. When Mother Jones, the eighty-nine-year-old labor organizer, came to Homestead in 1919 to try to help organize the union again, she was carted off by the cops when she tried to make a public statement. As late as the 1930s, when Roosevelt's Secretary of Labor, Frances Perkins, came to Homestead, she had to be under police protection. It wasn't until the mid-1930s, in the course of union organizing and great public activism, that the elements of democracy were restored to Homestead, and they didn't last very long. The attack on the union started right away. Nineteen-ninety-two is a historic year in that respect, too. This is the first time in sixty years that a major corporation has dared to use the ultimate weapon against a major union. Caterpillar broke a UAW strike by hiring scabs, just as Carnegie and Frick had done a century earlier. So the Times has a point to make. If you impose

harsh enough working standards, you can create profits. As the Times well knows, it turns out to be much easier than before to move production to high-repression, low-wage areas like Mexico or increasingly, Eastern Europe or Indonesia. There you can really impose iron work rules and extract a lot of profit and meanwhile leave the United States with the inner cities that we see. So all that's accurate. I'm glad to see the Times saying something true. They could have added a little background but you can't ask for everything.

**DB:** "America became rich by tapping its inner resources." The brave and enterprising European settlers came to these shores and found this vast, empty, fertile land with abundant flora and fauna and developed it, like some natural process.

That's partly true. They first had to exterminate the native population and drive them off the lands. "Exterminate" is the word they used, and it's what they did. After exterminating the population and bringing in huge numbers of slaves to work for them, they developed the resources.

**DB:** At the Little Rock economic conference and elsewhere there is much talk of economic recovery and restoring competitiveness. Gar Alperovitz takes a dim view that federal policy can reverse basic problems. He writes in today's *New York Times* that what is being proposed is "not likely to make a dent in our deeper economic problems. We may simply be in for a long, painful era of unresolved economic decay." Would you agree?

I didn't see that piece but I did read this morning's *Financial Times* from London, and they talk with some pleasure of the fiscal conservatism shown by Clinton and his advisors. There are some real issues here. First of all, as regards Gar Alperovitz's comment, it's accurate, but we have to be careful in the use of terms. When he says America is in for a long period of decline, we have to decide what we mean by "America." If by the United States we mean the geographical area, he is, I'm sure, right. There has been decline, and there will be further decline, and the country is picking up many of the aspects of a Third World society. That's an automatic consequence of sending productive labor elsewhere. GM, as the press constantly reports, is closing some twenty-four factories in North America. But what you only read about in the small print is that it's opening new factories, including for example a \$700 million high-tech factory in former East Germany, an area of huge unemployment where they can pay forty percent of the wages of Western Europe and none of the benefits. Or, as the *Financial Times*, the leading world business journal, puts it, they don't have to worry about the "pampered West European workers" any longer, they can just get highly exploited Third World workers now that Eastern Europe is being pushed back to its traditional Third World status. It's the same in Mexico, Thailand, etc.

There is a consequence to that. We become a Third World country in some respects. So if by the United States we mean the geographical area, he's right. If by the United States we mean U.S.-based corporations, then he's not right. In fact, the indications are to the contrary. Profits are doing fine, and a small sector is enriching itself. Even production by U.S.-based corporations is doing well, if we view the

matter globally, as they do. I think Gar is right in saying that the policies now being discussed will have only a cosmetic effect on the United States as a geographical area. But I think they will probably be beneficial to the United States as a system of U.S.-based finance and industry, which is why the business community tended to give Clinton a good deal of support.

These last couple of days, the conference, and the elections, too, did deal with a significant issue. As usual, the issue had to do with a tactical disagreement within business circles. They are facing an objective problem, there's no doubt about it. The core of it has to do with what's called "industrial policy." We have to put aside a lot of nonsense before we can talk about this. The United States has always had an active state industrial policy, just like every other industrial country. Outside of ideologues, the academy, and the press, no one thinks that capitalism is a viable system, and nobody has thought that for sixty or seventy years, if ever. It has been understood certainly since the Great Depression and the Second World War, if not long before, that the only way a system of private enterprise can survive is if there is extensive government intervention to regulate disorderly markets and protect private capital from the destructive effects of the market system, to organize a public subsidy for targeting advanced sectors of industry, etc. So every advanced country, whether it's Germany or Japan or by now South Korea or certainly the United States, France, etc., has always had an active industrial policy. You can trace this back to the first industrializing country, England, and it's always been true of U.S. history, increasingly consciously so, since the Depression and the Second World War. Nobody called it industrial policy. It was always masked within the Pentagon system, which was, internationally, an intervention force, though domestically the Pentagon always was, and was understood to be from the late 1940s, a method by which the government can coordinate the private economy, can provide welfare to it, can subsidize it, can arrange the flow of taxpayer money to research and development, provide a state-guaranteed market for excess production, and target advanced industries for development, etc. Just about every successful and flourishing aspect of the U.S. economy has always relied on this kind of government involvement. Much of it has been masked by the Pentagon system.

Why are people now talking about industrial policy? The reason is that the mask is dropping. That's an objective problem. It is very difficult now to get people to be willing to lower their consumption, their aspirations in order to divert investment funds to high-technology industry on the pretext that the Russians are coming. There are various efforts to continue this. In fact, the current public relations stunt in Somalia, in my opinion, is an effort which I don't think is going to work to try to reinvigorate this system. But the system is in trouble. Economists and bankers have been pointing out openly for some time that one of the main reasons why the current recovery is so sluggish is that the government has not been able to resort to the traditional pump priming mechanism, the traditional mechanism of economic stimulation, namely increased military spending with all of its multiplier effects. That's just not as readily available.

There's another fact that goes right along side it, which is independent of this. The cutting edge of technology and industry has for some time visibly been shifting in another direction, away from the electronics-based advanced industry of the postwar period and towards biology-based industry and commerce. Biotechnology, genetic engineering, design of seeds and drugs, even animal species, etc. is expected to be a huge growth industry with enormous profits. It's vastly more important than electronics. In comparison, electronics is a sort of frill. This has to do with the means of life and existence, which the

government and U.S. corporations hope that U.S. commercial enterprises will dominate and if possible even monopolize. But it's very hard to disguise government involvement in that behind the Pentagon cover. Even if the Russians were still there you couldn't do that. So there are some real problems. That's why you have open discussion now of industrial policy. It was pretty openly proposed and discussed in the Little Rock meetings, and in fact throughout the campaign. There are differences between the two political parties on this. The Clinton people are more up front about these needs. The Reagan-Bush types, who are more fanatically ideological, still to some extent have their heads in the sand about it, although the Reagan administration was highly protectionist and did set up a government corporation to try to get the computer-chip industry back into operation. That succeeded. They were a bit more dogmatic on this issue. I think that's one of the main reasons why Clinton had substantial business support.

Those are real phenomena. They will have to be dealt with. Or take the question of "infrastructure" or "human capital," a kind of vulgar way of saying keep people alive and allow them to have an education. By now the business community is well aware that they've got problems with that. Take, for example, the *Wall Street Journal*, which has been the most extreme advocate of Reaganite lunacies for the past ten years. They're now publishing articles in which they're bemoaning the consequences -- without, of course, conceding that those are the consequences. They had a big news article a couple of weeks ago on the state of California and the collapse of the educational system, which they are very upset about. It was about San Diego. Businessmen in the San Diego area have relied on the state system, on a public subsidy, to provide them with skilled workers, junior managers, applied research, etc. The system is in collapse. The reason is obvious: the large cutbacks in social spending in the federal budget and the huge federal deficit, all of which the *Wall Street Journal* supported, simply transferred the burden of keeping people alive and functioning to the states. The states are unable to support that burden. They are in serious trouble. They tried to hand it down to the municipalities, which are also in serious trouble. One of the consequences is that the very fine educational system in the state of California is in serious difficulty, and now businessmen are complaining about it. They want the government to get back into the business of providing them with what they need: skilled workers and research. That's going to mean a reversal of the fanaticism that the *Wall Street Journal* and others like it have been applauding for all these years.

**DB:** At the Little Rock conference I heard Clinton talking about structural problems and rebuilding the infrastructure. One attendee, Ann Markusen, a Rutgers economist and co-author of the book *Dismantling the Cold War Economy*, talked about the excesses of the Pentagon system and the distortions and damages that it has caused to the U.S. economy. So it seems that there is at least some discussion of these issues that I don't recall ever coming up before.

The reason is that they simply can't fully maintain the Pentagon based system with the propaganda pretexts gone. So you've got to start talking about it.

**DB:** Talking about it is one thing, but do they really have a clue about what to do? Can they have a clue?

I think they have a clue about what to do. They know perfectly well what they can do. If you listen to smart economists like Bob Solow, who started the thing off, they have some pretty reasonable ideas about what to do. What they want to do is openly done by Japan and Germany and every functioning economy, namely rely on government initiatives to provide the basis for private profit, and do it openly. The U.S. has been doing it indirectly through the Pentagon system, which is in fact kind of inefficient. It won't work anymore anyway, for the most part. So they would like to do it openly. The question is whether that can be done. One problem is that the enormous debt created during the Reagan years, at all levels -- federal, state, corporate, local, even household -- makes it extremely difficult to launch constructive programs. That's why they're faced with this contradiction.

**DB:** There is no capital available.

Yes. In fact, that was probably part of the purpose of the Reaganite borrow and spend program.

**DB:** To eliminate capital?

You recall about ten years ago, when David Stockman was kicked out, he had some interviews with William Greider which he pretty much said that the idea was to try to put a cap on social spending simply by debt. There will always be plenty to subsidize the rich, but you won't be able to pay aid to mothers with dependent children, only aid to dependent corporate executives. They may have overdone it. Furthermore, there is another problem, a cultural and ideological problem. They have for years relied on propaganda based on denial of these truths. It's other countries that have government involvement and social services. We're rugged individualists. So IBM doesn't get anything from the government. In fact, they get plenty, but it's through the Pentagon, among many other ways, for example, regressive fiscal measures. Propaganda aside, the population is pretty individualistic and kind of dissident and doesn't take orders very well, by comparative standards, and it's not going to be easy to sell people on subsidizing advanced sectors of the economy. These cultural factors are significant. In Europe there has been a kind of social contract. It's now declining, for exactly the reasons that I mentioned, but it has been largely imposed by the strength of the unions, in my opinion, the organized work force, and the relative weakness of the business community, which is not as dominant in Europe as it has been here for historical reasons. That led to a kind of social contract, if you like, in which the government does see primarily to the needs of private wealth, but it also creates a not insubstantial safety net for the rest of the population. So they have general health care, reasonable services, etc. We haven't had that, in part because we don't have the same organized work force and we have a much more class conscious and dominant business community. In Japan, pretty much the same results were achieved, but the reasons were largely the highly authoritarian culture. People just do what they're told. So you tell them to cut back consumption, they have a very low standard of living, considering their wealth, work hard, etc. and people just do it. That's not going to be so easy to do here. There are going to be many problems.

**DB:** You mentioned the GM plant moving to Mexico. There's also Smith Corona in Cortland, New York, the last U.S.-based typewriter company. That, too, is moving to Mexico. There's a whole maquiladora corridor along the border, with incredible levels of lead in the water, high

levels of pollution and toxic waste, and workers working for five dollars a day.

Actually, the case that I mentioned was GM moving to Eastern Europe, which is in a way more interesting. It tells you what the Cold War was all about. But you're right about Mexico. One of the major issues before the country right now, right through the whole electoral period, is NAFTA, the North American Free Trade Agreement. It's quite interesting to see how that's been handled. You learn a lot about the country and the future from looking closely at that. There is no doubt that NAFTA is going to have a very large scale effect on the life of Americans, and Mexicans, too. You can debate what the effect will be, but nobody doubts that it will be significant. Quite likely the effect will be to accelerate just what you've been describing, the flow of productive labor to Mexico, which is a totalitarian dictatorship, very brutal and repressive. Therefore you can guarantee low wages. During what's been called the "Mexican economic miracle" of the last decade, wages have dropped sixty percent. Union organizers get killed. If the Ford Motor Company wants to toss out its work force and hire slave labor, they just do it. Nobody stops them. Pollution goes on unregulated. It's a great place for investors. One might think that NAFTA, which includes sending productive labor down to Mexico, might improve their real wages, maybe level the two countries. But that's most unlikely. One reason is the repression, which prevents organization that could lead to raising wages. Another consequence of NAFTA will be flooding Mexico with capital-intensive agricultural products from the United States, all based ultimately on big public subsidies, which will undercut Mexican agriculture. So they will be flooded with American crops, which will drive millions of people off the land to urban areas or into the maquiladora areas. This means another major factor driving down wages. It's not at all clear that NAFTA will lead to raising wages. It will almost certainly be a big bonanza for investors in the United States and for the wealthy sectors in Mexico which are their counterparts, the ones applauding the agreement, and the professional classes who work for them. It will very likely be quite harmful for American workers. The overall effect on jobs is uncertain, but it's very likely that wages and work conditions will suffer. Hispanic and black workers are the ones who are going to be hurt most.

**DB:** While those jobs are being lost, U.S. corporate profits are increasing. Is that what you're saying?

Corporations are doing very well. This is one of the best years for corporate profits.

**DB:** Will NAFTA and GATT, the General Agreement on Tariffs and Trade, essentially formalize on an institutional level North-South relations?

That's the idea, in fact. It will also almost certainly degrade environmental standards. For example, corporations will be able to argue that EPA standards are violations of free trade agreements. This is already happening in the Canada-U.S. part of the mislabeled free trade agreement. Its general effect will be to drive life down to the lowest level while keeping profits high. One can debate this, but there's no doubt that the consequences are significant, and it's interesting to see how it's been handled. It didn't even arise in the campaign. The public hasn't the foggiest idea what's going on. In fact, they can't know. One reason is that NAFTA is a secret. It's an executive agreement which is not publically available. To give

you an indication of the extent to which this is true, in 1974 the Congressional Trade Act was passed. One of its provisions was that on any trade-related issue there has to be an analysis and input by the Labor Advisory Committee based in the unions. Obviously they have to have an analysis and report on NAFTA. NAFTA was signed by the President. It's an executive agreement. That was mid-August of this year. The Labor Advisory Committee was notified. They were informed that their report was due on September 9 of this year. However, they were only given the text about twenty-four hours before the report was due, ensuring that they couldn't even convene and obviously couldn't write a serious report. These are conservative labor leaders, not the kind of guys who criticize the government much. They nevertheless wrote a very acid report. They said, to the extent that we can look at this thing in the few hours given to us, it looks like it's going to be a total disaster for working people, for the environment, for Mexicans, and a great boon for investors. They pointed out that property rights are being protected all over the place but working rights are never mentioned. They also bitterly condemned the utter contempt for democracy that was demonstrated by not even allowing them to look at it. They said parts of it are still being kept secret. GATT is the same. Nobody knows what's going on there unless they're some kind of specialist.

**DB:** Have you seen details of these treaties?

You can see details in the secondary comment on them, like the Labor Advisory Committee report. Theoretically, by now it's possible to get a text. But the crucial point is that, even if you and I could get a text, what does that mean for American democracy? How many people even know that this is going on? The Labor Advisory Committee report was never reported by the press. People not only don't know what's happening to them, they don't even know that they don't know. GATT is even more far reaching. I just came back from a couple of weeks in Europe, where this is a pretty big issue in the European Community context. One of the big public concerns in the European Community is described as nationalism, but what it really has to do with, I think, is what's called in EC parlance the "democratic deficit," meaning the gap that is developing between executive decisions, which are secret, and democratic, or at least partially democratic institutions, like parliaments, which are less and less able to influence decisions made at the Community level. All of this is a marvelous device for rendering democratic forums meaningless. It means crucial decisions with enormous impact are being raised to a level where the population can't influence them even indirectly through parliaments and furthermore doesn't know about them. And as in this case, doesn't even know that it doesn't know. That leads us towards a goal that has long been sought, namely maintaining democratic forms but ensuring that there's no interference with private power. This is a reflection of the globalization of the economy.

Over history, governmental institutions have, to a considerable extent, tended to reflect the form that's being taken by economic power and its organization. It's not one hundred percent, but there is a strong tendency in that direction. That's what we're now seeing. The economy is being internationalized, meaning that the geographical industrial countries are being deindustrialized but the corporations are doing fine. This internationalized economy, run largely by transnational corporations and supernational banks are creating their own governmental structures, like GATT and NAFTA and the IMF and the World Bank and the G-7 meetings, etc. The international business press is pretty up front about it. They call it a "de facto world government" which is going to reflect these interests.

**DB:** It seems that the Clinton-Gore administration is going to be in a major conflict over its support for NAFTA and GATT at the same time, at least on a rhetorical level, talking about its commitment to environmental protection and creating jobs for Americans.

I would be very surprised if there's a big conflict over that. I think your word "rhetorical" is accurate. Their commitment is to U.S.-based corporations, which means transnational corporations. They very much like this special form that NAFTA is taking with special protection for property rights but no protection for workers' rights. And with the methods being developed to undercut environmental protection. That's in their interests. I doubt that there will be a conflict in the administration about this unless there is a lot of public pressure.

**DB:** There's been almost a domino effect, in terms of Canada, the United States, and Mexico. Canadian businesses are moving to states in the deep South and U.S. businesses moving to Mexico.

And remember that Canadian and U.S. businesses are pretty closely interlinked. Again, we have to be very careful when we use words like "Canada" and "United States" or "Mexico." These always were propaganda terms which covered up a lot. You just have to look at some of the figures. About ten years ago, when the latest U.N. figures were made available, about forty percent of world trade was internal, intrafirm transfers, transfers internal to a particular corporation. That is, it was centrally managed trade. It's not really trade, just interchanges between branches of a big transnational corporation. That's forty percent of world trade. Undoubtedly the figure's higher now.

Take a look at neo-classical economics, the kind of stuff you're supposed to bow before. It has a theory about this, i.e., ideally there's a free-market sea and within it are little islands which are little individual firms. Of course, everybody understood that a particular business, say a grocery store down the street, internally doesn't work by free trade. Internally it's centrally managed. So you have centrally managed islands in the free-market sea. The free-market sea was always more of less of a joke. But by now the islands are about the scale of the sea. This is increasingly centrally managed trade by major corporate structures. It's been called "corporate mercantilism" with its own governmental structures developing and the public increasingly marginalized to a pretty remarkable extent.

**DB:** Talk about the political economy of food, its production and distribution, particularly within the framework of IMF and World Bank policies. These institutions extend loans under very strict conditions to the South. They must promote the market economy, and they need to pay back the loans in hard currency. They have to increase exports, like coffee, so that we can drink cappuccino, or beef so that we can eat hamburgers, all at the expense of indigenous agriculture.

Basically the picture's the way you have described. The individual cases are quite interesting. Take the great economic miracle in Latin America, which is now being used as the basis for applying the same

medicine in Eastern Europe. In fact, the same people are going. Jeffrey Sachs, a leading Harvard expert, who carried through what's considered the highly successful economic miracle in Bolivia, then went off to Poland and Russia to teach them the same rules. It's interesting to have a close look. Take Bolivia. It was in trouble. It had had brutal dictators, highly repressive, huge debt, the whole business. The West went in, Sachs was the advisor, with the IMF rules: stabilize the currency, increase agro-export, cut down production for domestic needs, subsistence agriculture, etc. It worked. The figures, the macroeconomic statistics looked quite good. The currency has been stabilized. The debt has been reduced. The GNP is increasing. There are a few little flaws in the ointment: poverty has rapidly increased. Malnutrition has increased. The educational system has collapsed. But most interesting is what has in fact stabilized the economy: agricultural exports -- but not coffee. Coca. Some specialists on Latin American economies estimate that it now accounts for probably about two-thirds of Bolivian exports. The reason is obvious. Take a peasant farmer somewhere, flood his area with U.S.-subsidized agriculture, maybe through a Food for Peace program, so he can't produce or compete. Set up a situation in which the only way he can function is as an agricultural exporter. He's not an idiot. He's going to turn to the most profitable crop, which happens to be coca.

The peasants of course don't get much out of this. They also get the guns and the DEA helicopters. But they get something. At least they can survive. And you get a flood of coca exports. The profits mostly go to the big syndicates, or, for that matter, to New York banks. Nobody knows how many billions of dollars of this pass through New York banks or their offshore affiliates, but it's undoubtedly plenty. Plenty of it goes to U.S. based chemical companies which, as is well known, are exporting chemicals to Latin America far beyond any industrial needs, mainly the chemicals that are used in cocaine production, which is an industrial activity. So there's plenty of profit. It's probably giving a shot in the arm to the U.S. economy as well. And it's contributing nicely to the international drug epidemic, including here. That's the economic miracle in Bolivia. And that's not the only case. But yes, these are the kinds of consequences that will follow from what has properly been called "IMF fundamentalism." It's having a disastrous effect everywhere it's applied, except that it's regarded as successful. From the point of view of the perpetrators, it is quite successful. So Latin America is supposed to be undergoing a dramatic recovery, and in a sense it is. As you sell off public assets, there's lots of money to be made, so much of the capital that fled Latin America is now back. The stock markets are doing nicely.

Take a look at Chile. There's another big economic miracle. The poverty level has increased from about twenty percent during the Allende years up to about forty-four percent now, after the great miracle. Similarly in country after country. But the elite sectors, the professionals, the businessmen, are very happy with it. And they're the ones who make the plans, write the articles, etc. So there's a lot of praise for the economic miracle here, too. It's just a far more exaggerated version of what we see here. Here we see it in a relatively mild way as compared with the Third World, but the structural properties are the same. The wealthy sector is doing fine. The general public is in deep trouble.

**DB:** Between 1985 and 1992, for example, in the United States, Americans suffering from hunger rose from twenty to thirty million, this while novelist Tom Wolfe, a great admirer of yours (Not!), described the 1980s as one of the "great golden moments that humanity has ever

experienced. "

Take a look at last Sunday's *New York Times Magazine*. There was an article which was properly apolitical, but if you just add the background politics you can explain it. It was about the Boston City Hospital, the hospital for the poor, the general public in Boston, not the fancy Harvard teaching hospital. They didn't say so in the article, but a couple of years ago they had to institute a malnutrition clinic because they were getting Third World levels of malnutrition and their funds are so slight that they had to institute triage, take the cases that you can save more easily. That's something that has never happened before. Most of the deep starvation and malnutrition in the country had pretty well been eliminated by the Great Society programs in the 1960s. But by the early 1980s it was beginning to creep up again, and now the latest estimates are thirty million or so in deep hunger. It gets much worse over the winter because parents have to make this agonizing decision between heat and food. The effect is the kind of things described in that article: children dying because they're not getting water with some rice in it.

**DB:** The group Worldwatch says that one of the solutions to the shortage of food is control of population. Do you support efforts to limit population?

First of all, there is no shortage of food. There are problems of distribution, serious problems. However, that aside, I think undoubtedly there should be efforts to control population. There are well-known ways to control population: increase the economic level. Population is very sharply declining in industrial societies. Many of them are barely reproducing their own population. Take Italy, which is a late industrializing country but has been industrializing. The birth rate now doesn't reproduce the population. That's a standard phenomenon. The reasons are pretty well understood. Economic development is the best method of population reduction.

**DB:** Coupled with education?

Coupled with education and, of course, the means for birth control. The United States has had a terrible role. It will not help fund international efforts to even provide education about birth control.

**DB:** The globe is burning while various Neroes are fiddling. A study reported in the current issue of the British journal *Nature* indicates with greater precision and certainty than ever before that global warming is increasing. It predicts anywhere from a four to six degree increase in temperature. The resulting change in the earth's climate would have disruptive and possible catastrophic consequences for both human society and natural ecosystems.

This has been pretty well known to scientists for over twenty years. I remember when I first heard it from the head of the Meteorology and Earth Sciences Department at MIT, a very distinguished scientist and incidentally a big skeptic about catastrophism. But by about 1970 he was convinced that there was a very serious problem ahead. There has been much debate about the timing, but the course of developments is

not really in doubt. There are some holdouts, like the editors of the *Wall Street Journal*, but it's pretty clear. This new study seems to sharpen up the estimates. It narrows the range that had already been assumed and adds more evidence to it.

Nobody can be certain about these things, of course. There's always going to be a margin of error, and a lot is simply not understood. But to play games with these possibilities is just insane. You have to take seriously a worst-case analysis.

**DB:** Carl Sagan spoke in Boulder a few months ago and talked about the environmental crises transcending narrow state interests and state abilities to address them, thus opening the way to global cooperation. This is something you've talked about as well.

The question is: Who's going to do the global cooperation? There's plenty of cooperation going on.

**DB:** The global enforcer.

There's that, and there's also this de facto world government, reflecting the needs and interests of the global corporations and banks. That's global cooperation. What is lacking, however, is global cooperation arising out of popular democratic structures. That's not only lacking, it's declining, because the democratic structures are declining. So to talk about global cooperation is not helpful. Global cooperation among the transnational corporations is just going to make the problem worse.

**DB:** There is a burst, a surge of tribalism all over the world: nationalism, religious fanaticism, racism, from L.A. to the Balkans to the Caucasus to India. Why now?

First of all, let's remember that it's always been going on.

**DB:** I grant you that, but it seems more pronounced.

In parts of the world it's more pronounced. Take Eastern Europe. Up until a couple of years ago it was under the control of a very harsh tyranny. A tyranny like the Soviet system basically immobilizes the civil society, which means that you eliminate what's good, but you also eliminate what's bad. One of the things that was bad in that civil society traditionally was very bitter ethnic hatreds. Europe altogether is a very racist place, even worse than we are. But Eastern Europe was particularly ugly. One of the reasons why I'm here is that a lot of my parents and grandparents fled from that. It was held down by the general repression of civil society, which repressed democratic forces but also ethnic hatreds and hostilities. Now that the tyranny is gone, the civil society is coming back up, including its warts, of which there are plenty. Elsewhere in the world, say in Africa, yes, there are all kinds of atrocities. They were always there. One of the worst atrocities was in the 1980s. South African atrocities, meaning U.S.-backed atrocities, from 1980 to 1988, were responsible for about a million-and-a-half killings, plus about \$60 billion of damage,

only in the region surrounding South Africa. Nobody here batted an eyelash about that, because the U.S. was backing it. If you go back to the 1970s in Burundi, there was a huge massacre, hundreds of thousands of people killed. Nobody cared.

In Western Europe, you are getting an increase in localism. This is in part a reflection of the decline in the representative character of the democratic institutions. So as the European Community slowly consolidates towards executive power, reflecting big economic concentrations, people are trying to find other ways to preserve their identity, and that leads to a lot of localism. That's not the whole factor, but it's a lot of it. You should be careful with what's called "racism" in the United States. Take Los Angeles. There's plenty of racism. But remember that there's an unpronounceable five letter word in the United States, namely "class." And a lot of the conflict is in fact class. There are tremendous disparities between black and white populations in health, infant mortality, etc. But a substantial factor of that is actually a class factor. At every class level, from homeless up to executive, blacks are worse off than whites. Nevertheless, a lot of the disparity between blacks and whites is class-based -- poor whites are not much better off than poor blacks. Race and class are pretty well correlated, so you get confusions. As the population moves towards a kind of a Third World character, people get bitter and desperate. And as the democratic institutions become more and more evacuated of content, people look for other things. They may look for a savior, like a guy from Mars like Ross Perot. Or they may turn to religious fanaticism, or other things.

**DB:** Or resurrect the Kennedy myth.

That's another case, in my opinion.

**DB:** Germany is the country everyone loves to hate. It's a very convenient target. It's interesting to see what the German government response has been to the incidents in that country to restrict immigration -- they had the most liberal asylum policies in the world -- limit civil liberties, and ban political parties.

When anything happens in Germany, people get pretty upset. And they're right. There is a history, after all. Nevertheless, we should remember a few things. As you said, Germany had the most liberal policy. Furthermore, they had by far the largest number of refugees. Europe is an extremely racist place. The localism is way beyond anything that we're used to. To an extent that you rarely find here, people tend to live near where they were raised and hate the person in the next village. There's a lot of talk about German racism, and it's bad enough. For example, kicking out the Gypsies and sending them off to Romania is such a scandal you can't even describe it. The Gypsies were treated just like the Jews in the Holocaust, and nobody's batting an eyelash about that because nobody gives a damn about the Gypsies. But we should remember that there are other things going on, too, which are getting less publicity. Take Spain. It was admitted into the European Community with some conditions, one of which was that it is to be what is pretty openly called a "barrier" to these hordes of North Africans who the Europeans are afraid are going to flock up to Europe. It's a narrow distance. There are plenty of boat people trying to get across from North Africa to Spain, kind of like Haiti and the Dominican Republic. The boats are sinking in the

Mediterranean, or if people happen to make it, they are expelled by the Spanish police and navy. It's very ugly. There are of course reasons why people are going from Africa to Europe and not the other direction. There are five hundred years of reasons for that. But it's happening, and Europe doesn't want it. They want to preserve their wealth and keep the poor people out.

The same problem is happening in Italy. There was a recent electoral victory by the Lombard League, a group that seems to have a kind of neofascist element. It reflects northern Italian interests. Part of their concern is the same thing: North Africans drifting up through Sicily and into Italy and coming up from the south. They don't want them. They want rich white people. Europe has not been a heterogenous society to anything like the extent that the United States has. Nor has it been as mobile a society as the United States. These matters have been a bit under the cover, but they're harder to keep under the cover.

**DB:** What are your two new books?

One is called [Year 501](#). As the title indicates, it's an effort to look back over and rethink the major themes of the past five hundred years, the period of the European conquest of the world, and to look at the forms that it's taken, the principles and themes that underlay it and ask what they suggest about year 501, meaning the future. In my opinion it's basically more of the same adapted to current contingencies with elements of the kind we've been discussing. The second book is called [Rethinking Camelot](#). The main focus is on two years, 1963-64, the presidential transition and the planning for the Vietnam War. That's a fascinating period that we probably know more about than almost anything in American history. There's huge documentation. It's extremely important. It led to one of the largest atrocities of the whole five-hundred-year era, namely the Indochina War, which had enormous consequences. Major decisions were being made at that time. It takes on added interest because of the fact that there was a presidential transition and an assassination which has led to a lot of, in my view, fantasies, but at least beliefs that something crucial happened, that some major change in American history took place at the time of the Kennedy assassination which cast a pall on everything that followed. This has been fostered in large part by Kennedy intellectuals. After the Tet Offensive in 1968, when corporate America basically called off the war, they completely changed their story as to what had happened. If you take a look at the people who had written memoirs, Kennedy's associates, they came out with new versions totally different from the old ones, in which it turned out that Kennedy was a secret dove and was trying to withdraw. There was no hint of that in the earlier versions or, for that matter, in the secret record or anywhere else. But they have an obvious stake in trying to recover the image of Camelot and make it look beautiful. Arthur Schlesinger is the most remarkable example. Also, large sectors of the popular movements have been involved in this, to a certain extent even immobilized by these ideas, especially in the last year or two.

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# Race

January 14, 1993

**DB:** The latest news bulletins report that Allied bombers are currently attacking Ankara, Jakarta, Tel Aviv, and even Washington, D.C., because of their defiance of UN resolutions. Would you care to comment?

Not Port-au-Prince?

**DB:** You just wrote a book called [Year 501](#), and it's beginning the same way that Year 499 began, with the bombing of Iraq, which is very much what you anticipated.

Although this bombing is of a very different character. This one is a matter of George Bush and Saddam Hussein playing to their respective audiences and each giving the other appropriate assistance in the action. It's difficult to conceal. I noticed Bob Simon on CBS the other night just after the bombing, reporting from Baghdad, saying, This is the best gift that Bush can give to Saddam Hussein. Conversely, although for a short time only, Saddam Hussein will now again, even more, be able to appeal not only to his own population but to a considerable part of the Arab world and a lot of the Third World as someone who is defying imperialist violence. The bombing was immediately denounced by the Arab League as an act of aggression against an Arab country. The Arab countries wouldn't take part. Certainly at home he's guaranteed a worshipful reception on the part of those who transmit pictures of the world to the public. The same with Bush: worshipful reception at home, easy action, overwhelming force against people who can't shoot back. You can strut around the stage and strike heroic poses. It emphasizes what he wants to go down in history as his one achievement, namely killing a lot of people without getting shot at.

**DB:** There was Libya in the 1980s and now Iraq in the 1990s, convenient punching bags. But Muammar Qaddafi and Saddam Hussein also play their part. They're great villains. They're easy to hate, too.

Qaddafi is sort of a small time thug, but Saddam Hussein is a major one. On the other hand you have to bear in mind that the villainy is totally irrelevant. He was as much a villain before August 2, 1990. His worst crimes by far are during the period when he was a highly admired ally who was being strongly

supported by the United States, so strongly that he even almost approached the level of Israel. Israel, I had thought, would be the only country in the world that could bomb an American ship (the Liberty), kill a couple of dozen American sailors and get away with it completely. But I was wrong. Iraq was able to do it, too. Iraq was able to bomb the U.S.S. Stark in the Gulf, killing Americans, and get away with it because they were such close allies. That was in 1987, the period when the U.S. was tilting strongly toward Iraq to try to make sure that they won the Iraq-Iran war. It continued until the one crime for which Saddam Hussein cannot be forgiven: he disobeyed orders on August 2. Immediately after, within a few months, the U.S. was supporting him again. There was no secret about it. In March, right after the fighting stopped, when Saddam Hussein turned to crushing the Shiites in the South and then the Kurds in the North, the U.S. stood by quietly and assisted him. The Kurds finally got some publicity. They're blue-eyed and Aryan. But the Shiites got no publicity. They were much harder hit. That was right under the nose of American forces. Iraqi generals were appealing to the American forces to let them have some arms so they could fight off Saddam Hussein's troops. Stormin' Norman was just sitting there and watching, maybe writing his memoirs at the time. This was reported. It received sober approval in the press: Yes, we don't like Saddam Hussein, but we have to support him in the interests of stability, meaning retaining our power in the region. In fact, at that time, the government was actually kind enough to explain for once exactly what they were doing. It's worth paying attention to the words, passed through the government spokesman at the *New York Times*, chief diplomatic correspondent Thomas Friedman, who described U.S. policy as handed to him, which is that the U.S. is seeking the "best of all worlds": an iron-fisted Iraqi junta which could wield the iron fist in Iraq just the way Saddam Hussein did before the invasion of Kuwait, much to the satisfaction of the U.S. allies Turkey and Saudi Arabia and obviously the boss in Washington. That's what they want. This makes it extremely clear. You can't miss the message. It's explicit and clear and lucid. They want a Saddam Hussein, and since he's now an embarrassment, they want a clone, somebody equivalent to Saddam Hussein who will be able to wield the iron fist again just like he did. So the crimes are irrelevant. Yes, he's a demon, but that's irrelevant. What's relevant is the obedience. That's a pattern that goes way back in history. We supported Mussolini and Hitler for similar reasons.

**DB:** No noise from the servants' quarters.

Yes.

**DB:** What do you think of this new concept in statecraft, the "no-fly zone"?

Anyone's going to try to lead with their strength, and the U.S. strength is in high-technology military capacity. The U.S. government recognizes that classical intervention is no longer an option. This is one of the major changes since the 1960s; in fact it's a change in world history. I think they well understand that the population will not tolerate the classical forms of intervention. We should remember what that means. Classical intervention is, for example, when Woodrow Wilson sent the Marines to attack Haiti and the Dominican Republic and conquer them, killing thousands of people, tearing apart the constitutional system and reinstating virtual slavery, turning the countries over to western investors, turning them both into plantations. Neither country has recovered. In the case of Haiti we stayed there for

almost twenty years. Or marauding around Nicaragua searching for Sandino. Or another form of classical intervention, actually one that set some new precedents, was Kennedy thirty years ago, when he sent the U.S. Air Force to start bombing villages, authorized napalm and defoliation, and sent U.S. military forces in as combat advisors. All of that's classical intervention. That's finished. Nobody assumes that that's even possible any longer. They can only carry out what an early Bush administration high-level planning document stated: only rapid and decisive intervention against much weaker enemies which will lead to very quick victory without any fighting. Anything else will undercut political support. There is no longer any political support.

That gets back to no-fly zones. No-fly zones nobody knows about. It's clean. The only people who get killed are other people. There's never any interaction between the military forces. So what was called a "combat" between U.S. and Iraqi jets wasn't a combat. It wouldn't be a combat if I sat here pushing a button and a bomb went off halfway around the world. The Iraqi jets are only "in combat" when U.S. planes are out of their range. So there are cheap wars. We can attack, but we never get shot at. That the public will still tolerate. That's what no-fly zones are about.

**DB:** What about the role of the UN in these various interventions now, giving its approval?

First of all, the UN doesn't really give its approval. It just stays back. So during the Gulf War, the UN did not give its approval. The UN was neutralized. There was a series of resolutions. When Iraq invaded Kuwait, the Security Council passed resolution 660, which is the usual kind of resolution that's introduced after some act of aggression. It called for Iraq to withdraw. It had a second part, which was immediately forgotten, because the U.S. wouldn't tolerate it. The second part was that Iraq and Kuwait should immediately undertake negotiations to settle issues between them. The U.S. wasn't having that. They didn't want negotiations. The second part dropped out of history. But the first part stayed. Iraq should withdraw. The only difference between that and any other UN resolution was that this time it wasn't vetoed. A similar resolution had been introduced just a few months earlier, when the U.S. invaded Panama. Of course that time it was vetoed. The U.S. has vetoed dozens of such resolutions. Same thing when Israel invaded Lebanon.

Then came a series of resolutions leading ultimately to the final one, 678, in which the UN simply washed its hands of the matter. In late November 1990 the UN simply said, Look, it's out of our hands. Any state can do anything they feel like. That's one of the most destructive attacks on the UN that has ever taken place. The UN simply said, We cannot carry out our function. The UN charter is very explicit that no state can use violence unless explicitly authorized by the Security Council. The UN didn't do that, but simply said, We have to wash our hands of the matter. The reason is the U.S. is going to do what it feels like.

**DB:** So yesterday's bombing was illegal?

It had no authorization at all. Nobody even pretends that it did. Furthermore, whatever the Iraqis were

doing with the missiles, whatever games they were playing, right or wrong, you can discuss it at some other level, but as far as the UN resolutions are concerned, it's conceded in the small print that they did not violate any resolution. As to the other things, impeding access of UN inspectors and moving into Umm Qasr port to pick up their equipment, that's arguably in violation of resolutions in a technical sense, but the UN simply made a comment -- didn't condemn them as they condemn lots of things -- authorizing no actions. The bombing was completely unilateral, a unilateral decision by the United States, which apparently was made even before the UN meeting. The aircraft carrier Kitty Hawk was already preparing. The only reason they didn't attack a day earlier was because the weather was bad, meaning it would have occurred even before the UN meeting. It was independent of it. The UN never authorized any such action.

Independently of all of this the UN has been neutralized in another respect. For a long time, many decades, from about the late 1960s through the end of the 1980s, the United States was intent on essentially destroying the United Nations, because it simply was not a pliable instrument of U.S. policy. Under Reagan, the U.S. didn't pay its dues. It was way in the lead in vetoing Security Council resolutions in the past quarter-century. It was doing everything it could to undermine and eliminate the organization, especially those parts of it that were concerned with Third World affairs, like UNESCO. However, by about 1989 or 1990, the situation changed. The UN came back into favor. During the Gulf War there was a long series of awed articles about the "wondrous sea change" in the United Nations. What happened is that it fell back into line. The UN is essentially the five permanent members of the Security Council. They run the Security Council. The General Assembly you can dismiss. The great power doesn't pay any attention to it. The United States always had two automatic votes in the Security Council, usually three. Britain is a kind of colony. France will make a couple of noises, but they go along. So they had three votes out of the five. With the collapse of the Soviet Union they had four. Russia became even a more loyal client than Britain, which is hard to imagine. That gives four automatic votes. China is very dependent on U.S. trade. It will at most abstain. That means the U.S. essentially has the Security Council in its pocket.

The disappearance of the Soviet Union is one of a number of factors that had the effect of essentially eliminating Third World voices. As long as the Soviet Union was there, two big gangsters parading around, there was some space for independent forces, there was room for non-alignment. You could play one power against the other, or they'd squabble between themselves. With the Soviet Union gone and only one gangster left, that's finished. Furthermore, it's very important to remember that there was a tremendous crisis of capitalism that swept most of the capitalist world in the 1980s. Especially the former colonial world, which was devastated. The only areas that escaped were those in the region around Japan which didn't submit to the neoliberal orthodoxy and standard economic principles that had a devastating impact on Africa, Latin America, and parts of Asia that weren't in the Japanese orbit, like the Philippines.

That also undermines very strongly any form of Third World independence. There are other factors, but the net effect is that the UN is pretty much back in the pocket of the United States, which means that it's getting a much more favorable press at this point. Of course, not when it does things that the U.S. doesn't want. For example, there was a condemnation of Iraq, although it didn't authorize bombing. There was a simultaneous condemnation of Israel for deporting 415 alleged Hamas members from Gaza. They

deported mostly the intellectuals, the professional class. At one university virtually the whole staff was kicked out. There was condemnation of that. Of course the U.S. doesn't mind that, so therefore it doesn't matter. So it's the usual story: insofar as the United Nations will be an instrument of U.S. power or can at least be made to look it, it is a useful organization. When it isn't doing what the U.S. wants, then it can disappear.

**DB:** Does Operation Restore Hope in Somalia represent a new pattern of intervention?

I think it represents another try. I don't think that really should be classified as an intervention. It should be classified as a PR operation for the Pentagon. The U.S. has some interests in Somalia, but I don't think they're major. The U.S. was, of course, deeply involved in Somalia. This has to be finessed by the press at the moment, because it's not a pretty story. From 1978 through 1990 -- it's not ancient history -- the U.S. was the main support for Siad Barre, who was a kind of Saddam Hussein clone, tearing the country apart. He probably killed fifty or sixty thousand people, according to Africa Watch. He destroyed the civil and social structure, in fact, laid the basis for what's happening now. The U.S. was supporting and may well be still supporting him. We don't know exactly. We know that the forces, mostly loyal to him, are being supported through Kenya, which is very much under U.S. influence. It's possible that that support continues. Anyhow we certainly did through the end of 1990.

The U.S. was there for a reason: there are military bases there which are part of the system aimed at the Gulf region. The main U.S. intervention forces, overwhelmingly, have always been aimed at the Middle East. This was part of the system of bases surrounding that. However, I doubt that that's much of a concern at this point. They are much more secure bases and more stable areas. What is needed now, desperately needed, is some way to prevent the Pentagon budget from declining. In fact, it's kind of intriguing that it was almost openly stated this time. So Colin Powell, the Chairman of the Joint Chiefs, made a statement about how this was a great public relations job for the military. The *Washington Post* had an editorial describing it as a bonanza for the Pentagon. The reporters could scarcely fail to see what was happening. After all, when the Pentagon calls up all the news bureaus and major television networks and says, Look, be at such-and-such a beach at such-and-such an hour with your cameras aiming in this direction because you're going to watch Navy Seals climbing out of the water and it will be real exciting, nobody can fail to see that this is a PR job. There's a level of stupidity that's too much for anyone. So it was a big PR job. And it's needed. The best explanation for the intervention, in my opinion, was given in an article on the day of the intervention in the London *Financial Times* which didn't mention Somalia. It was about the U.S. recession and why the recovery is so sluggish. It quoted various economists from investment firms and banks and so on, the guys that don't just design models for mathematical journals but care about the economy. The consensus was that the problem with the recovery from the recession was that the standard methods of government stimulation of the economy weren't available. The pump priming through the Pentagon system, one of the major government devices for management of the economy, simply was not available to the extent that it had been in the past. The economy was therefore very sluggish, for that and other reasons.

That's a big problem. The Pentagon system has been the core of state industrial policy. It's declining.

There have been various efforts through the 1980s to revitalize it. Bush put it pretty honestly in his farewell address when he explained why we intervened in Somalia and not Bosnia. What it comes down to is in Bosnia somebody might shoot at you. In Somalia it's just a bunch of teenaged kids. We figure 30,000 Marines can handle that. So it's just photo ops, basically. One hopes it will help the Somalis more than harm them, but they're more or less incidental. They're just props for photo opportunities for Pentagon public relations, which is a crucial thing. When the press and commentators say the U.S. has no interests there, that's taking a very narrow and misleading view. Maintaining the Pentagon system is a major interest for the masters of the U.S. economy.

**DB:** There was a Navy and Marine White Paper in September 1992 called "From the Sea." It discusses that the military focus shifts from global military threats to "regional challenges and opportunities" including "humanitarian assistance and nation building efforts in the Third World."

But that's always been the focus, rhetoric aside. The military budget is mainly for intervention. In fact, even strategic nuclear forces were basically for intervention. It's not that we intended to use nuclear weapons against Grenada. But the point is that you have to think about the way strategy works. The U.S. is a global power. It wasn't like the Soviet Union. The Soviet Union carried out intervention right around its borders, where it had overwhelming conventional forces. The U.S. is a global power. It carries out intervention everywhere: in Southeast Asia, the Middle East, in places where it has no conventional advantage. Accordingly, it always had to have an extremely intimidating posture to make sure that nobody got in the way. That required what was called a "nuclear umbrella": powerful strategic weapons forces to intimidate everybody so that conventional forces could be an instrument of political power. In fact, virtually the entire military system -- its military aspect, not its economic aspect -- was geared for intervention, and that was usually covered as "nation building." In Vietnam, in Central America. We're always humanitarian. So when the Marine Corps documents say we now have a new mission, humanitarian nation building, that's just the old mission. We now have to emphasize it more than before because traditional pretext is gone. There was always an ideological framework in which you could place this, namely the conflict with the Russians. If you had to carry out nation building, humanitarian efforts by attacking and destroying South Vietnam, that was to block Soviet expansion. That part's gone. You can't any longer be blocking Soviet expansion. So we're now just focusing on what was left, the humanitarian nation building. But it's the same as it's always been. It's just the current form of imperialist concern.

**DB:** What kind of impact will the injection of U.S. armed forces into Somalia have on the civil society? Somalia has been described by one U.S. military official as "Dodge City" and the Marines as "Wyatt Earp." What happens when the marshall leaves town?

First of all, that description has nothing to do with Somalia. One crucial striking aspect of this intervention is that there's no concern for Somalia. No one who knew anything about Somalia was involved in planning it, and there is no interaction with Somalis as far as we know. Since the Marines

have gotten in the only people they have been dealing with are the so-called "warlords," and they're the biggest gangsters in the country. They're dealing with them. But Somalia is a country. There are people who know and care about it. They've described it. They don't have much of a voice here. One of the most knowledgeable is a Somali woman named Rakiya Omaar, who was the Executive Director of Africa Watch. She did most of the human rights work, writing, etc., up until the intervention, which she strongly opposed and was then fired from Africa Watch. She knows Somalia well. Another is her co-director, Alex de Waal, who resigned from Africa Watch in protest after she was fired. Apart from his human rights work, he is also an academic specialist on the region. He has published a major book with Oxford University Press on the Sudan famine and has written many articles on this. He knows not only Somalia but the region very well. And there are others. Their picture is typically quite different. In fact, many things are not controversial. Most of Somalia recovered from the U.S.-backed Siad Barre attack. Siad Barre's main atrocities were in the northern part of Somalia, what formerly had been a British colony. It was recovering. It's pretty well organized. It has its own civil society emerging, a rather traditional one, with traditional elders and lots of new groups, womens' groups, have come up in this crisis. They could use aid, doubtless, but it's kind of recovering.

The area of real crisis was one region in the south, in part because of the forces of General Mohammed Hersi, known as Morgan, Siad Barre's son-in-law, which are supported from Kenya. They were carrying out some of the worst atrocities. The forces of General Mohammad Farah Aidid and Ali Mahdi were also rampaging. It led to a serious breakdown in which people just grabbed guns in order to survive. There was a lot of looting. That's when you get these teenaged gangsters. That's a description of a certain region. It was at its worst in the early part of 1992. By September-October it was already being overcome and this part of Somalia was also recovering. If you look at the serious aid groups, not U.S. Care, and not the UN, which are extremely incompetent, as everyone agreed, but the ones who are doing most of the work, like the International Red Cross, Save The Children, the smaller groups that were carrying out development projects, like the American Friends Service Committee, which had been there for many years, or Australian Care, which was a major provider -- they were getting most of aid through. They were giving figures of about eighty or ninety percent of the aid getting through by early November. The reason was that they were working with the reconstituting Somalian society. In this corner of real violence and starvation, things were already recovering, rather on the pattern of what had already taken place in the north. There were plenty of problems, but it was recovering.

A lot of this had been under the initiative of a UN negotiator, Mohammed Sahnoun, of Algeria, who was extremely successful and highly respected on all sides. He was working with traditional elders, with the newly emerging civic groups, especially women's groups. They were coming back together under his guidance, or at least initiative. He had good contacts everywhere. He was kicked out by Boutros Ghali in October because he publicly criticized the incompetence and corruption of the UN effort. They put in an Iraqi replacement who maybe would have achieved something, maybe not. It was over because of the Marine intervention. A U.S. intervention was apparently planned from shortly after the election. The official story is that it was decided upon at the end of November, when George Bush saw heartrending pictures on television. But in fact U.S. reporters in Baidoa in early November saw Marine officers in civilian clothes walking around and scouting out the area, planning for where they were going to set up their base. This was rational timing. The worst crisis was over. The society was reconstituting. You could

be pretty well guaranteed a fair success at getting food in, since it was getting in anyway. Thirty thousand troops would only expedite it in the short term. Not too much fighting, because that was subsiding. Good timing for Bush, too, because it means you get the photo opportunities and then you leave and somebody else faces the problems later on, which are bound to arise.

So it wasn't Dodge City. There was an area which was horrible and was recovering. What this massive intervention will do to that is very hard to predict. It could make it worse, could make it better. It's like hitting a seriously ill patient with a sledge hammer. Maybe it will help. Maybe it won't. But that comment about Dodge City simply reflects what is true: nobody cared. They didn't try to find out what Somalia was, because they didn't care. Somalis are props. What happens to them is incidental. If it works, great, we'll applaud and cheer ourselves and bask in self-acclaim. If it turns into a disaster, we'll treat it the same way we do with other interventions that turn into disasters. After all, there's a long series of them. Take Grenada. That was a humanitarian intervention. We were going to save the people from tragedy and turn it into what Reagan called a "showplace for democracy" or a "showplace for capitalism." In fact, they poured aid in. It had the highest per capita aid in the world the following year, next to Israel, which is in another category. And it turned into a complete disaster. The society is in total collapse. About the only thing that's functioning there is money laundering for drugs. But nobody hears about it. The television cameras were told to look somewhere else. So if the Marine intervention turns out to be a success, which is conceivable, then there will be plenty of focus on it and how marvelous we are and have to do it again. If it turns into a disaster it's off the map. Forget about it. So either way you can't lose.

**DB:** There's another factor at work here I'd like you to comment on: the notion of intervention on humanitarian grounds is a claim that's always made by the powerful against the weak. You don't have Bangladesh sending troops to help quell the situation in South Central L.A.

Not only that, but it is so routine that it's just like saying "hello" when you walk into a room. Take, say, American history. When the U.S. was expelling or exterminating the native population back right from the Revolution on, it was always described as "humanitarian." We're their benefactors. When Andrew Jackson proclaimed his Indian Removal Act, which set off virtual genocide, he described it to Congress with great self-acclaim, describing in a teary voice what a great benefactor he was to the Indians. He said that white people wished that they were getting such benefits from us. After all, the white settlers, when they go out to the West, they don't get huge government grants, they don't have the U.S. military lead the way for them. But when the Cherokees are being sent out there on what was called the "Trail of Tears," on which about half of them died, they were being accompanied by the U.S. Army and even given a couple of cents to get started. It was a tremendous gift. We were so benevolent. In fact, right after the American Revolution, in 1783, there was a commission established to try to determine what to do with the Indians. The question was: How do we kick them out of their land now that we've won? They decided to expel them, remove them from one area to another, rob their lands. It's worth reading what they wrote: They said we shouldn't go overboard in generosity. Our natural generosity should have certain limits, because if generosity goes too far, it becomes harmful to everybody. So we should be generous as

always, but not too generous, while we're robbing them of their lands.

This is a refrain which is such a deep element of the national culture that to refer to it in this case is misleading. There's no atrocity that's been carried out that hasn't been described as humanitarian and beneficial to the victims.

**DB:** Comment on the events in the former Yugoslavia. This constitutes the greatest outburst of violence in Europe in fifty years -- tens of thousands killed, hundreds of thousands of refugees. This isn't remote East Timor we're talking about -- this is Europe. It's a living room war on the news every night.

In a certain sense what's happening is that the British and American right wings are essentially getting what they asked for. Since the 1940s they've been quite bitter about the fact that Western support for a short time turned to Tito and the partisans and against Mikhailovich and his Chetniks and the Croatian anti-Communists, including the Ustasha, who were outright Nazis. The Chetniks were also playing with the Nazis and were mainly trying to overcome the partisans. They won. The partisan victory imposed a communist dictatorship, but it also federated the country. It suppressed ethnic violence, and created the basis of some sort of functioning society in which the parts had their role. That collapsed for a variety of reasons, and now we're essentially back to the 1940s, but without the partisans. Serbia now has inherited the ideology of the Chetniks. Croatia has inherited something of the ideology of the Ustasha, far less ferocious than the Nazi original, but similar in some ways. They are now doing pretty much what they would have done if it hadn't been for the partisan victory.

Of course, the leadership of Serbia and Croatia come from the Communist Party, but that's because every thug in the region was part of the ruling apparatus. (Yeltsin, for example, was a tough CP boss.) It's interesting that the right wing, at least its more honest elements, approve. For example, Nora Beloff, a right wing British commentator on Yugoslavia, had a letter in the London *Economist* condemning the people who are denouncing the Serbs in Bosnia. She's saying it's the fault of the Muslims. They are refusing to accommodate the Serbs who are just defending themselves. She's been a supporter of the Chetniks from way back, no reason why she shouldn't continue to support Chetnik violence, which is what this amounts to. Of course there's another factor. She's a super fanatic Zionist, and the fact that the Muslims are involved already makes them guilty in her eyes.

**DB:** Some say that just as the Allies should have bombed the rail lines to Auschwitz to prevent the deaths of many people in concentration camps, so we should now bomb Serbian gun positions surrounding Sarajevo that have kept that city under siege. Would you advocate the use of force?

First of all, there's a good deal of debate about the Second World War, and how much of an effect bombing would have had. Putting that aside, it seems to me that a judicious threat of force, not by the

Western powers but by some international, multinational group could have, at an earlier stage, suppressed a good deal of the violence and maybe blocked it. Whether that would mean bombing gun positions or not is a question that you can't make a decision about lightly. For one thing, you have to ask not only about the morality of it, but also about the consequences. The consequences could be quite complex. For example, conservative military forces within Russia might move in. They already are there, in fact, to support their Slavic brothers in Serbia, and they might decide to move in en masse. (That's traditional, incidentally. Go back to Tolstoy's novels and you can read about how the Russians saved their Slavic brothers from attacks. That's now being reenacted.) At that point you're getting fingers on nuclear weapons. It's also entirely possible that an attack on the Serbs, who feel that they're the aggrieved party, could inspire them to move more aggressively in Kosovo, the Albanian area, which could very well set off a large-scale war, with Greece and Turkey involved. So it's not so simple.

Or what if Bosnian Serbs, with the backing of both the Serbian and maybe even other Slavic regions, started a guerrilla war? Western military "experts" have suggested it would take maybe a hundred thousand troops just to hold the area. So bombing Serbian gun emplacements sounds simple, but one has to ask about the consequences. That's not so simple.

If it were possible to stop the bombardment of Sarajevo by threatening to and maybe even actually bombing some emplacements, I think you could give an argument for it. But that's a very big if.

**DB:** Zeljko Raznjatovic, known as Arkan, a fugitive bank robber wanted in Sweden, was elected to the Serb Parliament in December 1992. His Tiger's Militia is accused of killing civilians in Bosnia. He's among ten people listed by the U.S. State Department as a possible war criminal. Arkan dismissed the charges and said, "There are a lot of people in the United States I could list as war criminals."

That's quite correct. By the standards of Nuremberg, there are plenty of people who could be listed as war criminals in the West. It doesn't absolve him in any respect, of course.

**DB:** Christmas came early in 1992 for at least six former Reagan administration officials implicated in the Iran-Contra scandal. There was a presidential pardon on Christmas Eve. Bush said of the pardonees, "The common denominator of their motivation, whether their actions were right or wrong, was patriotism." That doesn't sound like the position of German defense lawyers at Nuremberg.

No. They couldn't have gotten away with it, but it was quite accurate. Probably Himmler and Goering were acting as patriotic Germans. I frankly didn't take the pardons all that seriously. It was a highly selective prosecution. They didn't go after top people or the important issues. What they were being charged with is minor issues. Lying to Congress is bad, it's a serious violation of law which carries a five-year jail sentence. But as compared with carrying out huge international terrorist operations, it's pretty

small potatoes. Nobody was charged with conducting an illegal war against Nicaragua. They were only charged with lying to Congress about it. It indicates the values that lie behind the prosecution. In other words, kill and torture whoever you like, but be sure to tell us. We want to take part too. If you think about it, that's exactly what happened in Watergate. The charges against Nixon never included bombing Cambodia. It did come up in the hearings, but the only respect in which it came up was that Nixon had lied to Congress about it. There was no charge ever that he had sent U.S. bombers to devastate Cambodian peasant society, killing tens of thousands of people. That was never even considered a crime. So to pardon people for lying to Congress makes a certain amount of sense if we understand it as meaning, Look, the major crimes are never even being discussed. It's kind of like catching Al Capone on his income tax.

**DB:** I've never heard you talk about Gandhi. Orwell wrote of him that "...compared to other leading political figures of our times, how clean a smell he has managed to leave behind." What are your views on the Mahatma?

I'd hesitate to say without undertaking a much closer analysis of what he did and what he achieved. There were some positive things there. For example, his emphasis on village development and self-help and communal projects. That would have been very healthy for India. Implicit in what he was suggesting was a model of development for India that could well have been a much more successful and humane one than the Stalinist model that was adopted, the development of heavy industry, etc. The talk about nonviolence you really have to think through. Sure, everybody's in favor of nonviolence rather than violence, but under what conditions and when? Is it an absolute principle?

**DB:** You know what he said to Louis Fischer in 1938 about the Jews in Germany. He said that German Jews ought to commit collective suicide which would "have aroused the world and the people of Germany to Hitler's violence."

That is a tactical proposal, not a principled one. He's not saying they should have walked cheerfully into the gas chambers because that's what nonviolence dictates. He's saying, If you do it you may be better off. So that's a tactical proposal. It reflects no moral principle. It has to be evaluated on its merits. If you evaluate it on its merits, from that point of view, divorcing it from any principled concern other than how many people's lives can you save by doing this, it's conceivable that it was true. I don't think it's likely, but it's conceivable, not out of the question, that that would have aroused world concern in a way in which the Nazi slaughter surely did not. I think that the argument for it is very slight. On the other hand, there's nothing much that the Jews could have done anyway.

**DB:** Orwell adds that after the war Gandhi justified his position, saying, "The Jews had been killed anyway and might as well have died significantly."

Again, he's making a tactical, not a principled statement. One has to ask the question what the consequences would have been of the actions he recommended. That's speculation based on little evidence. For him to have directed that recommendation at the time is kind of grotesque. What he should have been emphasizing was: Let's do something to prevent them from being massacred. The right position to take at the time was, Look, they can't do anything. Powerless people who are being led to slaughter can't do anything. Therefore it's up to others to do something for them. To give them advice on how they should be slaughtered is not very uplifting, to put it mildly. You can say the same about other things all the time. Take people being tortured and murdered in Haiti. You want to tell them, The way you ought to do it is to walk up to the killers and put your neck in front of their knife and maybe people on the outside will notice. Could be. But a little more significant would be to tell the people who are giving the murderers the knives that they should do something different.

**DB:** India today is torn asunder by various separatist movements, Kashmir is an incredible mess, occupied by the Indian army, and there are killings, detentions, and massive human rights violations, in the Punjab and elsewhere. I'd like you to comment on a tendency in the Third World to blame the colonial masters for all the problems that are besetting the countries today. They seem to say, "Yes, India has problems but it's the fault of the British," as if India was once a great big happy place.

How to assess blame for historical disasters is a difficult matter. You could ask the same thing about the health of a starving and diseased person. There are a lot of different factors that enter into it. If there was a torturer around who was torturing them, that certainly had a role. But maybe after the torture is over, the person eats the wrong diet and lives a dissolute life and dies from the effects of that. That's what we're talking about here. It's not easy to sort out the proportion of blame. There's no doubt that imperial rule was a complete disaster. Take India. Bengal was one of the richest places in the world when the first British merchant warriors arrived there. They described it as a paradise. Today this area is Bangladesh and Calcutta, the very symbols of despair and hopelessness. These rich agricultural areas produced unusually fine cotton, the major commodity of that period. They had, by the standards of the day, advanced manufacture. Dacca, which is the capital of Bangladesh, was compared by Clive, the British conqueror, to London.

About a century later, in debates in the House of Lords, Sir Charles Trevelyan described how Dacca had collapsed from a major manufacturing center and thriving city to a marginal slum under the impact of British rule. In Bengal, and throughout the parts of India that they controlled, the British undermined and tried to destroy the existing manufacturing system, which was comparable to their own in many respects. As the industrial revolution was urbanizing and modernizing England, India was becoming ruralized, a poor, agrarian country. Adam Smith, over two hundred years ago, deplored the depredations that the British carried out in Bengal, which, as he puts it, first of all destroyed the agricultural economy, and then turned "dearth into a famine." The British overseers even took agricultural lands and turned them over to poppy production for the opium trade to China. The only thing that the British could sell to China was opium, and Bengal was one of the places where they produced it. There was huge starvation.

Indian manufacturing in other areas was considerable. For example, an Indian firm built one of the flagships for the English fleet during the Napoleonic Wars. Britain imposed harsh tariff regulations, starting in about 1700, to prevent Indian manufacturers from undercutting British textiles. That's the beginning of the industrial revolution, beginning with textile production and extending to other things. They had to undercut and destroy Indian textiles because India had a comparative advantage. They were using better cotton and had, by the standards of the day, a relatively advanced industry. It wasn't until 1846 that Britain suddenly discovered the merits of free trade. By that time their competitors had been destroyed and they were way ahead. They were very well aware of it. The British liberal historians, the big advocates of free trade in that period they say: "Look, what we're doing to India is not pretty, but there's no other way for the mills of Lancaster to survive. We have to destroy the competition."

And it continued. Nehru, in 1944 in a British prison, wrote an interesting book (*The Discovery of India*) in which he pointed out the correlation between how long the British have influenced and controlled each region, and the level of poverty. The longer the British have been in a region the poorer it is. The worst, of course, was Bengal, where the British arrived first.

In Canada and North America, they just wiped out the population. You don't have to get to current, "politically correct" commentators to describe this. You can go right back to the founding fathers. The first Secretary of Defense, General Henry Knox, who was in charge of Indian removal from 1784 on, said that what we're doing to the native population is worse than what the Conquistadors did in Peru and Mexico. He said future historians will look at these actions, what would be called in modern terminology "genocide," and paint them with "sable colors." They weren't going to look good to history.

John Quincy Adams, the intellectual father of Manifest Destiny, became an opponent of both slavery and the policy toward the Indians long after he left power. He felt that he himself had been involved in a crime of extermination of such enormity that he believed God would punish the country for this monstrous deed. So in North America we just essentially exterminated and expelled the population.

Latin America was more complex, but the initial population was virtually destroyed within a hundred and fifty years. What was left was a mixture. Meanwhile, Africans were brought over as slaves, which had a major effect on devastating Africa even before the colonial period. The conquest of Africa drove it back even further. After the West had robbed the colonies -- as they did, no question about that, and there's also no question that it contributed to their own development -- they changed the relationships to so-called "neo-colonial", domination without direct administration, which was also generally a disaster.

How do you sort the guilt at this point? If Israel is committing crimes against the Palestinians, does that justify the Holocaust? I suppose some unreconstructed Nazi could say, look at what those guys do as soon as you let them go. Just means we didn't do anything. It's all their fault.

**DB:** To continue with India: talk about the divide-and-rule policy of the British Raj, playing Hindus off against Muslims. You see the

results of that today.

Which is not to say that it was pretty before, because it wasn't. The Marathi invasions were ugly and brutal. But the fact is that the level of brutality introduced by the Europeans was novel almost everywhere in the world. Naturally, any conqueror is going to play one group against another. In India, for example, I think about ninety percent of the forces that the British used to control India were Indians.

**DB:** There's that astonishing statistic that at the height of British power in India, they never had more than 150,000 people there.

That was true everywhere. It was true when the American forces conquered the Philippines, killing a couple hundred thousand people. They were helped by Philippine tribes. They exploited conflicts among local groups. There are always plenty who will side with the conquerors. Just take a look at the Nazi conquest of Europe. Take Western Europe; let's forget the Third World. Nice, civilized Western Europe. Places like Belgium and Holland and France. Who was rounding up the Jews? The local people. In fact, in France they turned them over faster than the Nazis could handle them. If the United States was conquered by the Russians, George Bush, Elliott Abrams, and the rest of them would all be working for the invaders and sending people off to concentration camps. Ronald Reagan would be reading their ads on TV. That's the traditional pattern. Invaders very naturally play upon any kind of rivalries and hostilities that they find to get one group to work for them against others.

You can see it right now with the Kurds. The West is trying to mobilize Iraqi Kurds to destroy Turkish Kurds. Turkish Kurds are by far the largest number, and historically, they were the ones who were the most repressed. It's not covered much in the West because Turkey is an ally, so you don't cover the atrocities they carry out. But right into the Gulf War they were bombing in Kurdish areas. Tens of thousands of people were driven out. But now the western goal is to use the Iraqi Kurds as a weapon to try to restore what they call "stability" in Iraq, meaning their own kind of system.

Last October there was a very ugly incident in which there was a kind of pincer movement between the Turkish army and Iraqi Kurdish forces to expel and destroy Kurdish guerrillas from Turkey. Independently of what we might think of those guerrillas, there's no doubt that they had substantial popular support in southeastern Turkey. But the Iraqi Kurdish leaders and some sectors of Kurdish population were going to cooperate because they thought they could gain something by it. You could understand their position. Not necessarily approve of it -- that's another question. These are people who are being crushed and destroyed from every direction. If they grasp at some straw for survival, it's not surprising, even if grasping at that straw means helping to kill their cousins across the border. That's the way conquerors work. They've always worked that way. They worked that way in India.

India wasn't a peaceful place before the British, no, nor was the western hemisphere a pacifist utopia. But that aside, everywhere the Europeans went they raised the level of violence to an extraordinary degree. On that serious military historians have no doubts. As the most recent historian of the East India Company puts it, "warfare in India was still a sport, in Europe it had become a science."

Europe had been fighting vicious, murderous wars internally and it had developed a culture of violence, as well as the means of violence, which were unsurpassed. The culture of violence was extraordinary. European wars were wars of extermination. Everywhere the Europeans went, whether it was the Portuguese or the Spanish or the English or the Dutch, they fought with a level of violence which appalled the natives. They had never seen anything like it. That was true virtually over the entire world, with very few exceptions. In fact, from Europe's viewpoint, these colonial wars were what we call today small wars. It didn't take very many forces to destroy huge numbers of natives, not so much because the technology was better, but because the Europeans fought differently. If we were to be honest about the history, we would describe European colonialism simply as a barbarian invasion.

The British and Dutch merchants who moved into Asia broke into relatively free trading areas which had been functioning for long, long periods with pretty well established rules. More or less free, fairly pacific. Sort of like free trade areas. The description of what they did is just monstrous. They introduced a level of violence which had never been felt before. They destroyed what was in their way.

The only ones who were able to fend it off for a while were Japan and China. Japan did manage to fend it off almost entirely. That's why Japan is the one area of the Third World that developed. That's striking. The one part of the Third World that wasn't colonized is the one part that's part of the industrial world. That's not by accident. To strengthen the point, you need only look at the parts of Europe that were colonized. Parts of western Europe were colonized, like Ireland, which is very much like the Third World, for similar reasons. The patterns are striking. China sort of made the rules and had the technology and was powerful, so they were able to fend off Western intervention for a long time. But when its defense finally broke down in the nineteenth century, the country collapsed.

So it's completely correct that the post-colonial period had seen many brutal monsters develop. But when people in the Third World blame the history of imperialism for their plight, they have a very strong case to make. It's interesting to see how this is treated in the West these days. On January 7, 1993 there was an amazing article in the *Wall Street Journal* by Angelo Codevilla, a so-called scholar at the Hoover Institute at Stanford, criticizing the intervention in Somalia. He says, Look, the problem in the world is that Western intellectuals hate their culture and therefore they terminated colonialism. Only civilizations of great generosity can undertake tasks as noble as colonialism to try to rescue these barbarians all over the world from their miserable fate. The Europeans did it and of course gave them enormous gifts and benefits. But then these western intellectuals who hate their own cultures forced them to withdraw. The result is what you now see. You really have to go to the Nazi archives to find anything comparable to that. Apart from the stupendous ignorance that is so colossal that it can only appear among respected intellectuals, the moral level is -- you have to go back to the Nazi archives. But it's an op ed in the *Wall Street Journal*. It probably won't get much criticism.

There are counterparts in England, the *Sunday Telegraph*, the *Daily Telegraph*. It's interesting to read the right-wing British press after Rigoberta Menchu won the Nobel Prize. They were infuriated, especially their Central America correspondent. Their view is, true, there were atrocities in Guatemala. But either they were carried out by the left wing guerrillas or they were an understandable response on the part of

the respectable sectors of the society to the violence and atrocities of these Marxist priests. So to give a Nobel Prize to the person who's been torturing the Indians all these years, Rigoberta Menchu ... it's hard for me to reproduce this. You have to read the original. Again, at it's worst, it's straight out of the Stalinist and Nazi archives. It's very typical of British and American culture.

**DB:** That brings in the whole question of race and racism and how that factored into the relationship between what I'll call the "North" and the "South."

There has always been racism. But it developed as a leading principle of thought and perception very much in the context of colonialism. It's not that it wasn't there before. It obviously was. But it gained entirely new dimensions and new significance in the imperialist context. That's understandable. When you have your boot on someone's neck, you have to have a justification for it. The justification has to be their depravity. If you can find anything to hang their depravity on, like the color of their eyes, it's that. It's very striking to see this in the case of people who are not very different from one another. Take a look at the British conquest of Ireland, which was the earliest of the western colonial conquests. It was described in the same kind of terms as the conquest of Africa. The Irish were a different race. They weren't human. They were a depraved race of people who had to be crushed and destroyed.

**DB:** Some Marxists connect racism as a product of the economic system, of capitalism. Would you accept that?

No. It has to do with conquest. It's oppression. If you're oppressing somebody, maybe you're robbing them, it doesn't have to be torture. If you're robbing somebody, oppressing them, controlling them, dictating their lives, it's a very rare person who can say, Look, I'm a monster. I'm doing this for my own good. Even Himmler didn't say that. There's a standard technique of belief formation that goes along with oppression, whether it's throwing them in the gas chambers or charging them too much at a corner store or anything between those. There's a standard mode of reaction, and that is to say that it's their depravity. That's why I'm doing it. Maybe I'm even doing them good. If it's their depravity, there's got to be something about them that makes them different from me. What's different about them will be whatever you can find.

**DB:** And that's the justification.

Then it becomes racism. You can always find something, like a different color hair or eyes, they're too fat, they're gay. Whatever it might be. You find something that's different enough. Of course you lie about it, so it's easier to find more.

**DB:** Do you know the scorpion and camel story? There's a scorpion who wants to cross the river. He needs the camel to help him across. He asks the camel, "Hey, come on. Give me a lift." The camel says, "What are you, crazy? I know who you are. You're going to sting me." The

scorpion says, "No, no, no. I'm a reformed scorpion. I'm a good guy. I wouldn't do something like that." So after much persuasion the camel finally relents and says, "OK. Hop on." So the scorpion gets on the camel's back. In the middle of the river, the camel feels a sting in his back and realizes that the scorpion has just stung him. He starts howling and cursing and says, "You promised me you wouldn't do this! We're both going to die now. We're going to drown. You're insane." The scorpion says, "Well, it's in my nature." This leads to human nature. Is racism something that's acquired or learned, or is it innately endowed?

I don't think either of those is the right answer. There's no doubt that there's a rich human nature. We're not rocks. Anybody sane knows that an awful lot about us is genetically determined, in our behavior, our attitudes. That's not even a question among sane people. When you go beyond that and ask what it is, you're entering into near-total ignorance. We know there's something about human nature that forces you to grow arms, not wings, and to undergo puberty at roughly a certain age. And by now we know that things like acquisition of language are part of human nature even in its very specific forms, things about the visual system and so on. When you get to cultural patterns, belief systems, etc., the guess of the next guy you meet at the bus stop is as good as the best scientist. People can rant about it if they like, but they basically know virtually nothing.

In this particular area we can make some kind of reasonable speculation. I think most reasonable is the one I've just outlined. It's not so much that racism is in our genes. What is in our genes is the need for improving your own self-image.

**DB:** For domination.

No. For justifying what you do. I can't believe that everybody doesn't know this from their own lives. If any person thinks about their own life honestly for a minute, they'll think of plenty of things that they did that they shouldn't have done. Maybe they stole something from their brother when they were ten. If you look back honestly and ask yourself, Did I say to myself at the time, I'm a rotten bastard but I'm going to do this because I want it? Or did you say, Look, I'm right to do this for this and that reason? The answer almost invariably is the second. It doesn't matter whether it was a minor or major thing. That's probably in our nature. It's probably in our nature to find a way to recast anything that we do in some way that makes it possible for us to live with it.

If we move into the social sphere, the sphere of human interactions, where there are institutions and systems of oppression and domination, people who are in those positions of authority and domination, who are in control, who are doing things to others, who are harming them, are going to pursue this course of constructing justifications for themselves. They may do it in sophisticated ways or non-sophisticated ways, but they're going to do it. That much is in human nature. One of the consequences of that can turn out to be racism. It can turn out to be other things, too.

Take the sophisticated ones. One of the intellectual gurus of the modern period in the United States is Reinhold Niebuhr, who was called the "theologian of the establishment." He was revered by the Kennedy liberal types, by people like George Kennan. He was considered a moral teacher of the contemporary generation. It's interesting to look at why he was so revered. I actually went through his writings once. The intellectual level is depressingly low. But there's something in there that made him appealing. It was what he called the "paradox of grace." What it comes down to is, no matter how much you try to do good, you're always going to do harm. Of course, he's an intellectual, so they have to dress it up with big words and big volumes. But that's what it comes down to.

That's very appealing advice for people who are planning to enter into a life of crime. To say, no matter how much I try to do good I'm always going to harm people. That's the paradox of grace. You can't get out of it. A wonderful idea for a Mafia don. Then he can go ahead and do whatever he feels like, and if he harms people, Oh my God, the paradox of grace. That, I think, explains why he was so appealing to American intellectuals in the post-World War II period. They were preparing to enter into a life of major crime, major criminal actions. They were going to be either the managers or else the commissars for a period of global conquest, running the world, which is obviously going to entail enormous crimes. Isn't it nice to have this doctrine before us? Of course we're superbenevolent and humane, but the paradox of grace! Again, if you're an intellectual you dress it up and write articles about it.

The mechanisms, however, are quite simple and elementary. I think all of that is, if you like, part of our nature, but in such a transparent way that you don't even call it a theory. Everybody knows this from their own experience, if they stop to think about it. Like just about everything that's understood about human beings, everybody knows it if they stop to think about it. It's not quantum physics. Mostly what's known is on the surface. Think about yourself and you can see it right there. Forget the big words and the polysyllables and the intellectual apparatus and just think about it. It's easy to see how that transmutes itself into racism.

Take the Serbs and the Croats. All they want to do right now is murder each other. They're indistinguishable. They use a different alphabet, but they speak the same language. They belong to different branches of the Catholic Church. That's about it. But they're perfectly ready to murder and destroy each other. They can imagine no higher task in life.

**DB:** What about the so-called "competitive ethic" of competition? Is there any evidence that we are naturally competitive? Proponents of the free market theory and the advocates of market capitalism say that you've got to give people the ability to compete -- it's a natural thing.

There are certainly conditions under which people will compete. There are conditions under which people will cooperate. For example, take a family. Suppose that whoever is providing the money for the family loses his or her job, so they don't have enough food to eat. The father is probably the strongest one in the family. Does he steal all the food and eat it, so all the kids starve? I guess there are people who do

that, but then you lock them up. They're pathological. There's a defect there somewhere. No, what you do is share. Does that mean they're not competitive? No. It means that in that circumstance you share. Those circumstances can extend quite broadly. For example, they can extend to the whole working class. When you have periods of working class solidarity, people struggling together to create unions and decent working conditions, a republic of labor in which people would control their work and not have to suffer wage slavery. That's the United States, after all. Take a look at the Homestead lockout a century ago, when Andrew Carnegie established the world's first billion-dollar corporation by destroying the biggest union in the country.

He destroyed it right in Homestead, which was a working-class town with working-class solidarity. That was a period of enormous ethnic hatred and rivalry and racism, at that time directed mostly against the Eastern European immigrants, the Huns and the Slovaks. But during that conflict they worked together. It's one of the few periods of real ethnic harmony. They worked with Anglo-Saxon Americans and Germans and the rest of them. There are circumstances in which competition shows up and in which cooperation does. Again, I doubt that any person can fail to see this in their own life.

Let me tell you a personal story. I'm not particularly violent. But when I was in college, I had to take boxing. The way you did it was to spar with a friend, but we all found, and we were amazed, that pretty soon we wanted to kill each other. After doing this pushing around for a while, you really wanted to hurt that guy, your best friend. You could feel it coming out. It's horrifying to look at, and again I doubt that people have failed to see this in themselves and something about their lives. Does that mean that the desire to hurt people is innate? In certain circumstances, this aspect of our personality will dominate. There are other circumstances in which other aspects will dominate. You want to create a humane world, you change the circumstances.

**DB:** How crucial is social conditioning in all of this? Let's say you're a child growing up in Somalia today.

How about a child growing up in Boston, just down the street? Or even here, in Cambridge. Just last summer a foreign student at MIT was killed, knifed, just a few blocks from here, by a couple of teenagers from the local high school. They were engaged in a sport that works like this: high-school kids are supposed to walk around and find somebody walking the street. One of the kids is picked, and he's supposed to knock the person down with one blow. If he fails to do it, the other kids beat up the kid who failed. So that's the sport. So they were walking along and saw this MIT kid. One of them was chosen and knocked him down with one blow. For unexplained reasons they also knifed him and killed him. They didn't see anything especially wrong with it. They walked off and went to a bar somewhere. Somebody had seen them, and they were later picked up by the police. They hadn't even tried to get away. They didn't see anything wrong with it. They're growing up in Cambridge, not on Brattle Street, but probably in the slums, which are not Somali slums by any means, not even Dorchester slums. But surely kids in the western suburbs wouldn't act like that. Are they different genetically? No. There's something about the social conditions in which they grew up that makes this an acceptable form of behavior, even a natural form of behavior. Anyone who has grown up in an urban area must be aware of this. I can remember from childhood, there were neighborhoods where if you went in you'd be beaten up.

You were not supposed to be there. The people who were doing it, kids, felt justified and righteous about it. They were defending their turf. What else do they have to defend?

**DB:** Speaking of Brattle Street, just last night I was there. Panhandlers, people asking for money, people sleeping in the doorways of buildings. This morning at Harvard Square in the T station it was more of the same. The spectre of poverty and despair has increasingly come into the vision or the sightlines of the middle- and upper-class. You just can't avoid it as you could years ago when it was limited to a certain section of town. This has a lot to do with the pauperization, the internal Third Worldization, I think you call it, of the United States.

There are several factors, which we've discussed before. In part it's an immediate corollary to what's called the globalization of the economy. Furthermore, there is a tremendous expansion of unregulated capital in the world seeking stable currencies and low growth. These factors have immediate, obvious consequences, namely extension of the Third World model to industrial countries. The Third World model is a sector of extreme wealth and privilege amidst huge misery and despair among useless, superfluous people. The model is extending to the entire world.

Take a look at the NAFTA discussions. The argument for NAFTA, the North American Free Trade Agreement, is that it's not going to hurt many American workers, just unskilled workers, defined to mean about seventy percent of the work force. That's one of the things you're seeing.

Look at South Central Los Angeles. That's an area where there were factories, but not any more. They moved to Eastern Europe, Mexico, and Indonesia, where you can get peasant women off the land. That's the part of free trade the elites advocate. They don't advocate the other parts of it. But the parts they can benefit from they advocate. That internationalization of production will have the effect, over the long term, of giving the industrial countries a sort of Third World aspect themselves.

There are other things happening everywhere in the industrial world, but most strikingly in four major English speaking countries -- England, the United States, Australia and New Zealand. I think the reason for that is pretty obvious. These are the countries that in the 1980s took at least minimally seriously some of the rhetoric that they preached. In most of the world, the free market rhetoric is not taken seriously. But England under Thatcher and the United States under the Reaganites and Australia and New Zealand under Labor governments to a limited extent adopted some of the doctrines they preached for the Third World. Naturally, the population suffered for it.

**DB:** Deregulation?

Deregulation, something a little bit like structural adjustment, which in the Third World means eliminate welfare, eliminate subsidies, stop building roads, give everything to the investors and something will

trickle down by some magic, some time after the Messiah comes. The western countries of course would never really play this game completely. It would be too harmful to the rich. But they flirted with it in these English-speaking countries. And they suffered. When you say "they" suffered, you've got to be careful. The population suffered. The rich did fine, just as they do in the Third World. When I say there's a catastrophe of capitalism in the Third World, that doesn't mean for the rich people. They're doing just great.

**DB:** That's the paradox of 1992.

The *New York Times* did have a headline in the business pages: "Paradox of 92: Weak Economy, Strong Profits." Big paradox. That's the story of the Third World. It's the story now of Eastern Europe. And it's also the story in Thatcherite England, Reaganite America, and Labor party Australia and New Zealand. Most of the population suffered as the societies moved more towards the Third World pattern than is the case, say, in continental Europe or Japan. In the periphery of Japan what you're getting is a move out of the Third World pattern into an industrial pattern, as in South Korea and Taiwan, who dismiss neoliberal economics as a joke, are able to develop internally.

**DB:** Thank you.

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# Class

January 21, 1993

**DB:** It's a given that ideology and propaganda are phenomena of other cultures. They don't exist in the United States. Class is in the same category. You've called it the "unmentionable five-letter word."

It's kind of interesting the way it works. For example, there was quite an interesting study done by Vicente Navarro, a professor at Johns Hopkins, who works on public health issues. There are lots of statistics about things like quality of life, infant mortality, life expectancy, etc., usually broken down by race. It always turns out that blacks have horrible statistics as compared with whites; there's a huge gap. He decided to reanalyze the statistics, separating out the factors of race and class. So, let's look at white workers and black workers versus white executives and black executives. He discovered that a considerable part of the distinction between blacks and whites was actually a class difference. That's natural because there's a correlation between race and class. If you look at poor white people, white workers, and white executives, the gap between them is enormous. He did the study, obviously of relevance to epidemiology and public health. He submitted it to the major American medical journals. They all rejected it. He then sent it to the world's leading medical journal, *Lancet*, in Britain. They accepted it right away.

In the United States you're not allowed to talk about class differences. In fact, only two groups are allowed to be class conscious in the United States. One of them is the business community, which is rabidly class conscious. When you read their literature, it's all full of the danger of the masses and their rising power and how we have to defeat them. It's kind of vulgar Marxist, except inverted. The other is the high planning sector of the government. So they're full of it, too. How we have to worry about the rising aspirations of the common man and the impoverished masses who are seeking to improve standards and harming the business climate. So they can be class conscious. They have a job to do. But it's extremely important to make other people, the rest of the population, believe that there is no such thing as class. We're all just equal. We're all Americans. We live in harmony. We all work together. Everything is great.

There's a book, *Mandate for Change*, put out by the Progressive Policy Institute, the Clinton think tank. It's a description of the program for the Clinton administration. It was part of the campaign literature, a book you can buy at an airport newsstand. It has a section on "entrepreneurial economics," which is going to avoid the pitfalls of the right and the left. It gives up these old fashioned liberal ideas about

entitlement, welfare mothers have a right to feed their children, that's all passé. We're not going to have any more of that stuff. We now have "enterprise economics," in which we improve investment and growth. The only people we want to help are workers and the firms in which they work. There are workers, there are the enterprises in which they work, and that's who we're interested in benefitting. We're going to help them.

There's somebody missing from this story. There are no managers, no bosses, no investors. They don't exist. It's just workers and the firms in which they work. We're going to help them. The word "entrepreneurs" shows up. Entrepreneurs are people who assist the workers and the firms in which they work. The word "profits" appears once. I don't know how that sneaked in, that's another dirty word, like "class." But the picture is, all of us are workers. There are firms in which we work. We would like to improve the firms in which we work, like you'd like to improve your kitchen. Get a new refrigerator. Improve the firm in which you work. That's all they're interested in, just helping us folks out there.

Another mechanism used to achieve the same result is a kind of interesting innovation in the language in the last couple of years. That's the word "jobs." It's now used to mean "profits." So when, say, George Bush took off to Japan with Lee Iacocca and the rest of the auto executives, you remember his slogan was "Jobs, jobs, jobs." That's what he was going for. We know exactly how much George Bush cares about jobs. All you have to do is look at what happened during his tenure in office, when the number of unemployed and underemployed has now reached about seventeen million or so officially. I don't know what is unofficially, about another eight million, a million of them during his term. He was trying to create conditions for exporting jobs overseas. He continued to help out with the undermining of unions and the lowering of real wages. So what does he mean when he says and the media shout, "Jobs, jobs, jobs"? It's obvious: "Profits, profits, profits." Figure out a way to increase profits. So it goes down the line.

The idea is to create a picture among the population that we're all one happy family. We're America. We have a national interest. We're working together. There's us nice workers, the firms in which we work, the media that labor to tell us the truth about the things that matter to us, the government that works for us. We pick them. They're our servants. And that's all there is in the world, no other conflicts, no other categories of people, no further structure to the system beyond that. Certainly nothing like class. Unless you happen to be in the ruling class, in which case you're very well aware of it.

**DB:** So then issues like class oppression and class warfare, equally exotic, occur only in obscure books and on Mars?

Or in the business press, where it's written about all the time, and the business literature, or in internal government documents. It exists there because they have to worry about it.

**DB:** You use the term "elite." Samir Amin says it confers too much dignity upon them. He prefers "ruling class." Incidentally, a more recent invention is "the ruling crass."

The only reason I don't use the word "class" is that the terminology of political discourse is so debased it's hard to find any words at all. That's part of the point, to make it impossible to talk. For one thing, "class" has various associations. As soon as you say the word "class," everybody falls down dead. There's some Marxist raving again. But the other thing is that to do a really serious class analysis, you can't just talk about the ruling class. Are the professors at Harvard part of the ruling class? Are the editors of the *New York Times* part of the ruling class? Are the bureaucrats in the State Department? There are differentiations, a lot of different categories of people. So you can talk vaguely about the establishment or the elites or the people in the dominant sectors. But you can't get away from the fact that there are sharp differences in power which in fact are ultimately rooted in the economic system. You can talk about the masters, if you like. It's Adam Smith's word, you might as well go back to that. They are the masters, and they follow what he called their "vile maxim," namely "all for ourselves and nothing for other people." That's a good first approximation to it, since Adam Smith is now in fashion.

**DB:** You say that class transcends race, essentially.

In an important sense, I think it does. For example, the United States could become a color-free society. It's possible. I don't think it's going to happen, but it's perfectly possible that it would happen, and it wouldn't change the political economy, hardly at all. Just as you could remove the "glass ceiling" for women and that wouldn't change the political economy at all. That's one of the reasons why you quite commonly find the business sector reasonably willing, often happy to support efforts to overcome racism and sexism. It basically doesn't matter that much. You lose a little white male privilege, but that's not all that important. On the other hand, basic changes in the core institutions would be bitterly resisted, if they ever became thinkable.

**DB:** And you can pay the women less.

You can pay them the same amount. Take England. They just went through ten pleasant years with the Iron Lady running things. Even worse than Reaganism.

**DB:** So in this pyramid of control and domination, where there's class and race and gender bias, sexism, lingering in the shadows, certainly in the liberal democracies, is coercion, force.

That comes from the fact that objective power is concentrated. Objective power lies in various places: in patriarchy, in race. Crucially it lies in ownership. It's very much worth overcoming the other forms of oppression. For people's lives, they may be much worse than the class oppression. When a kid was lynched in the South, that was worse than being paid low wages. So when we talk about what's at the core of the system of oppression and what isn't, that can't be spelled out in terms of suffering. Suffering is an independent dimension, and you want to overcome suffering.

On the other hand, if you think about the way the society works in general, it works pretty much the way the founding fathers said. The society should be governed by those who own it, and they intend to follow

Adam Smith's vile maxim. That's at the core of things. Lots of other things can change and that can remain and we will have pretty much the same forms of domination.

**DB:** You've said the real drama since 1776 has been the "relentless attack of the prosperous few upon the rights of the restless many." I want to ask you about the "restless many." Do they hold any cards?

Sure. They've won a lot of victories. The country's a lot more free than it was two hundred years ago. For one thing, we don't have slaves. That's a big change. You recall that Thomas Jefferson's goal, at the very left-liberal end, was to create a country without "blot or mixture," meaning no red Indians, no black people, good white, Anglo-Saxons. That's what the liberals wanted. They didn't succeed. They did pretty much get rid of the native population. But they couldn't get rid of the black population and they've had to incorporate them in some fashion into the society over time. Women finally received the franchise one hundred and fifty years after the Revolution. The right of freedom of speech was vastly extended. Workers finally won some rights in the 1930s, about fifty years after they did in Europe, after a very bloody struggle. They've been losing them ever since, but they won them to some extent. In many ways large parts of the general population were integrated into the system of relative prosperity, relative freedom, almost always as a result of popular struggle. The general population has lots of cards. That's something that David Hume pointed out a couple of centuries ago as a kind of paradox of government. In his work on political theory, he asks why the population submits to the rulers, since force is in the hands of the governed. Therefore, ultimately the governors, the rulers, can only rule if they control opinion. He says this is true of the most despotic societies and the most free. There is a constant battle between those who refuse to accept it and those who are trying to force them to accept it.

**DB:** How to break from the system of indoctrination and propaganda? You've said that it's nearly impossible for individuals to do anything, that's it's much easier and better to act collectively. What prevents people from getting associated?

There's a big investment involved. Anybody lives within a cultural and social framework which has certain values and certain opportunities. It assigns cost to various kinds of action and benefits to others. You just live in that. You can't help it. We live in one that assigns benefits to efforts to achieve individual gain. Any individual can ask himself or herself, let's say I'm the father or mother of a family, what do I do with my time? I've got twenty four hours a day. If I've got children to take care of, a future to worry about, what do I do? One thing you can do is try to play up to the boss and see if you can get a dollar more an hour, or maybe kick somebody in the face when you walk past them. If not do it directly, do it indirectly, by the mechanisms that are set up for you within a capitalist society. That's one way. The other way you can do it is by spending your evenings going around trying to organize other people who will then spend their evenings at meetings, go out on a picket line, carry out a long struggle in which they'll be beaten up by the police and lose their jobs. Maybe they'll finally get enough people together so they'll ultimately achieve a gain, which may or may not be greater than the gain that you tried to achieve by following the individualist course. People have to make those choices. They make them within a

framework of existing structures. Within the framework of existing structures, although it harms everyone in the long run, the choices for a particular individual are to maximize personal gain. In game theory it's called "prisoner's dilemma." You can set up things called "games," interactions, in which each participant will gain more if they work together, but you only gain if the other person works with you. If the other person is trying to maximize his or her own gain, you lose.

Let me take a simple case, driving to work. It would take me longer to take public transportation than to drive to work. As long as everybody else is driving, that's the way it's going to be. If we all took the subway and put the money into that instead of into roads, we'd all get there faster by the subway. But we all have to do it. It's only if we all do something a different way that we'll all benefit a lot more. The costs to you, to an individual, of working to try to create the possibilities to do things together can be severe. It's only if lots of people begin to do it, and do it seriously, that you get real benefits.

The same was true of every popular movement that ever existed. Suppose you were a twenty-year-old black kid in Atlanta in 1960, at Spelman College. You had two choices. One is: I'll try to get a job in a business somewhere. Maybe somebody will be willing to pick a black manager. I'll be properly humble and bow and scrape. Maybe I'll live in a middle-class home. That's one path. The other path was to join SNCC, in which case you might get killed. You were certainly going to get beaten and defamed. It would be a very tough life for a long time. Maybe in the long term you'll finally be able to create enough popular support that people like you and your family and your children will live better. It was hard to make that second choice, given the alternatives available. Fortunately, a lot of young people did, and it's a better world because of it. But society is very much structured to try to drive you toward the individualist alternative.

**DB:** You've noted polls that indicate that alienation from institutions keeps increasing. You've observed that the population is going in one way, toward Orlando, and the policy is going toward Santa Monica, in a completely different direction. Eighty-three percent regard the entire economic system as "inherently unfair." But it doesn't translate into anything.

It can only translate into anything if people do something about it. That's true whether you're talking about general things, like the inherent unfairness of the economic system, which requires revolutionary change, or about small things. Take, say, health insurance. Even though in public very few articulate voices call for what's called a "Canadian style" system, the kind of system that they have more or less everywhere in the world, an efficient, nationally organized public health system that guarantees health services for everyone and if it were serious, as Canada isn't enough, would also do preventive care. But polls have shown for years that most of the population are in favor of it anyway, even though they've never heard anybody advocate it. Does it matter? No. There will be some kind of insurance company based, "managed" health care system which is designed to ensure that the insurance companies and the health corporations that they run will make plenty of money. The only way we could get what most of the population wants with regard to health care is either by a large-scale popular movement, which would mean moving towards democracy, and nobody in power is going to want that, or else if the business

community decides that it's good for them. Which they might. Because this highly bureaucratized, extremely inefficient system designed for the benefit of one sector of the private enterprise system happens to harm other sectors. Auto companies pay more in health benefits here than they would across the border. They notice that. They may press for a more efficient system that breaks away from the extreme inefficiencies and irrationalities of the capitalist based system.

**DB:** Edward Herman wrote a book about elections in U.S. client states called *Demonstration Elections*. That might describe what happens in the United States. What functions do elections serve here?

Today is the 21st of January. As anybody who bothered watching television for the last two or three days knows, it's supposed to make people feel good about themselves and that something wonderful is happening. We have a marvelous country. There's hope. There's a young man there with a pretty wife. They're baby boomers. Now everything's going to be great. So it's a way of overcoming the growing alienation, at least for a short period, without doing anything. It's like Roman circuses. I don't want to suggest it's of zero significance. There is some significance. How much, you can debate. But the hoopla about it, the big celebrations, is simply at the level of Roman circuses. You have to do something for the population.

**DB:** Talking about bread and circuses, the Romans would be in awe. Did you hear about the Elvis stamp? There were two choices. One showed the young Elvis in his prime, and the other a more mature Elvis. The Post Office ran an expensive publicity campaign and millions of people voted. They picked the younger Elvis and lined up in the middle of the night to buy the first stamps. Bread and circuses. Give them something really meaningful to vote on.

Right. And get people excited about that and they won't worry too much about the fact that the economy is inherently unfair or their real wages are declining or their children are not going to live as well as they do. Let them worry about Elvis.

**DB:** You've called the function of the President of the United States the "CEO of corporate America."

If you want to know how they feel about Bill Clinton, look at the stock market. It's doing rather nicely.

**DB:** Business right after the election was very positive.

There was an article yesterday in the London *Financial Times*, the major international business journal, pointing out that the stock market was looking at Clinton and thinking he was doing the right things. Investors are happy.

**DB:** It's only in America that a billionaire can run for President and pose as a populist, as Ross Perot did. What was your take on his candidacy and the whole Perot phenomenon?

The most interesting period, I thought, was when he just appeared, at the very beginning. He could have come from Mars, as far as anyone knew. Nobody knew what his program was. He probably didn't have one. He had nothing to say. He was just this guy who said, Look, I made a lot of money and I've got big ears and a big smile. Within about two weeks, he was running even with the two major candidates. I think what that indicates is pretty clear. It means the population is so desperate that if somebody lands from Mars, they'll try him.

**DB:** Calls for a third party assume that we have a two-party system. Is that off base?

It's a question of definition. We certainly have two candidate-producing organizations. We don't have two parties that people participate in. We don't have two parties with different interests. They basically reflect one or another faction of the part of society that you're not allowed to mention in Mandate for Change, namely the owners and investors and managers. They both represent their interests. But they have different takes on it. And they also have different popular constituencies. That in fact has some effect. The popular constituencies have to be offered some crumbs, just to keep the system of bureaucratic and other power functioning. The main structure of decision making, which has to do with profit, with international affairs, with strategic issues, the popular constituency is allowed no role in that, no matter who's in office. But it can be given other things. For example, the Republicans tend to be somewhat more openly the party of the business classes and the rich. They hide it less than the Democrats. Therefore it's harder for them to appeal to the general public. Their appeal quite often is in terms of jingoism, violence, religious fundamentalism, and the so-called social issues. They've got to give some crumbs to their constituencies, so they give them those things. That's why you have the Supreme Court appointments that you've had in the last ten years. The big attack on civil rights, the racism, the attacks on welfare mothers. That's a gift to that sector of the population. It doesn't affect profits. It doesn't affect power, so you can give it to them. The Democrats have tried to appeal to a different constituency. They pretend to be the party of the people. So they have to do something for the working people, women, minorities. That means that they can be expected to get the crumbs, like the Supreme Court appointments. And when I say "crumbs," I don't mean to demean it. Those are things that can have an enormous effect on individual life. They just don't affect the structure of the political economy.

**DB:** "The phenomenal concentration of property and business under the control of monopolies known as 'corporations' is changing the commercial aspect of the world and also changing the social relations. At no time in history has combination succeeded combination in greater and greater aggregations like the present. The little fellow is no longer in it." August 31, 1895. J.A. Whalen's first editorial in the *Appeal to Reason*.

The *Appeal to Reason* was an interesting left journal which about ten years after that appeared had about three-quarters of a million subscribers. One of the major journals in the country. It was part of a flourishing and lively labor press, all of which has disappeared, a big change over the last century. The comment is correct. Of course it has increased. The difference is that increasingly, especially in the last twenty years, the corporations have become much more international, with effects that we've discussed.

**DB:** Reagan comes to power in 1981 and the debt is one trillion dollars. Today it's four trillion dollars, and that's projected to grow by fifty percent over the next six years. Who owns the debt? Who's going to pay it?

Debt just means people who buy government bonds and securities. They own the debt. Mostly the rich, naturally, at home and abroad. The people who pay it are taxpayers. The debt is just another mechanism for transferring wealth from the poor to the rich, like most social policy. Of course, there's another form of payment. The debt takes away from the possibility of social spending that would benefit the general population. Incidentally, the debt itself, just the numbers, is not a huge problem. We've had bigger debts than that, not in numbers, but relative to GNP, in the past. What the debt is exactly is a bit of a statistical artifact. You can make it different things depending on how you count.

But whatever it is, it's not something that couldn't be dealt with. The question is, what was done with the borrowing? If the borrowing in the last ten years had been used for constructive purposes, say, for investment or infrastructure, we'd be quite well off. The fact is that the borrowing was used for enrichment of the rich, for consumption, which meant lots of imports, which built up the trade deficit; and for financial manipulation and speculation, which are very harmful to the economy.

**DB:** Given the economic situation, it would seem to be a propitious moment for the left, the progressive movement, to come forward with some concrete proposals. People are not unaware of what's going on: high rents, skyrocketing college tuition and medical costs, etc. Yet the left, if I can call it that, when not bogged down in internecine warfare, is seemingly in a reactive mode only. It's not proactive.

What people call the "left," the peace and justice movements, whatever they are, in terms of numbers, I think they've expanded a lot over the years. On particular issues they focus on them and achieve things. They tend to be very localized. There's very little in the way of broader integration, of institutional structure. They can't coalesce around unions because the unions are essentially gone. To the extent that there's any structure it's usually something like the church. There is virtually no functioning left intelligentsia. Nobody's talking much about what should be done or is even available to give talks. So you have a very large number of people, an enormous constituency, with a local focus, both regionally and in terms of issues, and nothing much in the sense of a general vision or picture. That's the result of the success of the class warfare of the last decades in destroying, breaking up popular organizations and

isolating people.

Also I should say that the policy issues that have to be faced are quite deep. It's always nice to have reforms. It would be nice to have more money for starving children. You can think of lots of reforms that should be carried out. But there are some objective problems which you and I would have to face if we ran the country. One objective problem, which was kindly pointed out to the Clinton administration by the *Wall Street Journal* in a front page article the other day is that if they get any funny ideas about taking some of their own rhetoric seriously -- granted, that's not very likely, but just in case anybody has some funny ideas -- spending money for social spending, the United States is so deeply in hock to the international financial community because of the debt and the sale of Treasury bonds, that they have a lock on U.S. policy. The lock is very simple. If something happens here, say, increasing workers' salaries, that the bondholders don't like, that's going to cut down their short-term profit, they'll just start withdrawing from the U.S. bond market, which will drive interest rates up, which will drive the economy down. They point out that Clinton's twenty-billion-dollar spending program can be turned into a twenty-billion-dollar additional cost to the government, to the debt, just by slight changes in the purchase and sale of bonds, with their automatic effects on increasing interest rates, etc. So social policy, even in a country as rich and powerful as the United States, which is the richest and most powerful of them all, is mortgaged to the international wealthy sectors here and abroad. Those are issues that have to be dealt with.

To deal with those issues means to face problems of revolutionary change. There's apparently a debate going on within the Clinton administration over whether there should be efforts to protect American workers no matter who owns an enterprise, or U.S.-based enterprises. All those debates are taking place within a framework of assumptions: the investors have the right to decide what happens. So we have to make things as attractive as possible to the investors. As long as the investors have the right to decide what happens, nothing much else is going to change. It's like saying in a totalitarian state, shall we change from proportional representation to some other kind in the state-run parliament. Maybe it will make a little change, but it's not going to matter much. Until you get to the source of power, which ultimately is investment decisions, other changes are cosmetic and can only take place in a limited way. If they go too far the investors will just make other decisions, and there's nothing you can do about it.

To challenge the right of investors to determine who lives, who dies, how they live and die, that would be to make a significant move toward Enlightenment ideals, actually the classical liberal ideal. That would be revolutionary.

**DB:** There's another factor at work here, and I'd like you to address it. That is the psychological one that it's a lot easier to criticize something than to promote something constructive. There's a completely different dynamic at work.

You can see a lot of things wrong. Small changes you can propose. But to be realistic, substantial change, which will really change the large-scale direction of things and overcome major problems that we all see,

will require profound democratization of the society and the economic system. If you take an enterprise, a business or a big corporation, internally it's a fascist structure. Power is at the top. Orders go from top to bottom. You either follow the orders or get out. There's very little else going on. Furthermore, the concentration of power in such structures means that virtually everything else, whether it's in the ideological or the political sphere, is sharply constrained, not totally controlled by any means, but sharply constrained. Those are just facts.

By now, the international economy imposes other kinds of constraints. You can't overlook those things. They're just true. If anybody bothered to read Adam Smith, instead of prating about him, they would see this pointed out very clearly. He pointed out that social policy is class-based. He took class analysis for granted. It wasn't even an issue. So, if you studied the canon properly at the University of Chicago, they taught you that Adam Smith denounced the mercantilist system and colonialism because he was in favor of free trade. That's half the truth. The other half of the truth is that he pointed out that the mercantilist system and colonialism were harmful to the people of England but very beneficial to the merchants and manufacturers who were the principal architects of policy. In short, it was a class-based policy which worked for the rich and powerful in England. The people of England paid the costs. He was opposed to that, because he was an enlightened intellectual, but he recognized it. Unless you recognize that you're just not in the real world.

**DB:** Huey Long once said that when fascism comes to this country it's going to be wrapped in an American flag. You have detected and commented on tendencies toward fascism in this country. You've even been quoting Hitler on the family and the role of women.

It was kind of striking. After the Republican convention (fortunately I saved my self the pain of watching television, but I read about it) it struck such chords that I began to look up some literature from the 1930s, contemporary literature on fascism. I looked up Hitler's speeches in the late 1930s to women's groups and big rallies. The rhetoric was very similar to that of the "God and country" rally the first night of the Republican convention. I don't really take that too seriously. The reason is that the levers of power are firmly in the hands of the corporate sector. They will permit rabid fundamentalists to scream about God and country and family, but they're very far from having any influence over major power decisions, as you could see from the way the campaign developed. They were given the first night to scream and yell. They were even given the party platform. It's pre-Enlightenment. But then when the campaign started we were back to business as usual.

However, that can change. One of the consequences of the growing alienation and isolation of people is that they begin to develop highly irrational and self-destructive attitudes. You want to try to identify yourself somehow. You don't want to be just glued to the television set. You want something in your life. If most of the constructive ways are cut off, you turn to other ways. You can see that in the polls, too. I was just looking at a study published in England, done by an American sociologist, of comparative religious attitudes in various countries. The figures are shocking. Three-quarters of the American population literally believes in religious miracles. The numbers who believe in the devil, in resurrection, God does this and that -- astonishing. These are numbers that you have nowhere in the industrial world.

You've got to go to maybe mosques in Iran, or maybe do a poll among old ladies in Sicily. You might get numbers like this. This is the American population. Just a couple of years ago there was a study of what people thought of evolution. The percentage of the population that believed in Darwinian evolution at that point was nine percent. Like statistical error, basically. About half the population believed in divine guided evolution, Catholic church doctrine. About forty percent thought the world was created about six thousand years ago. Again, you've got to go back to pre-technological societies, or else devastated peasant societies, before you get numbers like that. Those are the kinds of belief systems that show up in things like the God and country rally. Religious fundamentalism can be a very scary phenomenon. That could be the mass base for popular movement of extreme danger. Also, these people are not stupid. They have huge amounts of money. They're organizing. They are moving the way they should, beginning to take over local offices where nobody notices them. There was a striking phenomenon in the last election, it even made the front pages of the national newspapers. It turned out that in many parts of the country ultraright fundamentalist fanatics had been running candidates without identifying them. It doesn't take a lot of work to get somebody elected to the school committee. Not too many people pay attention. You don't have to say who you are. You just appear with a friendly face and a smile and say, I'm going to help your kids, and people will vote for you. A lot of people got in as a result of organized campaigns to take over these local structures. That can build up and end up with a society that moves back to real pre-Enlightenment times. If that ties in with some charismatic power figure saying, "I'm your leader, follow me," that could be very ugly.

**DB:** There's also a huge increase in fundamentalist media, print, obviously in newspapers and magazines, but particularly in the electronic media. You can't drive across the country.

That was true years ago. I remember driving across the country in the 1950s, being bored out of my head and turning on the radio. Every station I could find was some ranting preacher. Now it's much worse, and of course now there's television.

**DB:** You talk about the standard techniques and devices that are used to control the population: construction of enemies, both internal and external, the creation of hatreds, religious enthusiasm, and then you say, "the techniques are constant for the same structural reasons." What are those structural reasons?

The structural reason is that power is concentrated. The general policy is exactly the way that Adam Smith described it: it's designed for the benefit of its principal architects, the powerful. It serves the vile maxim of the masters: all for ourselves and nothing for anyone else. Those are the basic rules of the world. The way it works out depends on what the structures are. In our case it happens to be basically corporate structure. Much of the population is going to be harmed by that. Those policies are designed to turn state power into an instrument that works for the wealthy. Maybe there are some crumbs for the rest of the population, maybe not. But that's given.

Somehow you have to get the general public to accept this. Hume's paradox does hold: power is in the hands of the governed. If they refuse to accept it, you're in trouble, no matter how many guns you have. How do you do that? There are not a lot of ways. One way is to frighten people and make them cower in terror that only the great leader can save them. Saddam Hussein is coming. You'd better hide in the sand, and by a miracle I'll save you. Then you save them by a miracle. So the combination of fear and awe is a standard technique, used all the time. Diverting people to other things. Elvis stamps. That's a technique. Professional sports are another. Get people to go insane about somebody or other. It also has the effect of creating attitudes of subservience. Somebody else is doing it, and you're supposed to applaud them. They're doing something you could never dream of doing in your life. So there are many devices, but not a lot. You generally find one or another of them being employed.

**DB:** You're predicting that the next big target is going to be the schools.

The schools are already a target. I think more generally what's going to happen is one or another move still further towards a two-tiered system designed for the two-tiered society. It's always been that, but more so than before. Better schools and more investment for relatively privileged sectors, what's called "choice." If you're in the slums, by some miracle you might be able to get in. Degradation or even elimination of the public education sector for large numbers of other people.

Increasingly, the assumption that it is not our responsibility as citizens to care for all of the citizens. What you have to do is work for yourself. That means try to create a system in which those with privilege, education and clout can get the education they want for their kids and the rest are out of luck.

**DB:** The conditions that form the U.S.-Israeli alliance have changed, but have there been any structural changes?

No significant structural changes. It's just that the need for the strategic alliance has intensified. Its viability has increased. The capacity of Israel to serve U.S. interests, at least in the short term, has probably increased. The Clinton administration has made it very clear that it's intending to go even beyond the extreme pro-Israeli bias of the Bush-Baker administration. Their appointment for the Middle East desk of the National Security Council is Martin Indyk, whose background is AIPAC, who has headed a fraudulent research institute, the Washington Institute for Near East Studies, which is basically there so that journalists who want to publish Israeli propaganda, but want to do it objectively, can quote somebody. The one hope that the United States has always had from the so-called peace negotiations is that the traditional tacit alliance between Israel and the family dictatorships that rule the Gulf states will somehow become a little more overt or solidified. And it's conceivable. There is a big problem, however.

The problem is that Israel's plans, which have never changed, to take over and integrate the occupied territories, are running into some objective problems. They have always hoped that in the long run they would be able to reduce the Palestinian population. Many moves were made to try to accelerate that. One of the reasons they instituted an educational system on the West Bank was in the conscious hope that

more educated people would want to get out because there wouldn't be any job opportunities. For a long time it worked. They were able to get a lot of people to leave. They now may well be stuck with the population. This is going to cause some real problems, because they're intending to take the water and the land. That may not be so pretty and not so easy.

**DB:** What's Israel's record of compliance with the more than twenty Security Council resolutions condemning its policies?

It's in a class by itself.

**DB:** No sanctions, no enforcement?

None. Just to pick one at random: Security Council resolution 425, March 1978, called on Israel to withdraw immediately and unconditionally from Lebanon. They're still there. The request was renewed by the government of Lebanon in February of 1991, when everyone was going at Iraq. You can't do anything. The United States will block it. Many of the Security Council resolutions that the U.S. has vetoed have to do with Israeli aggression or atrocities. For example, take the invasion of Lebanon in 1982.

At first the United States went along with the Security Council condemnations, but within a few days the U.S. had vetoed the major Security Council resolution, which called on everyone to withdraw and stop fighting.

**DB:** The U.S. has gone along with the last few UN resolutions or deportations.

The U.S. gone along, but refused to allow them to have any teeth. The crucial question is, do you do anything about it? For example, the United States went along with the Security Council resolution condemning the annexation of the Golan Heights. But when the time came to do something about it, that stopped.

**DB:** Lebanon is a dumping ground for deportees. Israel has taken and dropped by helicopter and bussed scores of deportees in the 1970s and 1980s. Why has that changed now? Why has Lebanon refused?

It's not so much that it has refused. If Israel dropped some of them by helicopter into the outskirts of Sidon, Lebanon couldn't refuse. This time Israel, I think, made a tactical error. The deportation of 415 people is going to be very hard for them to deal with. It's an interesting background. I just read in Ha'aretz, the main Israeli journal, that the Shabak, the secret police, stated, which they rarely do, that they had only asked for seven people to be deported. The other four hundred or so were taken by the Labor government and added. Shabak announced that it wasn't on their initiative. They never said anything about deporting them.

But taking this big class of people, mostly intellectuals, clerics, etc., and putting them in the mountains of southern Lebanon, where it's freezing and they may start dying, that's not going to look pretty in front of the TV cameras, which is the only thing that matters. So they may have some problems, because they're not going to let them back in.

**DB:** International law transcends state law, but Israel says these resolutions are not applicable. How are they not applicable?

Just like they're not applicable to the United States. The United States was condemned by the World Court. States do what they feel like. Of course, small states have to obey. Israel's not a small state. It's an appendage to the world superpower, so it does what the United States says it has to do. The United States tells it: You don't have to obey any of these resolutions, therefore they're null and void. As they are when the U.S. gets condemned. The U.S. never gets condemned by a Security Council resolution, because it vetoes them. But there are repeated Security Council resolutions condemning the United States which would have passed if it was any other country, and the General Assembly all the time. Take, say, the invasion of Panama. There were two resolutions in the Security Council condemning the United States for the invasion of Panama. We vetoed them both.

**DB:** I remember talking to Mona Rishmawi of Al Haq in Ramalla. She told me that when she would go to court, she wouldn't know whether the Israeli prosecutor would prosecute her clients under British mandate emergency law, Jordanian law, Israeli law, or Ottoman law.

Or their own laws. There are administrative regulations, some of which are never published. The whole idea is a joke, as any Palestinian lawyer will tell you. There is no law in the occupied territories. There's just pure authority. Even within Israel itself, the legal system is a joke when it comes to Arabs. It has to be covered up here. Arab defendants who come to the Supreme Court come after having been convicted. The convictions are in the high ninetieth percentile based on confessions. When people confess, everybody knows what that means. Finally, after about sixteen years, when one of the people who confessed and was tried turned out to be a Druse army veteran who was proven to have been innocent, it became a scandal. There was an investigation, and the Supreme Court stated that for sixteen years the secret services had been lying to them, had been torturing people and telling them that they hadn't. There was a big fuss in Israel about the fact that they had been lying to the Supreme Court. How could you have a democracy when they lie to the Supreme Court? Not the torture. Everyone knew it all along.

I recall once after an Amnesty International investigation of torture in Israel, one of the Supreme Court justices was in London and was interviewed by Amnesty International. They asked him, could he explain the extremely high percentage of confessions of Arabs. He said, "It's part of their nature" to confess. That's the Israeli legal system.

**DB:** About the deportations again: I heard Steven Solarz on the BBC a

couple of weeks ago. He said the world has a double standard. Seven hundred thousand Yemenis were expelled from Saudi Arabia and no one said a word. Which is true. Four hundred and fifteen Palestinians get expelled from Gaza and the West Bank and everybody's screaming.

Every Stalinist said the same thing. We sent Sakharov into exile and everyone is screaming. What about this other atrocity? There is always somebody who has committed a worse atrocity. For a Stalinist like Solarz -- which is exactly what is he, the typical Stalinist hack -- why not use the same line? In fact, as Solarz knows, Israel is treated with a very gentle hand, and the expulsion of Yemenis was part of the propaganda build-up for the war in the Gulf, hence acceptable.

**DB:** Israel's record and its attitude toward Hamas have evolved over the years. It once held it in favor, did it not?

They not only held it in favor, they tried to organize and stimulate it. In the early days of the intifada, Israel was sponsoring Islamic fundamentalists. If there was a strike of students at some West Bank university, the Israel army would sometimes bus in Islamic fundamentalists to break up the strike. Sheikh Yaseen, an anti-Semitic maniac down in Gaza, who is the leader of the Islamic fundamentalists, was protected for a long time. They liked him. He was saying, Let's kill all the Jews. It's a standard thing, way back in history. Chaim Weizman, seventy years ago, was saying, Our danger is Arab moderates, not the Arab extremists. The invasion of Lebanon was the same thing. They invaded Lebanon openly in order to destroy the PLO, which was a threat because it was secular and nationalist and calling for negotiations and a diplomatic settlement. That was the threat. Not the terrorists. The facts are familiar in Israel, unmentionable here, as part of the general cover-up of crimes of an unusually favored ally. They've done the same thing again, and always make the same mistake.

In Lebanon they went in to destroy the threat of moderation and ended up with Hezbollah on their hands. In the West Bank, they wanted to destroy the threat of moderation, people who wanted to make a political settlement, and they're ending up with Hamas on their hands. The mistake was predictable. The result was predictable. But it's important to recognize how utterly incompetent secret services are. Intelligence agencies make the most astonishing mistakes. For the same reason that academics do. They've got the same kind of background, the same assumptions. Especially when they're in a situation of occupation or domination, the occupier, the dominant power, has to justify what they're doing. There is only one way to do it, that's to become a racist: you have to blame the victim. Once you become a racist in self-defense, you've lost your capacity to understand what's happening. This is a very standard procedure. The U.S. in Indochina was the same. They never could understand. The FBI right here is the same. They make the most astonishing mistakes, for similar reasons.

**DB:** Get us through these Orwellisms of "security zone" and "buffer zone."

In southern Lebanon? That's what Israel calls it, and that's how it's referred to in the media. Israel

invaded southern Lebanon in 1978. It was obvious at the time that the Camp David negotiations would have the consequence that they did, namely freeing Israel up to attack Lebanon and integrate the occupied territories by eliminating Egypt as a deterrent. Any kindergarten child could have seen that, and by now it's even conceded. So Israel invaded Lebanon in 1978 and held on to it. That's when the resolution was passed. They usually held on to it through clients, at the time it was the Haddad militia.

When Israel invaded in 1982, the border had not been quiet. There had been a lot of violence across the border, all from Israel north. There was an American-brokered ceasefire which the PLO had held to scrupulously. But Israel carried out literally thousands of provocative actions, including heavy bombing of civilian targets in an effort to try to get the PLO to do something so that they'd have an excuse for the invasion that finally took place. It's interesting the way that period is portrayed in American journalism. Universally it is portrayed as the period when the PLO was bombarding Israeli settlements. What was happening in fact was that Israel was bombing and invading north of the border and the PLO wasn't responding. They were trying at that time to move towards a negotiated settlement. Israel invaded Lebanon. We know what happened then. They were driven out by what they call "terrorism," meaning resistance by people who weren't going to be cowed. Israel succeeded in awakening a fundamentalist resistance which they couldn't control. They were forced out. They held on to the southern zone, which they call a "security zone," but there's no reason to believe that it has the slightest thing to do with security. It's their foothold in Lebanon. It's run by a mercenary army, the South Lebanon Army, backed up by Israeli troops. They're very brutal. It's got horrible torture chambers. We don't know the full details, because they refuse to allow any inspections, by the Red Cross or anyone else. But there have been investigations by human rights groups, journalists and others who attest to overwhelming evidence from independent sources, people who got out, what goes on there, even Israeli sources. There was actually an Israeli soldier who committed suicide there because he couldn't stand what was going on. Some others have written about it in the Hebrew press. Ansar is the main one, which they very nicely put in the town of Khiyam which is a place where they carried out a massacre back in 1948. There was another massacre by the Haddad militia under Israeli eyes in 1982. That's mainly for Lebanese who refuse to cooperate with the South Lebanon Army. That's the security zone.

**DB:** Anti-Defamation League Director Abraham Foxman, in a January 11, 1993 letter to the *New York Times*, says that since assuming leadership the Rabin government has "unambiguously demonstrated its commitment to the peace process." "Israel is the last party that has to prove its desire to make peace." What's been the Rabin record?

It's perfectly true that Israel wants peace. So did Hitler. Everybody wants peace. When you say somebody wants peace, that's a tautology. Everybody wants peace. The question is on what terms. The Rabin government, exactly as was predicted, harshened the repression in the territories. Just this afternoon I was speaking to a woman who has spent the last couple of years in Gaza doing human rights work. She reported what everyone reports, and what everybody with a brain knew: As soon as Rabin came it got tougher. He's the iron fist man. That's his record. Actually, Likud had a better record in the territories than Labor did. Torture and collective punishment stopped under Likud. There was one period when Sharon was there that it was bad, but under Begin it was generally better. When the Labor party

came back into the government in 1984, torture started again, collective repression started again, the intifada came. Rabin stated publicly, it was published in February 1989 to a bunch of Peace Now leaders, that the negotiations with the PLO didn't mean anything. It was going to give him time to crush them by force, and they will be crushed, he said, they will be broken.

**DB:** It hasn't happened.

It happened. The intifada was pretty dead. He has awakened it again. His own violence has succeeded in reawakening the intifada. Several things, including the recent expulsion. But the increased repression after Rabin came in did reawaken the rather dormant protests and resistance -- possibly people just wanted to be left alone, they couldn't take any more. Rabin succeeded in reawakening it. He has increased settlement in the occupied territories, exactly as everyone predicted. There was a very highly publicized cutoff of settlement. It was obvious right away that it was a fraud. Foxman knows that. He reads the Israeli press, I'm sure. What Rabin stopped was some of the more extreme and crazy Sharon plans. Sharon was building houses all over the place, in places where nobody was ever going to go, and the economy couldn't handle it. So he eased back to a more rational settlement program. I think the current number is eleven thousand new housing units going up. Labor tends to have a more rational policy than Likud, one of the reasons the U.S. has always preferred Labor. They do it more quietly, less brazenly. Also, it's more realistic. Instead of trying to make seven big areas of settlement, they're down to four. But the theory is the same: try to break up the West Bank in a way which will make full Jewish settlement everywhere that's worthwhile, but surrounding pockets of Arab population concentration. So big highways, a network of highways connecting Jewish settlements, avoiding some little Arab village way up in the hills. All of this is continuing. The goal is to arrange the settlements so that they separate the Palestinian areas, so that there's no connection between them. That's to make certain that any form of local autonomy will never turn into any meaningful form of self government. That's continuing, and the U.S. is of course funding it, because it's in favor of it, as it always was. But true, Rabin is delighted to have a peace process if it can be on his terms.

**DB:** Critics of the Palestinian movement point to what they call the "intrafada," the fact that Palestinians are killing other Palestinians, as if this justifies Israeli rule and delegitimizes any Palestinian national aspirations.

You might look back at the Zionist movement. There was plenty of killing of Jews by other Jews. They killed collaborators, traitors, people they thought were traitors. And they were under nothing like the harsh conditions of the Israeli occupation. As plenty of Israelis have pointed out, the British weren't nice, but they were gentlemen compared with us. The first Haganah assassination, the Labor-based defense force, the first that's recorded, at least, was in 1921. I looked it up in the official Haganah history. It's described there straight. A Dutch Jew named Jacob de Haan, because he was trying to approach local Palestinians to see if things could be worked out between the new settlers and the Palestinians, had to be killed. One of the murderers is assumed to be the woman who later became the wife of the first President of Israel. They said in the history that another reason for assassinating him was that he was a homosexual. Don't want those guys around. There were Haganah torture chambers, assassins. Yitzhak

Shamir became head of the Stern gang by killing the guy who was designated to be the head. Shamir was supposed to take a walk with him on a beach. He never came back. Everyone knows Shamir killed him. The American revolution was no different.

As the intifada began to self-destruct under tremendous repression, this killing got completely out of hand. It began to be a matter of settling old scores, gangsters killing anybody they disliked. Originally it was pretty disciplined. But when the repression got harsh enough and the leadership was taken away, thrown into concentration camps, the thing deteriorated. It ended up with a lot of random killing, which Israel loves. Then they can point out how rotten the Arabs are.

**DB:** It's a dangerous neighborhood.

Yes, it is. They help make it dangerous.

**DB:** David Frum, a Canadian journalist, in the January 2, 1993 *Financial Post*, calls you, among other things, the "great American crackpot." I think that ranks up there with the *New Republic's* Martin Peretz's comment placing you "outside the pale of intellectual responsibility." But Frum actually has some substantive things to say: "There was a time when the *New York Times* op ed page was your stomping ground." Have I missed something here?

I guess I did too. I did once have an op ed, one. It was in 1971, I guess. I had testified before the Senate Foreign Relations Committee. This was the period when everybody in the *New York Times* was deciding we'd better get out of Vietnam because it was costing us too much. Senator Fulbright had in effect turned the Senate Foreign Relations Committee into a seminar. He was very turned off by the war at that time, by American foreign policy. He invited me to testify. That was respectable enough. So they ran a segment of ...

**DB:** Excerpts of your comments. There wasn't an original piece you had written for the *Times*.

Maybe it was slightly edited, but it was essentially a piece of my testimony at the Senate Foreign Relations Committee. So it's true, the *Times* did publish a piece of testimony at the Foreign Relations Committee.

**DB:** And that was your "stomping grounds." What about letters? How many letters of yours have they printed?

Occasionally, when something appeared there which was an outlandish slander and lie about me, I've written back to them. Usually they don't publish the letters. Sometimes I was angry enough that I contacted friends who were able to put enough pressure on so they would run a letter of response.

**DB:** I haven't seen one in years.

Sometimes they just refuse. In the *Times Book Review* there were a bunch of vicious lies about me and the Khmer Rouge. I wrote back a short letter responding, and they just refused to publish it. I got annoyed and wrote back and I actually got a response, saying, we published a different letter that we thought was better.

**DB:** David Frum just can't stop lavishing praise upon you. He says, "Your views are exactly like the stuff peddled by Lyndon LaRouche and the Christic Institute." You had an incident involving the Larouchies that you've mentioned in several talks.

It went as far as death threats. I had been following them pretty closely, partly because I knew some of the kids involved. They were children of personal friends. It grew out of the Columbia strike in 1968. Originally it was the National Caucus of Labor Committees. It was a Marxist group of serious young people who were going to live in working-class areas and organize people. You could like it or dislike it. It was perfectly rational. This guy Lyndon LaRouche, who had some other name then, was the guru. At first he looked like some sort of standard ex-Trotskyite. After a while you could see what was happening. These are hard things to do. You're giving up your life, your career, the only world you live in is your surroundings. He gradually began to introduce slightly crazy themes into the ideology. You could see him do it little by little. At each point everyone in the group, nineteen-year-old kids, had to make a decision: Am I going to go along with this or am I going to give up my life? A lot of people went along. After a while they were off in outer space. The positions were so insane you couldn't even talk about it.

They then got quite violent. They started something called Operation Mop-Up. They were going to take the hegemony of the left by going into some movement meeting with baseball bats and beating everyone over the head. At first nobody knew what to do about it. After a while they figured, OK, we'll come back with bigger baseball bats. The next thing they started was what amounted to an extortion racket against parents. A lot of the kids had middle-class parents. The idea was to go back to your parents and tell them that unless they sold the store and gave it to LaRouche, they were enemies of the human race, objective fascists, and you were never going to have anything to do with them again.

This went on for a while. I started getting approached at talks I was giving. Some old couple would come up. I remember once a couple came up, a guy who had a little grocery store somewhere. He told me this was what his kids were saying, what did I think he ought to do? Usually I didn't answer. This once I said, if you want me to tell you the truth, I'll tell you the truth. I told him what I thought. About a week later I got a message signed Labor Committee Intelligence Service: our Intelligence Service has learned that you're spreading rumors about the party. You have one week to clear yourself of these charges. I threw it into the waste basket. Shortly after their newspaper started coming out with crazed attacks. The funniest one was a pamphlet they put out for the Bicentennial, July 4, 1976. It was called "Terrorist Commanders." It had on the front a picture of me and Marc Raskin. It was quite amusing. It was about

how the two of us run the KGB and the CIA and the PLO and the Queen of England and whoever else was in their conspiracy at the time. They said we were planning to put atom bombs in major U.S. cities at the time of the Bicentennial. I got it in August, a month after. Usually these end-of-the-world people, when it doesn't happen they have some reason. But they were still predicting it a month after it didn't happen. That was put on the windshield of my car with a death threat scribbled on it. I won't go into the details of what happened next. I didn't hear from them for a while. Since then it's similar things.

**DB:** Anyone who comes to visit your office at MIT will see a very large black and white photograph of Bertrand Russell in the hallway next to your door. What's the story behind that photograph?

He's one of the very few people that I actually admire. I did have a big photograph of him. The office was vandalized during the Vietnam War years. A sauerkraut bomber. One of the things that was destroyed was that picture. Somebody succeeded in putting up another one.

**DB:** So does Russell exemplify the responsibility of intellectuals?

Nobody is a hero, but he had a lot of very good characteristics and did a lot of things that I admire.

**DB:** You do endless rounds of interviews, and I certainly inflict a fair share of them on you, how do you keep awake, much less sustain interest? What constitutes a good interview? What engages you? The questions are interminable, and usually the same.

They're not always quite the same. And I have to rethink things anyway. These are very important and interesting topics, and as long as people are interested in them, I'm going to keep talking about them.

**DB:** You can stay awake?

Most of the time.

**DB:** Thank you.

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# Media, Knowledge, and Objectivity

June 16, 1993

**DB:** It's about 7:00 a.m. here in Boulder, 9:00 where you are in Lexington. What is your morning routine like? Do you start off with reading the *Boston Globe* and the *New York Times*?

Yes, and *The Wall Street Journal*. *The Financial Times*. Whatever.

**DB:** Is the morning a good time for you to work or are you interrupted with a lot of phone calls like this one?

Usually, quite a lot.

**DB:** The *Boston Globe*, your daily newspaper, has just been acquired by the *New York Times*. The *Globe* is one of the last major papers in the country not owned by a chain. What are your thoughts on that?

It's a natural continuation of a tendency that's been going on for a long time. Ben Bagdikian, for example, has been documenting it year after year. It's a natural phenomenon. Capital tends to concentrate. I frankly doubt that it would make much difference in the nature of the newspaper, at least for a few years. However, over time it probably will.

**DB:** There is a well-documented trend in the concentration of media ownership. Do you see any countertrends?

What you are doing right now is a countertrend. It's just like everything that's going on in the world. There's a trend toward centralization of power in higher and higher levels, but there's also a countertrend towards regionalization, including what's called "devolution" in Europe, creation of grassroots movements, construction of alternatives. The new electronic technology, in fact, has given opportunities for lots of spreading of alternatives. Cable television offers alternatives. So things are going in both directions. Institutionally, the major tendency is centralization. The other tendency in the opposite direction, which is the only hopeful one, in my opinion, is much more diffuse and has nothing much in the way of organized institutional forms. But it's certainly going on at every level.

**DB:** There are also computer networks.

They offer lots of possibilities. There are tens of thousands of people hooked up, maybe hundreds of thousands hooked into various networks on all kinds of topics and lots of discussion goes on and lots of information comes through. It's of varying quality, but a lot of it is alternative to the mainstream. That's still pretty much of an elite privilege at this point.

**DB:** I recently got a letter from a listener in Lafayette, Colorado, a few miles from Boulder. He heard your talk "Manufacturing Consent," which you gave at the Harvard Trade Union Program in January. I thought the listener's comments were telling. He said after hearing the program that it left him feeling "as politically isolated as the PR industry would have us." He asked, "How do we get organized? Is everybody too tied down by monthly bills to care?" So there are multiple questions and concerns there.

How do we get organized? There's a simple answer: you go ahead and do it. People have gotten organized under much more onerous conditions than these. Suppose, for example, you're a peasant in El Salvador in a Christian base community which tries to become a peasant cooperative. The conditions under which those things took place are so far beyond anything we can imagine that to talk about the problems we face seems superfluous. Sure, there are problems. People are weighed down with bills, they have personal problems. But most of us live under conditions of extraordinary privilege by comparative standards. The problem of getting organized is a problem of will.

**DB:** Isn't one of the functions of the media to marginalize people like this listener who wrote and to convince them that affairs must be left to the experts and you stay out of it.

Of course. But notice that it's done differently in El Salvador. There they send in the death squads. Here what they do is try to hook you on sitcoms. It's true that both are techniques of control, but they are rather different techniques.

**DB:** You're a scientist. Talk about the notions of objectivity and balance in the media and in scholarship. Who determines those kinds of things?

There's a big difference between the sciences and humanistic or social science scholarship or the media. In the natural sciences you're faced with the fact of nature as a very hard taskmaster. It doesn't let you get away with a lot of nonsense. At least in the more well developed areas of the sciences, it's difficult for error to perpetuate. Theoretical error, of course, can perpetuate because it's hard to detect. But if a person does an experiment and misstates the results, that's likely to be exposed very quickly, since it will be

replicated. There's a fairly stern internal discipline, which by no means guarantees that you're going to find the truth. But it imposes standards that are very hard to break away from. There are external conditions that determine how science proceeds: funding, etc. But it's qualitatively different from other areas, where the constraints imposed by the outside world are much weaker. Much less is understood. The empirical refutation is much harder to come by. It's much easier to simply ignore things that you don't want to hear.

So let's go back to your opening comment about the *Times* taking over the *Globe*. The east-coast press has been flowing with praise for this and saying that because of the *Times*' high journalistic standards there's no concern that this will have any danger. There are thousands of pages of documentation in print which demonstrate that the *Times*' journalistic standards are anything but high. In fact, they're grotesque. But it doesn't matter, because the critical analysis can simply be ignored. It has the wrong message. Therefore you ignore it. That's the kind of thing that's very easy in journalism or any of the other ideological disciplines. You just ignore what you don't like, and if you are on the side of the powerful, it's easy to get away with it.

The other day I read a summary article in the *Washington Post* by a good reporter who knows a lot about Central America, the lost decade in Central America. His article expresses all sorts of puzzlement about why Central America is worse off than it was in 1980 despite the enormous amount of American aid that went into the region. It asks whether this American aid was well-spent, whether it was well-designed, whether it went in the right areas. He asks what went wrong with our enormous effort to bring democracy and social development to Central America.

The author (Douglas Farah) of that article, at least when he's not writing for the *Post*, knows the answer perfectly well. The U.S. led a devastating terrorist war throughout the region to try to prevent democracy and social development. These billions of dollars of aid that he talks about were billions of dollars spent to destroy these countries. That's why they are worse off than before. But the *Post* can't say that. No matter how overwhelming the evidence is, it's perfectly possible simply to disregard it and to go on with fantasies that are much more pleasing to powerful interests and to oneself. In journalism, or in a good deal of what's called "soft scholarship," meaning outside the hard sciences, that's quite easy to do. The controls are very weak, and it's very easy simply to ignore or to deflect critical analysis. In the hard sciences it just won't work. You do that and you're left behind. Somebody else discovers things and you're out of business. Years ago C. P. Snow talked about what he called the two cultures of the humanities and the hard sciences. He was much criticized for that. But there's something to it. They are rather different in character. There are further blurring comments that have to be made, but roughly speaking the difference is real.

So to answer the question, within the more developed natural sciences, although nobody has any illusions about objectivity, there is a kind of peer-pressure control that reflects the constraints imposed by nature. In the other areas, work is commonly considered objective if it reflects the views of those in power.

**DB:** The concept of objectivity in journalism definitely seems to be

something that's situational and mutable.

If you look at serious monographic work in diplomatic history, the situation is somewhat different. Although there, choices and focus and concentration and framing are themselves often quite ideological and can hardly fail to be. More honest people will recognize that and make it clear. The less honest will make it appear that they're simply being objective.

**DB:** But of course one of the central myths of the media is that they are objective and balanced.

Sure. That's part of their propaganda function.

It's obvious on the face of it that those words don't mean anything. What do you mean by balanced? What's the proper measure of balance? There's no answer to that question. If the media were honest, they would say, Look, here are the interests we represent and this is the framework within which we look at things. This is our set of beliefs and commitments. That's what they would say, very much as their critics say. For example, I don't try to hide my commitments, and the *Washington Post* and *New York Times* shouldn't do it either. However, they must do it, because this mask of balance and objectivity is a crucial part of the propaganda function.

In fact, they actually go beyond that. They try to present themselves as adversarial to power, as subversive, digging away at powerful institutions and undermining them. The academic profession plays along with this game. Have a look at academic conferences on the media. One I went through in detail was held at Georgetown University. It was run by a dovish, rather liberal-leaning Quaker. It was about media coverage of Central America and the Middle East. The way the conference is framed is this: First came a series of statements opening the discussion by people who said the media and journalists are overwhelmingly biased against the government. They lie. They try to undermine the U.S. government. They're practically communist agents. After these bitter attacks on the media for their adversarial stance, another set of papers were presented which said, Look, it's pretty bad, we agree. But it's not quite as bad as you say. That's our job, to be subversive, and that's what you have to face up to in a democratic society. Then these two positions were debated.

There is obviously a third position: the media are supportive of power interests. They distort and often lie in order to maintain those interests. But that position can't be expressed. In fact, in the conference I'm talking about, one hundred percent of the coverage on Central America was within the bounds I've described. On the Middle East, where the media are just grotesque, it was only ninety-six percent within those ludicrous bounds. The reason was that they allowed one statement by Eric Hoagland, a Middle East scholar who made an accurate statement, and that's the four percent, which nobody ever referred to again. That's the way the media like to present themselves, naturally, and that's the way the academic profession likes to see them presented. If you can present the media as being critical, antagonistic to power, maybe even subversive, that makes an enormous contribution to the propaganda function. Then they say, Look how critical of power we are. How could anyone go beyond us?

**DB:** In an article about the acquisition of the *Boston Globe* in the *Times* a few days ago, it was pointed out that the *Globe* was one of the first papers in the United States to lead the crusade against U.S. intervention in Vietnam. You were reading this paper throughout that period. Is that accurate?

Yes, it's very accurate. They published the first editorial calling for withdrawal from Vietnam. The editor at that time was a personal friend and I followed this quite closely. They did a big study to determine if it would be possible to publish this editorial and still get away with it. They finally agreed to do it. My recollection is that that was in late 1969, that is, about a year-and-a-half after Wall Street had turned against the war. I think it's probably true that that was the first mainstream call for withdrawal of U.S. forces. Of course, it was not framed in terms of a call to withdraw the U.S. forces that had attacked Vietnam, but rather, We should get out, it doesn't make sense, etc. That tells you something about the U.S. media. What it tells you is a year-and-a-half after the business community determined that the government should liquidate the effort because it was harmful to U.S. economic interests, about that time the courageous press timidly began to say, well, maybe we ought to do what the business community announced a year-and-a-half ago, without even conceding the simple truth: that it was a war of U.S. aggression, first against South Vietnam, then all of Indochina. Some elementary truths are too outrageous to be allowed on the printed page.

**DB:** Do you see knowledge as a commodity? Is it something that's traded and purchased and sold? Obviously it's sold: one sells oneself in the marketplace.

I'd be a little cautious about the knowledge part. What passes for knowledge is sold. Take, say, Henry Kissinger as an example. He certainly sells himself in the marketplace. But one should be very skeptical about whether that's knowledge or not. The reason is that what's sold in the marketplace tends to be pretty shoddy. It works. It's knowledge or understanding shaped or distorted to serve the interests of power. Or, to go back to the hard sciences, their knowledge is certainly sold. Take American high-tech industry, or the pharmaceutical industry. One of the ways in which the public subsidizes the corporate sector is through university research labs, which do straight research. But the benefits of it, if something commercially viable comes out of it, are handed over to private corporations. I don't know of any university departments which contract out directly to industry, but there are things not too far from that.

**DB:** Would you say information is a commodity?

People make such statements. I'm a little leery about them. When you say that information is a commodity, it can certainly be sold, traded, in elementary ways, like a newspaper joins Associated Press and purchases [articles] or you go to a bookstore and buy a book. Information is sold. That's not a deep point, I don't think.

**DB:** What about ways of acquiring knowledge outside of the conventional

structures, the colleges and universities?

First of all, even within the conventional structures, colleges, universities, the *New York Times*, etc., if you read carefully, you can learn a lot. All of these institutions have an important internal contradiction: On the one hand, they wouldn't survive if they didn't support the fundamental interests of people who have wealth and power. If you don't serve those interests, you don't survive very long. So there is a distorting and propaganda effect and tendency. On the other hand, they also have within them something that drives them towards integrity and honesty and accurate depiction of the world, as far as one can do it. Partly that just comes out of personal integrity of people inside them, whether they're journalists or historians. But partly it's because they won't even do their job for the powerful unless they give a tolerably accurate picture of reality. So the business press, for example, often does quite good and accurate reporting, and the rest of the press too, in many cases. The reason is that people in power need to know the facts if they're going to make decisions in their own interests. These two conflicting tendencies mean that if you weave your way between them you can learn quite a lot.

To get back to your question: Outside these institutions there are all sorts of things people can do. Let's go back to the article I mentioned in the *Washington Post* about Central America. Central American activists in Boulder or plenty of other places, when they look at that article just collapse in laughter. They know the facts. They didn't find out the facts from reading the *Washington Post*, for the most part. They found them out through other sources. The Central American solidarity movements had access to extensive information and still do, through direct contacts, through alternative media, through people travelling back and forth, that is completely outside the framework of the mainstream media. For example, one thing that this article states is that the United States compelled the Marxist Sandinistas to run their first free election in 1990. Everyone in the Central American solidarity movements, and plenty of other people, knows that that's complete baloney and that there was a free election held in 1984, except it came out the wrong way, so therefore it was wiped out of history by the U.S. In fact, the author of this article certainly knows it as well. But for him to say it in the *Washington Post* would be like standing up in the Vatican and saying Jesus Christ didn't exist. You just can't say certain things within a deeply totalitarian intellectual culture like ours. Therefore, he has to say what he says, and maybe even believes it, although it's hard for me to imagine. Everybody has to say that. But people in the popular movements know perfectly well that it's not true and know why it's not true, because they've found other ways to gain understanding of the world.

In case you heard a big bang in the background, that was one of the piles of books in my study collapsing on the floor, as happens regularly.

**DB:** I can see you surrounded by mountains and stacks of papers and books.

Occasionally they decide that the laws of physics won't handle it and they fall on the floor, which is what just happened.

**DB:** You commented to a friend that the amount of material that you lose is "awesome," but it seems to me that the amount of material that you retain is awesome as well.

It doesn't feel that way to me. I feel mostly the loss. As I see it disappearing it's agonizing. I know if I don't write about something within a couple of years it will be gone, lost in these piles. The trouble is, all of us feel like this. You're so far out of the mainstream that the few people who follow these issues closely and who write about them know that if they don't deal with something it's out of history. For example, the Nicaraguan election is in history, at least for people who care, primarily because Edward Herman did some very good research on it. It doesn't matter to the *Washington Post*. For them it's out of history, period, because those are the orders from those who are on high. But for people who want to know, you can look at Herman's work.

**DB:** Something you've been saying over the years strikes me as somewhat contradictory. When you talk about the connection between U.S. aid and human rights abuses, you say that connection is "obvious," and at the same time you say that there's no way to know about these things and you have to be a fanatic, as you describe yourself, to find these things out. Doesn't that leave people intimidated and disempowered?

If I put it that way I'm being a little misleading. As an individual, you have to be a fanatic to find it out. On the other hand, if you're part of a semi-organized movement, like the Central America solidarity movements, you don't have to be a fanatic, because you have access to alternative sources of information.

Again, take Edward Herman, my friend and colleague, who did an extensive study of the relation between U.S. aid and torture. He found them very highly correlated. We published information about it in jointly written books of ours and elsewhere. He's also published his own books that describe this in detail.

The leading Latin American academic specialist on human rights, Lars Schoultz at North Carolina, published an article in about 1980 on U.S. aid and human-rights violations, primarily torture, in Latin America. He found exactly the same thing. As he put it in his article, U.S. aid tends to flow to the most egregious human rights violators in the hemisphere. They are consistently the highest aid recipients. He also showed that this correlation has nothing to do with need, that it includes military aid, and that it runs through the Carter period. In the Reagan period it shot through the roof. You can find those things out. I've reported them. Herman's reported them.

If an isolated individual like that person you mentioned earlier wanted to figure this stuff out, he'd have to be kind of a fanatic. It would take immense research to even find that anybody ever talked about these topics. You're not going to find them in the *New York Times* index. What you'll find is article after article about our profound commitment to human rights. On the other hand, if you are part of the popular movements you have easy access to such material and you don't have to be a fanatic at all. You just have

to have your eyes open.

**DB:** In the tremendous amount of mail that you receive, are these views of isolation reflected? What is the temper of the mail?

Overwhelmingly. There is a film (*Manufacturing Consent*) by Mark Achbar and Peter Wintonick that's been playing around the world, often on national television and around this country, too, though a little less prominently. I get a lot of letters, hundreds, maybe thousands. Very commonly the tone is very much like what the person you mentioned said. This also happens if I occasionally appear on TV in the United States, on Bill Moyers or Pozner/Donahue. I get a lot of letters saying, I was very interested to hear what you had to say. I thought I was the only person in the world who had thoughts like this. Where can I learn more about it? Sometimes I cringe when the letters say, How can I join your movement? Meaning I haven't at all gotten across what I was trying to.

**DB:** You steadfastly refuse to see the film *Manufacturing Consent*. Why?

Partly because there's that feeling that however much they might have tried, there's something inherent in the medium which personalizes and gives the false and indeed ridiculous impression that leads to questions like, "How can I join your movement?"

**DB:** How much time do you spend responding to mail per week?

I hate to think about it. Probably twenty-five hours or so.

**DB:** It's actually increased since the last time I spoke to you.

It goes up and up. I was away for a couple of weeks in Europe and the Middle East giving lectures. When I came back, I think it took me over two weeks of doing nothing else, just to clear away the mail.

**DB:** These are individual responses. I know people are absolutely amazed when they do hear from you. They are stunned at the graciousness of your replies.

These letters are often extremely serious and very thoughtful. I should say that on one topic, finally, I had to write a form letter, saying, Sorry, I can't respond.

**DB:** What was that?

Take a guess.

**DB:** JFK. Conspiracy theories.

That's it. It just got to the point where I couldn't respond any more. Within the bounds of a twenty-four-hour day I couldn't answer the letters. So much to my regret I had to say, sorry, I can't do it.

**DB:** Does that interest in conspiracy theories tell you something about the political culture?

It tells you something about what's undermining the left. For people who feel a need to believe in conspiracies, here's one sitting there waiting for them. Just imagine the CIA deciding, How can we undermine and destroy all of these popular movements? Let's send them off on some crazy wild goose chase which is going to involve them in extremely detailed microanalysis and discussion of things that don't matter. That'll shut them up. That's happening. In case anybody misunderstands, I don't believe this for one moment, but it's the kind of thing that goes around.

**DB:** It's curious that there are elements of what is called the "left" in this country that have embraced this so fervidly.

In my opinion, that's a phenomenon similar to this feeling of impotence and isolation that you mentioned. If you really feel, Look, it's too hard to deal with real problems, there are a lot of ways to avoid doing so. One of them is to go off on wild goose chases that don't matter. Another is to get involved in academic cults that are very divorced from any reality and that provide a defense against dealing with the world as it actually is. There's plenty of that going on, including in the left. I just saw some very depressing examples of it in my trip to Egypt a couple of weeks ago. I was there to talk on international affairs. There's a very lively, civilized intellectual community, very courageous people who spent years in Nasser's jails being practically tortured to death and came out struggling. Now throughout the Third World there's a sense of great despair and hopelessness. The way it showed up there, in very educated circles with European connections, was to become immersed in the latest lunacies of Paris culture and to focus totally on those. For example, when I would give talks about current realities, even in research institutes dealing with strategic issues, participants wanted it to be translated into post-modern gibberish. For example, rather than have me talk about the details of what's going on in U.S policy or the Middle East, where they live, which is too grubby and uninteresting, they would like to know how does modern linguistics provide a new paradigm for discourse about international affairs that will supplant the post-structuralist text. That would really fascinate them. But not what do Israeli cabinet records show about internal planning. That's really depressing.

**DB:** This was your first visit to Egypt?

Yes. Incidentally, when that happens in Egypt it's very sad. When it happens all over the West as it does, it's maybe comical or unpleasant but not devastating.

**DB:** I just got back from Amsterdam, where I did some interviews and gave some talks. Precisely those kinds of convoluted, very pretentious questions were asked.

I've seen the same in Holland. These are ways in which intellectuals can separate themselves from actual, ongoing struggle and still appear to be leftier than thou. Nobody's radical enough for them. That way you advance your career, you separate yourself from things that are going on. You don't have to get involved in popular activities. You don't have to learn about the world, let alone do anything about it. I'm overstating. I don't want to say this is true of everybody, by any means, but there are elements of it. These are other ways of reacting to the fact that dealing with the problems of the world is hard and unpleasant. Especially if you begin to do it effectively, there are personal costs.

**DB:** It also creates a tremendous gap between them and so-called "people."

Sure. Nobody can understand this stuff. That has the effect of intimidating people, especially young people coming into the colleges who look at this and say, My God, to be a radical I'm going to have to understand all these ten syllable words. It's hopeless. I'd better do something else.

**DB:** What did you learn about the Islamic movement in Egypt?

I don't want to overstate. I wasn't there long enough to learn a lot. But I should say that I did meet a pretty wide range of people, people I knew and those who were recommended to me, and most of those I came across who were seriously thinking through problems of Egypt and the region were the intellectuals who were associated with the Islamic movement. The ones I met were kind of on the secular wing of those movements. I didn't meet clerics. But these are people who regard themselves, and are regarded as, oppositionists and part of the Islamic movement. They plainly do have grassroots connections. They themselves describe the movement as split between the more progressive sectors and the "rigid" sector, meaning the real deep fundamentalists, who say, We go back to Koranic law, sharia, and that's the end of it. But they themselves are thinking about domestic and regional development and local problems in ways which are not at all unrealistic. Furthermore, these movements actually do things. They provide health care, run welfare programs, and try to deal with people's problems. They're almost unique in that respect. Everyone agrees to that, even the people who hate them.

**DB:** What's the motor that's pushing this movement in Egypt?

You just walk around Cairo and you can see the motor. There was a period of secular nationalism, of which Nasser was the leading figure. It failed, or was destroyed, partly by itself and partly from outside. Sadat, around 1980, undertook a policy which translates as "opening up," in effect, structural adjustment, neo-liberal policies. There were the usual effects, seen all over the world, completely predictable by now. They increased very sharply the split in the society between great wealth and privilege and enormous misery and suffering, with the proportions being by no means balanced. People are suffering. And they see right next to them enormous wealth and privilege. The government is totally corrupt and doesn't do anything. It's a police state, not a harsh police state, but you can't forget it for long. What happens under those conditions? People turn to something else. It's happening all throughout the region.

**DB:** Is it not really happening throughout the world as there's global impoverishment?

These tendencies are going on throughout the world. The rich western countries are imposing these neo-liberal policies, as they're called, on the Third World. They have plenty of power. The debt crisis, for example, is being used as a very effective weapon to try to force most of the Third World into these programs, which are lethal. The rich countries themselves don't accept those policies. They don't accept free market policies for themselves. They're too destructive. However, as the economy becomes more global, more internationalized, there is an automatic effect of bringing back Third World tendencies into the rich countries themselves. It's not very mysterious. American capitalists can be very rich, but American workers are going to have to compete with people in what are, in effect, Third World countries.

**DB:** There was a photo in the paper here a couple of weeks ago of the University of Colorado graduating class. One senior held up a sign: "Will work for food."

You see that right outside of rich shopping centers near where I live. The wealthy countries will never, and never have, accepted the neo-liberal principles, the free market principles they impose on the poor. The consequences of imposing them on the poor are slowly to have this Third World model seep back into the rich countries themselves. It's very striking in the U.S. You can see it in Europe, particularly in England, and on the continent you're beginning to see it as well. There's nothing secret about it. The business press -- *Business Week*, *The Financial Times*, etc. -- are very open in saying, American and especially European workers are going to have to give up their "luxurious" social programs. They're going to have to stop being "pampered" and accept labor mobility, meaning lose their security, because corporations can go over to Eastern Europe. In Poland they can get trained workers at ten percent of the wage of the "pampered" west European workers. No benefits, and a highly repressive government that breaks up strikes. Therefore you guys better recognize what's in store for you. There was an article in the *Financial Times* recently with a wonderful headline: "Green Shoots in Communism's Ruins," meaning Communism is a wreck, but there are some green shoots, a few good things. The good thing was that as capitalist reforms are imposed in Eastern Europe, pauperization and unemployment follow, which lowers wages and makes it possible for western corporations to move in and make huge profits. Those are the "green shoots."

**DB:** There is of course a huge increase in unemployment in western European countries. That has an attendant social component in the many attacks against immigrant communities.

Unemployment and loss of hope lead to social breakdown. We're much more advanced in that respect. There's a kind of breakdown of social structure in American urban communities which is amazing to most of the world. Take, say, Cairo. Cairo is a very poor city, extremely impoverished. There's nothing like it here. Nevertheless there is a sense of community that exists that doesn't exist here. You feel safer

walking through the streets there than here. You don't stumble over homeless people. People are taken care of somehow. It's the same in Nicaragua or many other Third World countries that haven't totally broken down. We are beginning to get Third World characteristics, but under conditions of social breakdown. That's very dangerous. That's why you can have people cheering when someone wins a court trial (in Baton Rouge, Louisiana) after having blasted away somebody (Yoshihiro Hattori) that dared to step on his lawn. That appalled most of the world. They just couldn't understand it.

**DB:** Your latest book as of this morning -- Howard Zinn likes to add that caveat -- is *Letters from Lexington*. Do you have any more books planned?

I promised to write up lectures on international affairs and the Middle East that I gave in Cairo. That will be published by American University Press (Cairo).

**DB:** Is the summer a good time for you to work, when you're away from the interviews, the phone calls, the classes?

As you know, I turn off the phone. That's about the only time I can try to get anything done.

**DB:** Later this year you're going to turn sixty-five.

You don't believe that propaganda, do you?

**DB:** Have you thought about slowing down, cutting back on your schedule at all?

There are an awful lot of things I'd like to do that I'm just not getting to. There isn't all that much time.

**DB:** You know that anecdote that Mike Albert tells when he went to Poland some years ago, he found people who thought that there were two Noam Chomskys, one who did the linguistics work and the other who did the political work?

Partly because the name doesn't sound as strange to them there.

**DB:** There was a serious reactor explosion in a town named Tomsk in central Russia. Is the name of that town at all connected to Chomsky?

It could be. Nobody really knows the etymology. Roman Jakobson, a great Slavic linguist and scholar, always told me that he was convinced that that was the origin, a corruption of Tomsk, Thomas basically.

**DB:** Is Avram your actual given name?

It is, but my parents never used it, so I use my middle name. It's almost become my legal first name by now. Just to show you the good old days of real sexism, I once had to get a copy of my birth certificate and I discovered that a clerk who hadn't believed my name had crossed it out and written in pencil above it "Avrane Naomi." Well, why Avrane? Because girls are allowed to have crazy names, not boys.

**DB:** Just to back up a little bit. You also went recently to Northern Ireland. What did you find there in terms of economic conditions and the political situation?

I spent my time either in West Belfast, which is mainly Catholic and a very repressed area, or southern parts of Northern Ireland, within what is called "bandit country," places where the British troops can only go in in fairly substantial force and where there have been plenty of atrocities. I talked to human rights activists. I was at the Center for Human Rights talking to Gerry Adams, the head of Sinn Fein, and others, and to a lot of people. The country is under military occupation. There's no secret about that. There are armored personnel carriers going through the streets, armed blockades right in the middle of Belfast center, etc. There is plenty of killing by paramilitaries on both sides. There is open debate about the extent to which or if the British forces are connected to the loyalists, the mainly Protestant paramilitary, and there is probably some connection, but nobody knows how much. In the Catholic community, listening to the stories was very much like walking around the West Bank a couple of years ago, the same kinds of humiliation and beating and torture. There aren't a lot of ways to have your boot on someone's neck. It always turns out about the same.

**DB:** It echoes the religious conflicts of the Middle Ages in Europe.

The British, back in the mid-seventeenth century, carried out real ethnic cleansing. The indigenous population in what's now Ulster was mostly driven out, often into central Ireland.

**DB:** Was there settler colonialism?

Yes. They brought in Scottish and other British settlers to replace them. They took most of the fertile land. Traveling through South Armagh, near the border, I spent some time with a local civil rights group that was set up after several young men were murdered by British troops, who are now coming up for trial, years later. A farmer whose son had been killed took me around and showed me what things were like. They raise cattle, but they can only raise young cattle, because the earth is too infertile to grow grass good enough to raise adult cattle. So they raise calves and send them off somewhere. Every acre is completely reclaimed. You've first got to pull out all the rocks and move them somewhere else and try to level the ground. These are the areas to which the Irish were driven, off into the rocky hills, by the British who cleansed the fertile areas and brought in their own settlers. It was a couple of centuries ago, but the residue is still there.

**DB:** Do you see any solution to the problem of Northern Ireland?

There are contrary tendencies going on in Europe. There's a tendency toward centralization in the European Community executive, which is almost totally insulated from public pressure, and there's a countertendency toward regionalization. So local regions, whether Catalonia, the Basque country, Wales, or whatever, are beginning to become more involved in developing their own cultural authenticity and forms of independence and ways of self-government. In the context of this regionalization and devolution, it's not impossible that the former British Isles could break down into a kind of federal arrangement, maybe as part of a broader European federalism. It would involve a degree of independence in a number of areas: Scotland, Wales, England, Northern Ireland, the Republic, and in that context I think you might imagine a solution. I don't see much else. Within a couple of years the population of Northern Ireland is going to be about fifty-fifty Catholic and Protestant, according to demographic projections.

**DB:** I have to tell you, going back to the level of mail that you get, some years ago I wrote you a letter, and that was my first contact with you. You responded. That led to a correspondence. Then we starting doing interviews. It really helped to get Alternative Radio going. I can bear witness and give testimony to the enormous efficacy of your efforts. I think I speak for a lot of people who appreciate what you're doing. It does make a difference.

It's reciprocal. I very much appreciate what thousands of people are doing everywhere, which is making a difference -- a big difference. These activities of many, many people around the country and the world have made a tremendous difference over the last thirty years.

**DB:** It's incremental. People want to see dramatic changes, but the culture and politics change rather slowly.

They do, but it's very different from what it was. Under conditions like those in the 1960s, you would have had to wait until the fall of 1969 for the first newspaper to timidly suggest that maybe we ought to stop the aggression in Vietnam.

**DB:** Thank you, and have a restful summer. How's your foot?

It's OK. It's just a fractured bone.

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# Crime and Gun Control

December 6, 1993

**DB:** I know I didn't get you up because it's well known that you stay up and work through the night, drinking tons and tons of coffee.

That's why I sound so groggy.

**DB:** I want to talk to you about a couple of domestic and foreign policy issues and then take calls from our listeners. You can tell a great deal about a society when you look at its system of justice. I was wondering if you would comment on the Clinton crime bill, in which some of the provisions are to hire 100,000 more cops, build boot camps for juveniles, spend more money for prisons, extend the death penalty to about fifty new offenses, and make gang membership a federal crime, which is interesting, considering that there is something about freedom of association in the Bill of Rights.

One of the consequences of the developments over the past twenty or thirty years has been a considerable increase in inequality. This trend accelerated during the Reagan years. The society has been moving visibly towards a kind of Third World model, which has to do with all sorts of things going on in the international economy as well as very explicit social policy. Huge sectors of the society are simply becoming more or less superfluous for wealth creation, which is considered the only human value. The consequence of this is an increasing crime rate, as well as other signs of social disintegration. People are very worried, and quite properly, because the society is becoming very dangerous. Most of the crime is poor people attacking each other. But it spills over to more privileged sectors. As a result there's a great deal of fear about crime.

A constructive approach to the problem would require dealing with its fundamental causes, and that's off the agenda, because we must continue with social policy aimed at strengthening the welfare state for the rich. So there's no constructive response. The only kind of response that the government can resort to under those conditions is pandering to these fears with increasing harshness and attacks on civil liberties and moves to control the useless population, essentially by force, which is what this is all about.

**DB:** What are your views on capital punishment?

It's a crime. I agree with Amnesty International on that one, and indeed with most of the world. The state should have no right to take people's lives.

**DB:** There's quite a bit of controversy on gun control. Advocates of free access to arms cite the Second Amendment. Do you believe the Second Amendment permits unrestricted, uncontrolled possession of guns?

What laws permit and don't permit is a question that doesn't have a straightforward answer. Laws permit what the tenor of the times interprets them as permitting. But underlying the controversy over guns are some serious questions. Literally, the Second Amendment doesn't permit people to have guns. But laws are never taken literally, including amendments to the Constitution or constitutional rights.

Underlying the controversy is something which shouldn't be discounted. There's a feeling in the country that people are under attack. I think they're misidentifying the source of the attack, but they feel under attack. Decades of intensive business propaganda have been designed to make them see the government as the enemy, the government being the only power structure in the system that is even partially accountable to the population, so naturally you want to make that be the enemy, not the corporate system, which is totally unaccountable. After decades of propaganda people feel that the government is some kind of enemy and they have to defend themselves from it. Many of those who advocate keeping guns have that in the back of their minds. I wouldn't believe it if I hadn't heard it so many times. That's a crazy response to a real problem.

**DB:** What role do the media play in fostering those attitudes?

At the deepest level, by contributing to this notion of getting the government off our backs. It's not that that doesn't have its justifications, too. The government is authoritarian and commonly a hostile structure for much of the population, but it is partially accountable and potentially very extensively accountable to the general population.

The media grossly mislead by contributing to the sense that the government is the enemy and displacing real power from view, suppressing the sources of real power in the society, which lie in the totalitarian institutions, by now international in scale, that control the economy and much of social life and in fact certainly set conditions within which government operates and control it to a large extent. This happens sometimes in comical ways and sometimes in deeper ways.

People simply have no awareness of the system of power under which they are indeed suffering. As a result, as intended, they turn against the government. People fear that they're overtaxed. By comparative standards they're undertaxed. When people talk about a tax-based health plan, meaning one that doesn't just soak the poor, like the Clinton plan is intended to do, you get a reflex response: more pointy-headed bureaucrats stealing our money and running our lives. On the other hand, payment of far higher "taxes" -- regressive to boot -- to a far more bureaucratized and oppressive insurance company that is completely

unaccountable, that's OK because you aren't supposed to see it.

To get back to gun control, people have all kinds of motivations, but there is definitely a sector of the population that considers themselves threatened by big forces, ranging from the Federal Reserve to the Council on Foreign Relations to big government to who knows what and are calling for guns to protect themselves.

**DB:** I don't know how much you watch local or national network news, but there has been a discernible trend over the last few years. The influence of local news primarily dealing with crimes, rapes, and kidnappings, is now spilling over into the national network news.

That's true. But it's always the surface phenomenon. Why is there an increase in violent crime? Is that connected to the fact that there has been a considerable decline in income for the large majority of the population and opportunity for constructive work? Is it connected to NAFTA, for example, and the basic phenomena of which NAFTA itself is a symptom? Sure it is. But until you ask why there is an increase in social disintegration and what this has to do with policies that are directing resources towards the wealthy and privileged sectors and away from the general population, until you ask those questions you can't have even a concept of why there's rising crime or how you should deal with it.

**DB:** There's a juxtaposition I want to pose to you now. Anthony Lewis, in a very strong pro-NAFTA column in the *New York Times*, before the vote, writes that an anti-NAFTA vote would mean "the end of nearly fifty years of rising world prosperity. That's all. Since World War II the world has experienced extraordinary growth. The engine for that growth has been international trade. Vastly increased trade in an age of more and more rapid transportation and communication." Juan de Dios Parra, the head of the Latin American Association for Human Rights, in a meeting in Quito, Ecuador, says, "In Latin America today there are 7 million more hungry, 30 million more illiterate, 10 million more families without homes, 40 million more unemployed persons than there were twenty years ago. There are 240 million human beings in Latin America without the necessities of life, and this when the region is richer and more stable than ever, according to the way the world sees it." How do you reconcile those points of view?

It just depends on which people we're worried about. The World Bank came out with a study on Latin America about two months ago in which they warned that Latin America was facing chaos and even the things they're concerned about would be threatened, because of the extraordinarily high inequality, which is the highest inequality in the world, and that's after a period of substantial growth rates. For example, take Brazil, which is a very rich country with enormous resources. It would be one of the richest countries in the world if it weren't for its social and economic system. It is ranked around Albania and Paraguay in quality of life measures, infant mortality, etc.

On the other hand, it's had one of the highest growth rates in the world. It's also been almost completely directed by American technocrats for about fifty years. The inequality that the World Bank describes is not just something that came from the heavens. There was a struggle over the course of Latin American development back in the mid-1940s, when the new world order of that day was being crafted. The State Department documents on this are quite interesting. They said that Latin America was swept by what they called the "philosophy of the new nationalism," which calls for increasing production for domestic needs and reducing inequality. Its basic principle was that the people of the country should be the "first beneficiaries of the development of a country's resources." That's the philosophy of the new nationalism, as the State Department described it.

The U.S. was sharply opposed to that and came out with an economic charter for the Americas that called for eliminating economic nationalism, as it's called, "in all of its forms" and insisting that Latin American development be "complementary" to U.S. development, meaning we'll have the advanced industry and the technology and the peons will produce export crops and do some simple operations that they can manage. But they won't develop the way we did.

The U.S., of course, won, given the distribution of power. In countries like Brazil the U.S. just took over. It was one of the "testing grounds for scientific methods of development on the American capitalist model," as propaganda had it. And so it was, and so you get the consequences you describe. It's true, as Lewis says, that there has been very substantial growth. At the same time there's incredible poverty and misery, which has also increased. Over the past thirty years, there has been a sharp increase in inequality. The growth has slowed down considerably in the last ten years, but there has been growth. Much more dramatic has been the separation of the top sector of the population from the rest. So if you compare the percentage of world income held by the richest twenty percent and the lowest twenty percent, the gap has dramatically increased. That's true whether you consider countries, which is a little mystical, but taking the top twenty percent of countries and the bottom twenty percent of countries, that gap has about doubled. Take the top twenty and the bottom twenty percent of people, the gap has increased far more and is much sharper. That's the consequences of a particular kind of growth.

Incidentally, what Lewis calls "trade" -- he's using the conventional term, but it's a bit misleading. In fact, substantially misleading, for reasons we've already discussed. If the Ford Motor Company moves something from an assembly plant in Mexico to an assembly plant in the U.S., that's called trade. But it's not trade in any serious sense, and in fact the centrally managed policies within these totalitarian structures account for about 40% of the interchanges that are called "trade". These policies often involve radical violations of market principles which are not considered by GATT and NAFTA because they are not designed to extend the market system but to extend the power of corporations who want to benefit from this kind of market distortion.

**DB:** So you see this trend of growth rates and increasing poverty simultaneously continuing?

Actually, growth rates have been slowing down a lot. In the past twenty years, growth is roughly half of

what it was in the preceding twenty years. That tendency of lower growth will probably continue. One factor that has to do with that is the enormous growth of unregulated, speculative capital. That growth has accelerated rapidly basically since Nixon broke down the Bretton Woods system around 1970. By now the unregulated financial capital is estimated by the World Bank at about \$14 trillion, and about \$1 trillion or so of that moves around every day. That creates pressures for deflationary policies.

That's what that financial capital wants. It wants low growth, low inflation. The huge amounts of capital, which overwhelm national states, make it very difficult to carry out stimulative programs. In the poorer societies it's hopeless. Even in the richer societies it would be very hard. What happened with Clinton's trivial stimulus package was a good indication. It amounted to nothing, \$19 billion. It was shot down instantly. Financial capital, which is now an extraordinarily large part of the capital available internationally, has an anti-growth effect. It is driving much of the world into a low-growth, low-wage equilibrium. The figures are really astonishing. John Eatwell, one of the leading specialists in finance at Cambridge University, estimates that in 1970 about ninety percent of international capital was used for trade and long-term investment and ten percent for speculation. In 1990 those figures were reversed: ninety percent for speculation. Also the quantity has grown enormously. The effects of that, as he points out, are what I just said.

**DB:** The *Boulder Daily Camera* is part of the chain of Knight-Ridder newspapers. In yesterday's edition they ran a box with questions and answers: "What Is GATT?" "What Is the Uruguay Round of GATT?" Here's the part I wanted to ask you about. In the question, "Who would benefit from a GATT agreement?" the answer given is, "Consumers would be the big winners." Does that track with your understanding of GATT?

If you mean by "consumers" rich ones, yes. Rich consumers will gain. People who have lost their jobs, for example -- and that will be true both in the rich countries and the poor -- obviously are not going to be better consumers. Take a look at NAFTA, where the analyses have already been done, and even appeared in the press after the vote. Before that, there was a huge hype about how important the vote is, of which the Lewis column that you mentioned is a case in point. Do you remember the date of that article?

**DB:** It was November 5.

Before the vote. That's the kind of stuff that was appearing before the vote. I noticed a quite striking difference the day after the vote. Immediately after the vote, the *New York Times* and other journals began for the first time discussing the consequences of NAFTA. That was interesting. Not that it was a surprise, but it shows what they knew all along. The day after the vote the *New York Times* had its first article on the expected impact of NAFTA in the New York region. This generalizes for GATT also.

It was a very upbeat article. They talked about how wonderful it was going to be. They said there would be a big improvement in finance and services, particularly. They'll be the big winners. Banks, investment firms, PR firms, corporate law firms will do just great. They said that some manufacturers will benefit, namely the publishing industry and chemical industry, which is highly capital-intensive, not many

workers to worry about. Also the pharmaceutical industry, the big beneficiaries of the increased protectionist elements concerning "intellectual property". They'll all do fine and it will just be wonderful.

Then they said that, well, there will be some losers, too. The losers will be women, Hispanics, other minorities, and semi-skilled workers, who comprise maybe seventy percent or more of the work force. They will be losers. But everyone else will do fine. In other words, exactly as anyone who was paying attention knew, the purpose of NAFTA was to split the society even further. There will be benefits for a smaller -- it's a rich country, so the small sector's not tiny -- but a smaller sector of highly privileged people, investors, professionals, managerial classes, and so on, the business-related classes. It will work fine for them, and the general population will suffer.

The prediction for Mexico is pretty much the same. The leading financial journal in Mexico, which is very pro-NAFTA, estimated that Mexico would lose about twenty-five percent of its manufacturing capacity in the first few years and about fifteen percent of its manufacturing labor force. In addition, cheap U.S. agricultural exports are expected to drive even more people off the land. That's going to mean a substantial increase in the unemployed workforce in Mexico, which of course will drive down wages. On top of that, organizing is essentially impossible. Notice that although corporations can operate internationally, unions cannot. So though unions can operate in different states of the U.S., they cannot cross borders, which means there is no way for the work force to fight back against the internationalization of production.

The net effect is expected to be a decline in wealth and income for the majority of the population of Mexico and for the majority of the population of the U.S., while there will be exactly that growth and increase in consumption that the Boulder paper talks about, the increase in income that Lewis talks about. Those are completely consistent. A country like Brazil is the extreme example, and a very dramatic example because of its enormous wealth and because of the fact that we've been running it for fifty years. It's a very good model to look at.

Very high growth rates, tremendous prosperity, a lot of consumption in a very narrow sector of the population. And overall, the quality of life at the levels of Albania and Paraguay.

**DB:** Chile is another country that's recently been heralded in a number of articles as reflecting that model growth rate.

There was a really funny pair of stories yesterday. The *New York Times* had a story about the election in Chile and about how nobody was paying much attention to it. The headline was something about Chilean satisfaction with the political system. It talked about how everyone is so satisfied and so happy that nobody's paying much attention to the election.

The London *Financial Times*, hardly radical, they had a story on the election which was exactly the opposite. They quoted some data, some polls that showed that seventy-five percent of the population are very unsatisfied, "disgruntled" was their word, with regard to the political system, which allows no

options. They said that indeed there is apathy about the election, but that's a reflection of the breakdown of the social structure of Chile, which was a lively, vibrant, democratic society into the early 1970s and then was essentially depoliticized through a reign of fascist terror.

People work alone, the associations were broken down. People are trying to fend for themselves. The economy is not doing badly, but it's based almost entirely on primary exports, fruit, copper, and so on. It's very vulnerable to world markets.

But the crucial thing is the dramatic breakdown of social relations and social structure, which is pretty striking in Chile, because it was a very vibrant and lively society for many, many years. The retreat into individualism and personal gain is the basis for the apathy. Nathaniel Nash wrote the Chile story for the *Times*. There's a section in there, a subheading called "Painful Memories." It said many Chileans have painful memories of Salvador Allende's fiery speeches, which led to the coup in which thousands of people were killed. Notice they don't have painful memories of the torture, the fascist terror, just of Allende's speeches as a popular candidate. These are the ways in which the world is recreated for our edification.

**DB:** This is a 7 a.m. early edition of Alternative Radio and we're talking to Professor Noam Chomsky. If you'd like to join this conversation, give us a call. One thing you've been talking about is the mystification of the notion of nation and country. You discussed it in a recent [Z Magazine](#) article. I was struck by a November 15 front-page *New York Times* article. The headline is "Nation Considers Means To Dispose of Its Plutonium. Options are unattractive," we are told, and there are "no easy or quick answers to a problem that will not go away." So the nation is considering how to dispose of essentially what was a creation of private capital, plutonium.

That's the familiar idea that profit is to be privatized but the cost is to be socialized. So in a sense it's correct to say that the costs are the costs for the nation, the people. But the profits weren't for the people, nor are they making the decisions to produce plutonium in the first place, and they're not making the decisions about how to dispose of it. Nor are they deciding on what ought to be a reasonable energy policy, which is no small issue. There are major questions about energy policy that ought to be right on the top of the social and political agenda today, things connected, say, with global warming.

Let me give you an example. There was a study that came out in *Science* magazine about a month ago reviewing recent studies on global warming. The possibilities they were considering as plausible were that if the year 2000 goals on carbon dioxide emission are met, which is not likely, then within a couple of centuries, by 2300, the world's temperature would have increased by about ten degrees Centigrade, which would mean a rise in sea level that would probably wipe out a good bit of human civilization as it's currently constituted. Of course this doesn't mean that the effects set in in three hundred years. They start setting in much sooner.

Maybe it will be worse. Maybe it will be better. But possibilities like that will not be faced by any sane person with any equanimity. There's nothing being done about them at all. The same study says that in order to avoid this it will be necessary to undertake quite radical changes of a kind not even contemplated. These are what ought to be front-page stories and ought to be the focus of public attention and concern. The matter of disposing of plutonium has largely to do with weapons production. But there are quite serious questions about nuclear power that can't just be dismissed.

## Call-ins

**Listener:** You have established a fairly loyal following. I am fearful that there may be this saturation point of despair just from knowing the heaviness of the truth that you impart. I would like to strongly lobby you to begin a process of maybe devoting ten or fifteen percent of your appearances or books or articles towards tangible detailed things that people can do to try to change the world that they're in, even if it does seem like it's potentially useless from time to time. I've heard a few occasions where someone says, What can I do? I live all by myself in Lafayette, Colorado or some other little town, and your response is, Organize. Just do it.

Your point is quite right. People have been telling me that for a long time. I'll give you an example which goes back about ten years ago. South End Press asked me to write a book called *Turning the Tide*. It came out in 1985. Most of it was just what you were criticizing, and properly, but there was a section at the end called "Turning the Tide: What Can You Do About It?" I try to keep it in the back of my mind and think about it, but I'm afraid that the answer always is the same. It's that person in Lafayette. There is only one way to deal with these things. Being alone, you cannot do anything. All you can do is deplore the situation. If you join with other people, they can be anything from a whole range of possibilities, from Ralph Nader's Public Citizen, to a local activist group to some solidarity group, and there are millions of things that are possible depending on where you want to put your efforts, if you join with other people, you can make changes. I don't know of any other answers.

**Listener:** What's happening in Asia, particularly the growing economies in Southeast Asia, China, and so forth. What do you see for the future in terms of the demands of the environment on the political actions in those countries economically? Is it going to be another example of capitalist exploitation, or is the environment going to make such a demand that we could expect to see some kind of change in their awareness?

Countries like Thailand or China are looming ecological catastrophes. These are countries where growth is being fueled by multinational investment and investor interests and for them the environment is what are called "externalities." You don't pay any attention to it. So if you destroy the forests in Thailand, say,

that's OK as long as you make a short-term profit out of it. In China, just because of its scale, the disasters that lie not too far ahead could be extraordinary. The same is true throughout Southeast Asia.

But the question remains that when the environmental pressures become such that the very survival of the people is jeopardized, do you see any change in the actions?

Not unless people react. If power is left in the hands of transnational investors, the people will just die.

**DB:** Elaine Bernard and Tony Mazzocchi were in Denver on December 3. They were talking about the possibility of creating a new labor-based party. What are your views on that?

I think that's an important initiative. It's interesting that right now, we're a little bit like the way Chile is described in the *Financial Times*, not the *New York Times*. The country is becoming very depoliticized and negative. About half the population thinks both political parties should be disbanded. There's a real need for something that would articulate the concerns of that substantial majority of the population which is being left out of social planning and the political process, those, for example, who will be harmed by NAFTA, a substantial majority, as even the Times can see. Labor unions have been a significant force for democratization and progress, not always, but often, in fact the main social force. On the other hand, when they are not linked to the political system through a labor-based party, there's a limit on what they can do. Take, say, health care.

Powerful unions in the U.S. were able to get fairly reasonable health care provisions for themselves. For example, auto workers were able to get good provisions for themselves. But since they are acting independently of the political system, they did not attempt to or succeed in bringing about decent health conditions for the population.

Compare Canada, where the unions also pressed for health care, but not just for their own industry, but rather for the population. Being linked to labor-based parties they were able to implement health care for the population. That's an illustration of the kind of difference that a politically oriented popular movement like labor can achieve. We're not in the day any longer where the industrial workers are the majority or even the core of the labor force. But the same questions arise. I think Elaine Bernard and Tony Mazzocchi are on the right track in thinking along those lines.

In that same Anthony Lewis column that I referred to earlier, he had this to write: "Unions in this country, sad to say, are looking more and more like the British unions...backward, unenlightened.... The crude, threatening tactics used by unions to make Democratic members of the House vote against NAFTA underline the point."

That brings out Lewis's real commitments very clearly. What he called crude, undemocratic tactics which were assailed by the President and the press, were labor's attempt to get their representatives to represent

their interests. By the standard of the elite, that's an attack on democracy, because the political system is supposed to be run by the rich and powerful. So for example corporate lobbying -- which vastly exceeded labor lobbying -- was not considered raw muscle or anti-democratic. Did Lewis have a column denouncing corporate lobbying for NAFTA?

I didn't see it.

I didn't see it either. This reached a peak of absolute hysteria before the vote. The day before the vote the *New York Times* lead editorial was exactly along the lines of your quote from Lewis, and it included a little box of the dozen or so representatives of the New York region who were voting against NAFTA. It listed their contributions from labor and said, This raises ominous questions about political influence of labor and whether they're being honest, etc.

As a number of these representatives later pointed out, the *Times* didn't have a box listing corporate contributions to them or to others nor, we may add, did it have a box listing advertisers of the *New York Times* and their attitudes towards NAFTA. In a way you can't object to Lewis and the *Times*. They are simply taking for granted a principle, which is that the rich and powerful have a right to twist the arms of their legislators and to dictate to them what they should do because that's what democracy is. Democracy is a system where the rich and privileged and powerful make decisions in their own interests, and if the general population tries to press for their interests, that's raw muscle and anti-democratic and are ominous signs.

It was quite striking to watch the hysteria that built up in privileged sectors, like the *New York Times* commentators and editorials as the NAFTA vote approached. They even allowed themselves the use of the phrase "class lines," which is very rare in elite circles. You're not allowed to admit that the U.S. has class lines. But this was considered a really serious issue, and all bars were let down. So you get columns of the kind by Anthony Lewis that you described, with the real indication of hatred of democracy at the core of it. The tacit assumption is if working people try to press for their interests in the political arena, that's anti-democratic. But if corporate power does so at a vastly greater rate, that's fine.

**Listener:** I've often wondered about the people who have power through their extensive financial and economic resources. Are they really as manipulative as you say? Is it possible to reach them with logic and rationale?

They're acting very logically and very rationally in their own interests. Let's be specific about it. Take the chief executive officer of Aetna Life Insurance. He is one of the guys who is going to be running our health care program and who makes \$23 million a year in just plain salary. Could you reach him and convince him that he ought to lobby against having the insurance industry run the health-care program because that's going to be very harmful to the general population, as indeed it will be? Suppose you could. Suppose you could sit down with him and convince him, look, you ought to give up your salary and be a working person. The insurance industry shouldn't run this show and it will be terrible and so on. Suppose he agreed. Then what happens? Then he gets thrown out as CEO and someone else comes in who accepts

that position. These are institutional factors.

**Listener:** Take it down to the individual, personal level, I got a notice in my Public Service bill that said they're asking for a rate hike. I work, and I really don't have the time to sit down and write a letter of protest. This happens all the time, and not just with me. It happens with most people who have to work. They don't have time to be active politically to change something. So those rate hikes go through without anybody ever really pointing out what's going on. One of the things that I've always thought, and I know this is probably not democratic, is why is there not a limitation on the amount of profit anybody can make, any corporation, any business?

I think that's highly democratic, in fact. There's nothing in the principle of democracy that says that power and wealth should be highly concentrated so that democracy becomes a sham. But your point is quite correct. If you're a working person you just don't have time, alone, to take on the power company. That's exactly what organization is about. That's exactly what unions are for. That's exactly what political parties of the kind that David was mentioning earlier, based in working people, are for. So if such a party was around, the kind Bernard and Mazzocchi are proposing, they would be the ones speaking for you who would tell the truth about what's going on with the rate hike. Then they would be denounced by the *New York Times* for being anti-democratic, for representing popular interests rather than power interests.

Since the Kennedy assassination there is a bureaucratic philosophy that business and elite power circles control our so-called democracy. Has that element changed at all with the Clinton administration coming in?

First of all, it didn't change with the Kennedy administration. It was very much the case for Kennedy. Kennedy himself was very pro-business. He was essentially a business candidate. Nothing changed with the assassination in this respect. The Kennedy assassination had no significant effect on policy that anybody has been able to detect.

There was a change in the early 1970s, but that was under Nixon. It had to do with changes in the international economy, the kind that I talked about earlier. Clinton is exactly what he says he is, a pro-business candidate. The *Wall Street Journal* had a very enthusiastic big front-page article about him right after the NAFTA vote. They pointed out that the Republicans tend to be just the party of business, period, but the Democrats were a little more nuanced. They tend to be the party of big business with less concern for small business. They said that Clinton is typical of this. They quoted executives of the Ford Motor Company and the steel industry and so on as saying this is the best administration they ever had. They ran through his achievements, and you can see it.

The day after the House vote the *New York Times* had a very revealing front-page pro-Clinton story by their Washington correspondent, R. W. Apple. People had been criticizing Clinton because he just didn't have any principles. He backed down on Bosnia, on Somalia, on his economic stimulus, on Haiti, on the

health program. He was willing to give things up. It seemed like this guy had no bottom line at all. Then he proved that he really was a man of principle and he really has backbone and he silenced his detractors, namely by fighting for the corporate version of NAFTA. So he does have principles, namely, he listens to the call of big money. They thought that was great. The same was true of Kennedy.

Is there any element of the large corporate conglomerates that would have beneficial effect?

That's not the right question to ask. A lot of what's done by corporations will happen to have, by accident, beneficial effects for the population. The same is true of the government or anything else. But what are they trying to achieve? They're not trying to achieve a better life for workers and the firms in which they work, as the Clinton people have it. What they're trying to achieve is profits and market share. That's not a big secret. That's the kind of thing people should learn in third grade. In the business system, people are trying to maximize profit, power, market share, control over the state. By accident, sometimes that will help other people. It's just accidental.

**Listener:** I'd like to ask Mr. Chomsky about the U.S. support for Yeltsin versus democracy in Russia, and if this country has a vested interest in continuing support for the drug trade in the world?

On Yeltsin, it's pretty straightforward. Yeltsin was the tough, autocratic Communist party boss of Sverdlosk. He has filled his administration with the old party hacks who ran the place under the earlier Soviet system. The West likes him a lot. For one thing, he's tough and ruthless and autocratic. For another, he's going to ram through what are called "reforms," a nice word, the policies which are designed to return the former Soviet Union to the Third World status that it had for five hundred years prior to the Bolshevik Revolution. The Cold War was largely about the demand that this huge region of the world once again become what it had been, offering resources, markets and cheap labor, serving the West. Yeltsin is leading the pack on that one. Therefore he's democratic. That's standard. That's what we call a democrat anywhere in the world, someone who follows the Western business agenda.

On the drug trade, it's complicated. I don't want to be too brief about it. When you say does the government support the drug trade, of course not. Although even here, there are complexities. You can't talk about marijuana and cocaine in the same breath. Marijuana simply doesn't have the lethal effects of cocaine. You can debate about whether it's good or bad, but out of about sixty million users, I don't think there's a known case of overdose. The criminalization of marijuana has purposes and motives beyond concern over drugs. On the other hand, hard drugs, to which people have been driven to a certain extent by the prohibitions against soft drugs, those are very harmful, although deaths are nowhere near the level of tobacco and alcohol. And here it's kind of complex. There are sectors of American society that profit from the hard drug trade, like the big international banks that do the money laundering or the chemical corporations that provide the chemicals for the industrial production of hard drugs. On the other hand, people who live in the inner cities are being devastated by them. So there are different interests.

**Listener:** Two things: One is just a comment. That is that on this issue

of gun control, I believe that in fact the U.S. is becoming much more like a Third World country. There's nothing that's going to put a stop to it, necessarily. I look around and I see a lot of Third World countries where if the citizens had weapons they wouldn't have the government they've got. I think that maybe people are being a little short-sighted in arguing for gun control and at the same time realizing that the government they've got is not exactly a benign one. The other thing is that I think that a lot of this stuff correlates with work that the social revolutionary party did as early as 1914 in trying to understand business cycles. Kondratieff pointed out that there's a sixty-year cycle of prosperity in the U.S. and in the world. It's inversely tied in with real interest rates. Real interest rates started to rise in the U.S. in October of 1979. They've been rising ever since. And that in one sense tells the whole story.

Interest rates are important. There's some evidence for the Kondratieff cycle. But I don't really think those are the big issues. However, on your first point, it illustrates exactly what I think is a major fallacy. You pointed out that the government is far from benign. That's true. On the other hand, the government is at least partially accountable and could become as benign as we make it.

What is not benign and is extremely harmful is what you didn't mention, namely business power, highly concentrated, by now largely transnational power both in the producing and financial sectors. That's very far from benign. Furthermore, it's completely unaccountable. It's a totalitarian system. It has an enormous effect on our lives and also on why the government is not benign.

As for guns being the way to respond to this, that's frankly outlandish. It's true that people think that. They think if we have guns we can make it more benign. If people have guns, the government has tanks. If people have tanks the government has atomic weapons. There's no way to deal with these issues by violent force, even if you think that that's morally legitimate. Guns in the hands of American citizens are not going to make the country more benign. They're going to make it more brutal, ruthless and destructive. So while one can recognize the motivation that lies behind some of the opposition to gun control, I think it's sadly misguided.

**DB:** In a review of a book we did, *Chronicles of Dissent*, it was suggested by the reviewer that I ask you tougher questions. So I thought I would save my toughest question for you right at the end. Are you ready?

I'm ready to hang up. (chuckles)

**DB:** I want to know what MIT professor was born on December 7, 1928 in Philadelphia. You've got five seconds.

How would I know anything about MIT professors?

**DB:** Happy Birthday tomorrow, Noam!

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# The Emerging Global Economic Order

February 1, 1994

**DB:** In the fall of 1993 the *Financial Times* trumpeted, "The public sector is in retreat everywhere." This is before the passage of the two major corporate-state initiatives, NAFTA (North American Free Trade Agreement) and GATT (General Agreement on Trade and Tariffs). How were they able to do it and what are the consequences?

First of all, it's largely true, but major sectors of the public sector are alive and well, in particular those parts that cater to the interests of the wealthy and the powerful. They're declining somewhat, but they're still very lively. They're not going to disappear. How were they able to do it? These are developments that have been going on for about twenty years now. They had to do with major changes in the international economy that we've talked about in earlier discussions. For one thing, the period of U.S. global economic hegemony had pretty much ended by the early 1970s. Europe and Japan had reemerged as major economic and political entities. There was pressure on profits. The costs of the Vietnam War were very significant for the U.S. economy, and extremely beneficial for its rivals. That tended to shift the world balance. In any event, by the early 1970s the U.S. felt that it could no longer sustain its traditional position as essentially international banker, which was codified in the Bretton Woods agreements at the end of the Second World War. Nixon dismantled that system. That led to a period of tremendous growth in unregulated financial capital. It was accelerated by the short-term rise in commodity prices, which led to a huge flow of petrodollars into the now largely unregulated international system.

There were technological changes that took place at the same time which were significant. The telecommunications revolution made it extremely easy to transfer capital or paper equivalents of capital, in fact, electronic equivalents of it, from one place to another. There has been an enormous expansion of unregulated financial capital in the past twenty years. What's more, its constitution changed radically. Whereas in the early 1970s about ninety percent of financial transactions were devoted to long-term investment and trade, basically more or less productive things, by now that's reduced to ten percent. About ninety percent is being used for speculation. This means that huge amounts of capital, \$14 trillion, according to a recent World Bank estimate, are now simply very quickly moveable around the world basically seeking deflationary policies. It is a tremendous attack against government efforts to stimulate the economy. I think it was pointed out in the same *Financial Times* article to which you referred. That's one factor.

Related to that was a very substantial growth in the internationalization of production, so it became a lot easier than it had been in the past to shift production elsewhere to places where you get much cheaper labor, generally high-repression, low-wage areas. So it becomes much easier for, say, a corporation executive who lives in Greenwich, Connecticut to have corporate and bank headquarters in New York but the factory is in some Third World country. That now includes Eastern Europe. These developments placed powerful weapons in the hands of corporate and financial power. With the pressure on corporate profits that began in the early 1970s came a big attack on the whole social contract that had developed through a century of struggle and had been kind of codified around the end of the Second World War with the New Deal and the European social welfare states and so on. There was a big attack on that, led first by the U.S. and England, and by now going to the continent. It's had major effects. One effect has been a serious decline in unionization, which carries with it a decline in wages and other forms of protection of rights. That's led to polarization of the society, primarily in the U.S. and Britain, but it's extending.

Just this morning driving in I was listening to the BBC. They reported a new study of children in Britain which concluded that children living in work houses a century ago had better nutritional standards than millions of children in Britain today living in poverty. That's one of the grand achievements of the Thatcher revolution, in which she succeeded in devastating British society and destroying large parts of British manufacturing capacity and driving England into, as the *Financial Times* puts it, the poorhouse of Europe. England is now one of the poorest countries in Europe, still above Spain and Portugal, but not much. It's well below Italy. That's the British achievement.

The American achievement was rather similar. We're a much richer, more powerful country, so it isn't possible to achieve quite what Britain achieved. But the Reaganites succeeded in driving U.S. wages down so we're now the second lowest of the industrial countries. Britain is the lowest. Wages in Italy are about twenty percent higher than in the U.S., Germany maybe sixty percent higher. Along with that goes a deterioration of the general social contract. The breakdown in public spending or the kind of public spending that goes to the less privileged. That's rather crucial. That's just a concomitant. We should bear in mind, and it's important to say, that the kind of public spending that goes to the wealthy and the privileged, which is enormous, remains fairly stable. That's a major component of state policy.

**DB:** What was the extent and quality of domestic opposition and resistance to NAFTA and GATT?

That was quite interesting. The original expectation was that NAFTA would just sail through. Nobody would ever even know what it is. So it was signed in secret. It was put on a fast track in Congress, meaning essentially no discussion. There was virtually no media coverage. Who was going to know about a complex trade agreement? So the idea was, We just ram it through. That didn't work. And it's interesting that it didn't work. There are a number of reasons. For one thing, the labor movement got organized for once and made an issue of it. Another was the maverick third party candidate Ross Perot, who managed to make it a public issue. And it turned out that as soon as the public heard about it and

knew anything about it they were pretty much opposed. The media coverage on this was extremely interesting. Usually the media try to keep their class loyalties more or less in the background. But on this issue the bars were down. They just went berserk, especially toward the end when it looked like there was going to be a problem. There was a very quick transition after it passed, incidentally. I've written about this in [Z Magazine](#). But nevertheless, despite this enormous media barrage and the government attack and huge corporate lobbying, which totally dwarfed anything else, of course, despite that the level of opposition remained pretty stable. If you look at polls right through the period, roughly sixty percent or so of those who had an opinion remained opposed. It varied a little bit here and there, but that's quite substantial. In fact, the end result is very intriguing. There was a poll published a couple of days ago in which people had to evaluate labor's actions with regard to NAFTA. The public was overwhelmingly opposed to the actions of the labor movement against NAFTA, about seventy percent opposition to it. On the other hand, the public also took exactly the same position that labor was taking. So why were they opposed to it?

I think it's easy to explain that. The media went berserk. From Bill Clinton down to Anthony Lewis, as you pointed out to me in an earlier interview (December 6, 1993), there was just hysteria about labor's musclebound tactics and these backward labor leaders trying to drive us into the past, jingoist fanatics and so on. In fact, the content of the labor critique has virtually not appeared in the press. But there was plenty of hysteria about it all over the spectrum. Naturally people see what's in the press and figure labor must be doing really bad things. The fact of the matter is that labor, one of the few more or less democratic institutions in the country, was representing the position of the majority of those who had an opinion on NAFTA. Evidently from polls the same people who approved of the positions that labor was actually advocating, though they may not have known it, were opposed, or thought they were opposed to the labor tactics.

I suspect that if someone had a close look at the Gore-Perot television debate, they might well find the same thing. There were some interesting facts about this debate which ought to be looked at more closely. I didn't watch it, but friends who did watch it thought that Perot did quite well. But the press, of course, instantly had a totally different reaction. The news analysis right after was that Gore won a massive victory. Same thing with next morning's headlines: tremendous victory for the White House. If you look at the polls the next day, people were asked what they thought about the debate. The percentage who thought that Perot had been smashed was far higher than the percentage of people who had seen it, which means that most of the people were getting their impression of what happened in the debate from the front pages the next day or the television news. As the story, whatever it may have been, was filtered through the media system, it was turned into what was needed for propaganda purposes, whatever may have happened. That's a topic for research. But on the reaction of the public to labor's tactics, it's quite striking.

**DB:** One of the mass circulation journals that I get is *Third World Resurgence*, out of Penang, Malaysia. In that I learned that in Bangalore, India, half a million farmers demonstrated against GATT. I wonder if your local paper, the *Boston Globe*, featured that.

I also read it in *Third World Resurgence* and in Indian journals. I don't recall having seen it here. Maybe there was something. I wouldn't want to say it wasn't reported without checking. But there is plenty of public opposition in India to GATT. The same in Mexico on NAFTA. Incidentally, you asked about GATT. What they had planned for NAFTA worked for GATT. So there was virtually no public opposition to GATT, or even awareness of it. I doubt a tiny fraction of the country even knows what it's about. So that may be rammed through in secret, as intended. Strikingly, they couldn't quite do that in the case of NAFTA. It took a major effort to get it through, one which was very revealing about class loyalty and class lines. In Mexico there was substantial public opposition. That was barely reported here. What happened in Chiapas doesn't come as very much of a surprise. There has been an attempt to portray the Chiapas rebellion as something about the underdeveloped south as distinct from the developed modern north. At first the government thought they'd just destroy it by violence, but they backed off and they'll do it by more subtle violence, when nobody's looking. Part of the reason they backed off is surely they were afraid that there was just too much sympathy all over the country and that if they were too up front about suppression they'd cause themselves a lot of problems all the way up to the Mexican border. The Mayan Indians in Chiapas are in many ways the most oppressed people in Mexico. Nevertheless, the problems they are talking about are the problems of a large majority of the Mexican population. Mexico too has been polarized by this decade of neo-liberal reforms which have led to very little economic progress but have sharply polarized the society. Labor's share in income has declined radically. The number of billionaires is shooting up.

**DB:** But I found the mainstream media coverage of Mexico during the NAFTA debate somewhat uneven. You mentioned the *New York Times*. They have allowed in a number of articles that official corruption was and is widespread in Mexico. In fact, in one editorial they virtually conceded that Salinas stole the 1988 presidential election. Why did that information come out?

I think that that's impossible to repress. Furthermore, there were scattered reports in the *Times* of popular protest against NAFTA. Tim Golden, their reporter in Mexico, had a story a couple of weeks before the vote, probably early November, in which he said that lots of Mexican workers are concerned that their wages would decline after NAFTA. Then came the punch line. He said that undercuts the position of people like Ross Perot and others who think that NAFTA is going to harm American workers for the benefit of Mexican workers. In other words, they're all going to get screwed. It was presented in that framework as a critique of the people who were opposing NAFTA here. But there was very little discussion here of the large-scale popular opposition in Mexico, which included, for example, the largest non-governmental trade union. The main trade union is about as independent as the Soviet trade unions were. There were large public protests not reported here. The environmental movements were opposed. Most of the popular movements were opposed. The Mexican Bishops' Conference came out with quite a strong statement criticizing NAFTA and endorsing the position of the Latin American bishops at Santo Domingo in December 1992. There was a conference of Latin American bishops, the first one since Puebla and Medellin back in the 1960s and 1970s, which was quite important. It was not reported here, to my knowledge. The Vatican tried to control it this time to make sure that they wouldn't come out with these perverse ideas about liberation theology and the preferential option for the poor. But despite a very

firm Vatican hand the bishops came out quite strongly against neo-liberalism and structural adjustment and these free-market-for-the-poor policies. The Mexican bishops reiterated that in their critique of NAFTA. If there was anything about that here, I didn't see it.

**DB:** What about the psychological and political position people like us find ourselves in of being "against," of being anti, re-active rather than pro-active?

NAFTA's a good case, because in fact the NAFTA critiques were pro-active. Very few of the NAFTA critics were saying, No agreement. Not even Perot. He had constructive proposals. The labor movement, the Congressional Office of Technology Assessment, which issued another major report that was also ignored, and other critics, in fact, virtually every critic I saw, were saying there would be nothing wrong with a North American Free Trade Agreement. But not this one. It should be different. The respects in which it should be different were outlined in some detail. It's just that it was all suppressed. What's left is the picture that, say, Anthony Lewis portrays, jingoist fanatics screaming about NAFTA. Incidentally, what's called the left played the same game. James Galbraith is a left-liberal economist at the University of Texas. He wrote an article in which he also denounced the jingoist left. He picked me out as the main person, quoting an article in which I said the opposite of what he attributed to me, of course, but that's normal. It was in a sort of left-liberal journal, *World Policy Review*. He said there's this jingoist left, nationalist fanatics, who don't want Mexican workers to improve their lives. Then he went on with how the Mexicans are in favor of NAFTA. By the Mexicans he meant Mexican industrialists and executives and corporate lawyers. He didn't mean Mexican workers and peasants. He doesn't have a word about them. All the way over from people like James Galbraith and Anthony Lewis, to way over to the right, you had this very useful fabrication, that critics of NAFTA were just reactive and negative and that they were jingoist and were against progress and wanted to go back to old-time protectionism. When you have essentially total control of the information system, it's rather easy to convey that image. It leads to the conclusion that you describe, that the critics are re-active and not pro-active. It isn't true. You read the reports and studies and analyses and you see that they had very constructive proposals.

**DB:** In early January you were asked by an editor of the *Washington Post* to submit an article on the New Year's Day uprising in Chiapas. Was this the first time they had asked you to write something for them?

That was the first time ever. It was for the Sunday Outlook section. I was kind of surprised. I'm never asked to write for a major newspaper. I wrote it. It didn't appear.

**DB:** Was there an explanation?

No. It went to press, as far as I know. The editor who had asked me called me saying it looked OK and then later told me that it had simply been cancelled at some higher level. I don't know any more about it than that. Although I can guess. That article was about Chiapas, but it was also about NAFTA, and I

think the *Washington Post* has been even more extreme than the *Times* in keeping discussion of this topic within narrow bounds.

**DB:** In that article you write that the protest of Indian peasants in Chiapas gives "only a bare glimpse of time bombs waiting to explode, not only in Mexico." What did you have in mind?

Take South Central Los Angeles, for example. In many respects, different societies and so on, but there are points of similarity to the Chiapas rebellion. South Central Los Angeles is a place where people once had jobs and lives. Those jobs and lives have been destroyed. They have been destroyed in large part by the socio-economic processes that we have been talking about. For example, say, furniture factories went to Mexico where they can pollute more cheaply. Military industry, the big public input into the high-tech system, has somewhat declined, especially in the L.A. area. People used to have jobs in the steel industry. They don't any more. They rebelled. The Chiapas rebellion was quite different. It was much more organized, much more constructive, and it's the difference between an utterly demoralized society, like South Central Los Angeles, the kind we have, and a society that still retains some sort of integrity and community life and so on, though objectively poorer. When you look at consumption levels, doubtless Mexican peasants are poorer than people in South Central Los Angeles. There are fewer television sets per capita. By other, more significant criteria, mainly social cohesion, integrity of the community, they're considerably more advanced. We have succeeded in the U.S. not only in polarizing but also in destroying community structures. That's why you have such rampant violence. That's one case.

Take another which is even more dramatic. A couple of days after the NAFTA vote, the Senate overwhelmingly passed the most extraordinary crime bill in history. It was hailed with great enthusiasm by the far right as the greatest anti-crime bill ever. I think that it greatly increased, by a factor of five or six, federal spending for "fighting crime". There's nothing constructive in it. There are more prisons, more police, heavier sentences, more death sentences, new crimes...

**DB:** Three strikes and you're out.

Three strikes and you're out. Membership in a gang is a crime. Clinton has quickly moved to pick this up as his major social initiative. That makes a lot of sense, and it makes a lot of sense that it should appear right after NAFTA. NAFTA will continue, maybe accelerate the polarization of society. No one has any plans for these people who are being marginalized and suppressed. There will be more South Central Los Angeles-type situations. It's unclear how much pressure and social decline and deterioration people will accept. One tactic is just drive them into urban slums, concentration camps, in effect, and let them prey on one another. But that has a way of breaking out and affecting the interests of wealthy and privileged people. So we'd better build up the jail system, which incidentally is also a shot to the economy. That's public spending, which gives a kind of economic stimulus as well. It's natural that Clinton should pick exactly that as his topic. Not only for a kind of ugly political reason. It's easy to whip up hysteria about that. But also because it reflects the general point of view of the so-called New Democrats, the business-

oriented segments of the Democratic Party.

**DB:** One last point on Mexico: You talked about the wages being depressed. There has also been significant union busting and smashing. Describe what happened at a couple of auto plants in Mexico, one involving Ford and one involving Volkswagen.

Ford and VW are two big examples. Within the last few years, I think for VW it was 1992 and Ford a few years earlier, Ford just fired its entire work force and would rehire at a much lower wage level only those who agreed to be non-unionized. They're backed by the always ruling party when they do this. In VW's case it was pretty much the same. They fired workers who supported an independent union. They were willing to allow the fraudulent government union. But those who sought to get an independent union were kicked out and only those who agreed not to support it were rehired at lower wages.

A few weeks after the NAFTA vote in the U.S., workers at a GE and Honeywell plant in Mexico were fired for union activities. I don't know what the outcome is, but that was again symbolic. That's exactly what things like NAFTA are about. Whether NAFTA in the long term will lower the wages of Mexican workers is kind of hard to predict. There are a lot of complicated factors. I think it may very well. That it will lower the wages of American workers is hardly in doubt. The strongest NAFTA advocates point that out in the small print. My colleague at MIT, Paul Krugman, is a specialist in international trade and interestingly one of the economists who had done some of the theoretical work showing flaws in free trade. He nevertheless was an enthusiastic advocate of NAFTA, which is, I should stress, not a free trade agreement. But he did point out, if you look, that the only people who will lose will be unskilled workers. A footnote: Seventy percent of the work force is classified as "unskilled." They're the only ones who will lose.

The Clinton Administration has various, I don't know if they believe it or not, fantasies about retraining. They aren't doing anything about that, but even if they did, it would probably have very little impact. What's true of industrial workers is also true of skilled white-collar workers. You can get software programmers in India who are very well trained at a fraction of the cost of American programmers. Somebody involved in this business recently told me that Indian programmers are actually being brought to the U.S. and kept at Indian salaries, a fraction of American salaries, in software development. So that can be farmed out just as easily.

The chances of retraining having much of an effect are slim. The problems are quite different. The problems are that in the search for profit, you will try to repress people's lives as much as possible. You wouldn't be doing your job otherwise.

**DB:** An interesting thing happened in Alabama involving Daimler-Benz, the big German auto manufacturer.

This deterioration of the policies that destroy unions and undermine wages have a whipsaw effect. It's not

only Mexico and the U.S. It's also across the industrial world. So now that the U.S. has managed, under Reagan, to drive wages down way below the level of its competitors, except for Britain, that's had its international effects. So one of the effects of the so-called free trade agreement with Canada was to stimulate a big flow of jobs from Canada to the southeast U.S. because these are essentially non-union areas. Wages are lower. You don't have to worry about benefits. Workers can barely organize. So that's an attack against Canadian workers. What you're describing now simply shows the internationalization of these effects. Daimler-Benz, which is Germany's biggest conglomerate, was seeking essentially Third World conditions. They managed to get the southeastern states to compete against one another to see who could force the public to pay the most to bring them there. Alabama gave the biggest package. They offered them hundreds of millions of dollars in tax benefits. They practically gave them the land for free. They agreed to build all sorts of infrastructure for them. The cost to the citizens of Alabama is substantial. But there will be people who benefit. The small number of people who are employed there, some spillover to hamburger stands and so on, but primarily bankers, corporate lawyers, people involved in investment and finance and financial services and so on, they'll do very well.

It was interesting that even the *Wall Street Journal*, which is rarely critical of business, pointed out that this is very much like what happens when rich corporations go to Third World countries and questioned whether there were going to be overall benefits for the state of Alabama. Probably not, although for sectors of Alabama, especially the corporate, financial and skilled professional sectors, there will be benefits. The general public will pay the costs.

Meanwhile Daimler-Benz can use that to drive down the living standards of German workers. That's in fact the way the game is played. Southeastern U.S. is one case. But of course Mexico, Indonesia, and now east Europe are much better cases. For example, VW will throw out their work force in Mexico and rehire it. But they'll also set up factories in the Czech Republic, as they are now doing, where they can get workers for about ten percent of the cost of German workers. It's right across the border. It's a westernized society. High educational levels. Nice white people with blue eyes. You don't have to worry about that. Of course, they insist on plenty of benefits. They don't believe in the free market any more than any other rich people do, so they leave the Czech Republic to pay the social costs of pollution, debts, etc. They'll just pick up the profits. It's exactly the same when GM moves to Poland. GM is building plants in Poland, but of course insisting on thirty percent tariff protection. The free market is for the poor. We have a dual system. Free markets for the poor and state socialism for the rich.

**DB:** After your return from a recent trip to Nicaragua you told me it's becoming more difficult to tell the difference between economists and Nazi doctors. What did you mean by that?

A report from UNESCO just appeared, which I haven't seen reported here. It was reported in the *Financial Times* of London, which estimated the human cost of what are called reforms, a nice-sounding word, in Eastern Europe since 1989. "Reforms" is a propaganda term. It implies that the changes are good things. If a populist government took over private industries, that wouldn't be called "reform." By referring to the policies as "reforms," the press is able to avoid any discussion of whether they are good or bad policies. They are good, by stipulation. But the so-called reforms, meaning returning Eastern

Europe to its Third World status, have had social costs. The UNESCO study tries to estimate them. For example, in Russia they estimate about a half-a-million deaths a year as a direct result of the reforms, meaning the effect of the collapse of health services, the increase in disease, the increase in malnutrition, and so on. Killing half-a-million people a year, that's a fairly substantial achievement for reformist economists. You can find similar numbers, though not quite that bad, in the rest of Eastern Europe, if you look at death rates from malnutrition, polarization, suffering. It's a great achievement.

If you go to the Third World, the numbers are fantastic. So for example, another UNESCO report estimated that in Africa about half-a-million children die every year simply from debt service. Not from the whole array of "reforms," just debt service. About eleven million children are estimated to die every year from easily treatable diseases. Most of them could be overcome by a couple of cents' worth of materials. But the economists tell us that to do this would be interference with the market system. It's not new. It's very reminiscent of British economists during the Irish famine in the mid-nineteenth century, when economic theory dictated that famine-struck Ireland must export food to Britain, which it did, right through the Irish famine, and should not be given food aid because that would violate the sacred principles of political economy. These principles typically have this curious property of benefiting the wealthy and harming the poor.

**DB:** You'll recall the uproar in the 1980s about Sandinista abuses of the Miskito Indian population on the Atlantic coast. President Reagan, in his inimitable style of understatement, said it was "a campaign of virtual genocide." UN Ambassador Jeane Kirkpatrick was a bit more restrained. She called it the "most massive human rights violation in Central America." What's happening now with the Miskito Indians in Nicaragua?

They were talking about an incident in which, according to Americas Watch, several dozen Miskitos were killed and lots of people were forcefully moved in a very ugly way in the course of the contra war. The U.S. terrorist forces were moving into the area and this was the reaction. It was certainly an atrocity, but you couldn't even see it in comparison to the atrocities that Jeane Kirkpatrick was celebrating in the neighboring countries at the time, or for that matter in Nicaragua, where the overwhelming mass of the atrocities were committed by the so-called freedom fighters.

What's happening to the Miskitos now? I was in Nicaragua in October. Church sources, the Christian Evangelical Church, primarily, who work in the Atlantic coast, were reporting that 100,000 Miskitos were starving to death, largely as a result of the policies that we are imposing on Nicaragua. Not a word here.

Another problem among the Miskitos is narcotics. One typical consequence of U.S. victories in the Third World, which again includes much of Eastern Europe, is that the countries where we win immediately become big centers for drug flow.

There are good reasons for that. That's part of the market system that we impose on them. Nicaragua has now become a major drug transshipment center. There's a little concern about that here, so that gets into the press. If you look at the small print, you'll discover that a lot of it goes through the Atlantic coast now that the whole governmental system has collapsed. There's also a drug epidemic. This goes along with being a drug transshipment area.

It's a major epidemic among the Miskitos, in particular, among the divers. Miskito Indian divers, both in Nicaragua and Honduras, are compelled by economic circumstances to carry out diving under horrendous conditions. They are forced to do very deep diving without equipment for lobsters and other shellfish. It's a market system. You've got plenty of superfluous people. So you make them work under these conditions. If they die off fast you just bring in others. That's a standard free-market technique. In order to try to maintain their work rate they stuff themselves with cocaine. Somehow it enables them to bear the pain. So that actually sort of got reported. There was a little report about cocaine use among Miskito Indians. Of course, nobody cared much about the work conditions, or why they are there. That's the situation of the Miskito Indians in Nicaragua today. In Honduras it may even be worse.

**DB:** This speaks volumes about the whole notion of worthy victims whose plight can be attributed to official enemies, and then when the enemies are eliminated, they become unworthy victims.

It's a clear example of that. If you want another example, in many ways an uglier one, have a look at today's *Boston Globe*. There's an op-ed by Sidney Schanberg blasting Senator Kerry of Massachusetts for being dishonest and two-faced because he is refusing to concede that the Vietnamese have not been entirely forthcoming about American POWs.

Nobody, according to Schanberg, is honest enough to tell the truth about this. He says the government ought to finally have the honesty to say that it left Indochina without accounting for all the Americans. Of course, it wouldn't occur to him to suggest that the government should be honest enough to say that we killed a couple of million people and destroyed three countries and left them in total wreckage and have been strangling them ever since. It is particularly striking that this is Sidney Schanberg. He is regarded as the great conscience of the press because of his intrepid courage in exposing the crimes of official enemies, namely Pol Pot. He also happened to be the main U.S. reporter in Phnom Penh in 1973, which was the peak of the U.S. bombardment of inner Cambodia, when tens of thousands of people were being killed and the society was being wiped out.

Nobody knows very much about the bombing campaign and its effects because people like Sidney Schanberg refused to cover it. It wasn't a big effort for him to report it. He didn't have to go trekking off into the jungle to find the appropriate refugees. He could walk across the street from his fancy hotel in Phnom Penh, where there were hundreds of thousands of refugees driven from the countryside into the city. I went through all of his reporting. It's reviewed in detail in *Manufacturing Consent*, my book with Edward Herman. He simply refused to interview refugees to find out what was going on in inner Cambodia. Only a few sentences of refugee testimony appear in his dispatches.

To heighten the depravity, to make it very clear just what he is, there happens to be one rather detailed report of an American atrocity. If you look at the movie *The Killing Fields*, which is based on his story, it opens by describing this atrocity, which he did report for about three days. What's the one report? American planes hit the wrong village, a government village. That's an atrocity. That was reported. How about when they hit the right village? We don't care about that. One of the reasons why we know very little about this monstrous atrocity in inner Cambodia is that people like Sidney Schanberg wouldn't report it.

Now he's orating about the lack of honesty and the two-facedness of people who won't say that we left POWs behind. Incidentally, take a look at the U.S. record with POWs. It was atrocious. Not only in Vietnam, where it was monstrous, but in Korea, where it was even worse. U.S. treatment of POWs in Korea was an absolute scandal. It's been well discussed in the scholarly literature. If you go back to the Pacific war, it's also horrible, including after the war, when we kept prisoners illegally under confinement, as did the British.

**DB:** Other Losses, a Canadian book, alleges it was official U.S. policy to withhold food from German prisoners. Many of them supposedly starved to death.

That's James Bacque's book. There's been a lot of controversy about the details, and I'm not sure what the facts of the matter are. He did say that. On the other hand, there are things on which there's no controversy. Ed Herman and I wrote about it back in the late 1970s, in our book *Political Economy of Human Rights*. It was kind of striking. Just at the time that the first uproar was being whipped up about the American POWs, scholarly work was coming out about American and British treatment of German POWs during and after the Second World War. There were some reviews of this material. They were lauding the humanitarian efforts of the Americans and the British.

If you looked at the material, what happened was that the Americans were running "re-education camps" for German prisoners. Since it was in gross violation of international conventions, it was concealed. They finally changed the name. They picked some Orwellian name for it instead of re-education camps. This was hailed as a tremendous example of our humanitarianism, because we were teaching them democratic ways. In other words, we were indoctrinating them into accepting our beliefs. Therefore it's humanitarian in these re-education camps. They kept it secret because they were afraid that the Germans might retaliate and treat American prisoners the same way. Prisoners were being treated very brutally, killed and starved and so on.

Furthermore, it went on after the war. The U.S. kept German POWs until mid-1946, I think. They were used for forced labor, beaten, and killed. It was much worse in England. There they kept them until, I think, mid-1948. All totally illegal -- forced labor, violence, and so on.

Finally there was public reaction in Britain. The person who started it off was Peggy Duff, a marvelous woman who died a couple of years ago. She was later one of the leading figures in the CND and the

international peace movement during the 1960s and 1970s. She started off her career with a protest against the treatment of German POWs.

Incidentally, why only German POWs? What was happening to the Italian POWs? We don't know anything about that. The reason is that Germany is a very efficient country. So they have published volumes of documents on what happened to German POWs. But Italy's sort of laid back, and at least at that time there was no research on the surely much worse treatment of Italian POWs.

I can remember this as a kid. There was a POW camp right next to my high school. There was controversy among the students over the issue of the students taunting the prisoners. There were a group of us who thought this was horrifying and objected to it, but very few. That's not the worst of it, of course.

**DB:** At the same time this was going on with the prisoners of war after World War II, there was Operation Paper Clip. Chris Simpson describes this in his book *Blowback*, and you've discussed it as well. It involved the importation, on a large scale, of known Nazi war criminals, rocket scientists, camp guards, etc.

That was part of it. But it was actually much worse than that. There was also an operation involving the Vatican and the U.S. State Department, and American-British intelligence, which took some of the worst Nazi criminals, like Klaus Barbie, and used them. Klaus Barbie was taken over by U.S. intelligence and returned to exactly the operations that the Nazis had him doing. Later, when it became an issue, some of his supervisors pointed out that they didn't see what the fuss was all about.

They said: We needed a guy who would attack the resistance. We had moved in. We had replaced the Germans. We had the same task they did, namely destroy the resistance, and here was a specialist. He had been working for the Nazis to destroy the resistance, the butcher of Lyon, so who would be better placed to continue exactly the same work for us, when we moved in to destroy the resistance?

So Barbie worked for the Americans as he had worked for the Nazis. When they could no longer protect him, they moved over to the Vatican-run ratline operation, with Croatian Nazi priests and others, and managed to spirit him off to Latin America, where his career continued. In fact, he became a big drug lord and narcotrafficker, and was involved in Bolivia in a military coup, all with U.S. support.

Klaus Barbie was basically a small operator. There were much bigger people. We managed to get Walter Rauff, the guy who invented gas chambers, off to Chile. Others went to fascist Spain. This was a big operation involving many top Nazis. That's only the beginning. Reinhard Gehlen was the leading figure. He was the head of German military intelligence on the eastern front. I don't have to tell you what that means. That's where the real war crimes were. Now we're talking about Auschwitz and other death camps.

Gehlen was taken over quickly by American intelligence and returned essentially to the same role. The U.S. was supporting German-established armies in Eastern Europe. The U.S. continued to support them at least into the early 1950s.

It turns out the Russians had penetrated American intelligence, so the air drops didn't work very well. But they were trying to support Hitler's armies in Eastern Europe. Gehlen was returned to the operations that he had carried out under the Nazis. Furthermore, German, as they called them, counterterrorist specialists, meaning people who were fighting the partisans and the resistance, were taken over by the American army. Their records and expertise were used to create counterinsurgency doctrine.

In fact, if you look at the American army counterinsurgency literature, a lot of which is now declassified, it begins by an analysis of textbooks written with the cooperation of Nazi officers recording the German experience in Europe. It describes everything from the point of view of the Nazis, e.g., which techniques for controlling resistance worked, which ones didn't work. That becomes simply transmuted with barely a change into American counterinsurgency literature. This is discussed at some length by Michael McClintock in a book called *Instruments of Statecraft*, a very good book which I've never seen reviewed. It's quite illuminating on this topic.

**DB:** This makes an interesting counterpoint to the opening of the Holocaust Museum in Washington, D.C. and the current widespread popularity of Stephen Spielberg's film *Schindler's List*, that the U.S. was not passively engaged in recruiting German war criminals but was in fact actively engaged. Is it about this that you say that if a real history of the aftermath of the Second World War were ever written this would be the first chapter?

This would be a part of the first chapter. Recruiting Nazi war criminals and saving them is bad enough, but continuing the activities that they carried out is worse. The first chapter of postwar history, in my view, would be the description of the British and U.S. operations, mostly U.S., given power relations, throughout the world to destroy the anti-fascist resistance and restore the traditional essentially fascist order to power.

That took different forms in different parts of the world. In Korea, where we ran it alone, it meant killing about 100,000 people, just in the late 1940s before what we called the Korean War. In Greece it meant supporting the first major counterinsurgency war, which destroyed the peasant- and worker-based anti-Nazi resistance and restored collaborators to power.

Italy is a very interesting case. A lot of information is just coming out now. The British first, and then the Americans, as they moved in, wanted to destroy the very significant resistance movement. It had liberated most of northern Italy. The Americans essentially wanted to restore the fascist order, as did the British. This is the British Labor Party, incidentally. In the south, they simply restored the fascist order, the industrialists. The Americans tried to get leading fascists in, like Dino Grandi, but the Italians

wouldn't accept it, so they took an Italian war hero, Badoglio, and essentially restored the old system.

But the big problem was when they got to the north. There the Italians had already been liberated. The Germans had been driven out by the Italian resistance. The place was functioning. Industry was functioning. First Britain and then the U.S. had to dismantle all of that and restore the old order. Their attitude is extremely interesting. It's just coming out now in books. There is one by an Italian scholar, Federico Romero, who describes this very positively. The big critique of the resistance was that they were displacing the old owners in favor of popular workers' and community control. This was called "arbitrary dismissal" of the legitimate owners. They were also hiring what was called "excess workers," meaning they were giving jobs to people beyond what's called economic efficiency, meaning maximal profit-making. In other words, they were trying to take care of the population and they were more democratic. That had to be stopped. The prime commitment, as the documents say, was to eliminate this arbitrary dismissal of legitimate owners and the hiring of excess workers.

There was also another problem which they recognized. Of course the most severe problem for Italy at the time was hunger and unemployment. But that's the Italians' problem, the British labor attaché explained. Our problem, the problem of the occupying forces, is to eliminate this hiring of excess workers and arbitrary dismissal of owners. Then they can worry about the other problem, everybody starving. This is, I should say, described very positively, showing how law-abiding we are. It goes right to contemporary neo-liberalism without much change.

The next thing was to try to undermine and destroy the democratic process, which the U.S. was very concerned about in Italy. The left was obviously going to win the elections. It had a lot of prestige from its involvement in the resistance and the traditional conservative order had been discredited. The U.S. wouldn't tolerate that. The first memorandum of the first meeting of the newly-formed National Security Council in 1947 is devoted to this. This was a major issue. They decided that they would undermine the election. There were big efforts made to undermine the election, to withhold food and put all sorts of pressure to ensure that the democratic system couldn't function and that our guys would get in.

That's a pattern that's been relived over and over. Nicaragua recently is another case. You strangle them. You starve them. And then you have a free vote and everybody talks about how wonderful democracy is. They were afraid that violence and coercion might not work. The fascist police and strikebreakers were put back. They said: In the event that the communists win a democratic election legitimately, the U.S. will declare a national emergency, put the Sixth Fleet on alert in the Mediterranean and support paramilitary activities to overthrow the Italian government. That's NSC 1, the first National Security Council Report.

There were other people who were more extreme, like George Kennan, who thought that we just ought to invade the place, not even let them have the election. They managed to hold him back, figuring that subversion and terror and starvation would do it. And it did. Then comes a long follow-up, right into at least the 1970s, when records dry up.

Maybe it's still going on. Probably the major CIA effort in the world was the subversion of Italian democracy, from the 1940s right to the very modern period, including support for ultra-right Masonic Lodges and paramilitary elements and terrorists and so on. A very ugly story.

If you look at France and Germany and Japan, you get pretty much the same thing. That ought to be chapter 1 of postwar history. The person who opened up this topic and many others was Gabriel Kolko, in his classic book *Politics of War* (1968) which has really been shamefully ignored. It's a terrific piece of work. A lot of the documents weren't around then, but his picture turns out to be quite accurate, and it's been by now supplemented by a lot of specialized monographic materials.

**DB:** Let's talk about human rights in a contemporary framework with one of our major trading partners, China.

Today's a good day to talk about it. The State Department just came out with its report on human rights in China. I haven't read the whole report, just the newspaper account, but I'm willing to predict. In the Asia Pacific summit in Seattle, the one substantive achievement was sending more high-tech equipment to China, in violation of legislation, which the government would reinterpret to allow it; the legislation was because of China's involvement in nuclear and missile proliferation, so we therefore sent them nuclear generators and sophisticated satellites and Cray supercomputers. Right in the midst of that summit is a little tiny report which you can find tacked on to the articles about the grand vision in Asia, saying that 81 women had been burned to death. They were locked in a factory in what's called booming Guangdong province, the economic miracle of China.

A couple of days later sixty workers were killed in a Hong Kong-owned factory. The China Labor Ministry reported that eleven thousand workers had been killed in industrial accidents just in the first eight months of 1993, double the figure of the preceding year.

These atrocities and the women locked into factories never enter the human rights report. On the other hand, it would be unfair to say that labor practices never enter it. They do. There's been a big hullabaloo about the use of prison labor. Front-page stories in the *Times*. It's terrible. Prison labor we're opposed to. But locking women in factories in foreign-owned enterprises where they burn to death, that's just one of those things that happens.

What's the difference? Very simple. Prison labor does not contribute to private profit. That's state enterprise. Prison labor in fact undermines private profit because it competes with private industry. On the other hand, locking women in factories where they burn to death contributes to private profit. So prison labor is a human rights violation. But there is no right not to be burned to death. In fact, that's just part of the capitalist system. We're in favor of that. People might be burned to death, but we have to maximize profit. From that principle everything follows. Opposition to prison labor to silence about eleven thousand workers being killed in industrial accidents.

**DB:** Notions of democracy fill the air. Clinton's National Security

Advisor, Anthony Lake, is encouraging democracy enlargement overseas. Might Anthony Lake extend that to the U.S.?

I can't tell you what Anthony Lake has in mind, but the concept of democracy that's been advanced is a very special one. It's one that the more honest people on the right describe accurately. For example, there are some interesting writings recently by Thomas Carothers, who was involved in the Reagan administration in what they called the "democracy assistance project" in the 1980s. He has a book and several articles about the achievements of the project. He takes the commitment seriously, which is odd, to say the least, even given his own report and evaluation.

Carothers gives an assessment which is rather accurate. He said that the U.S. sought to create a form of top-down democracy which would leave traditional structures of power with which the U.S. had always been allied still in effective control. That kind of democracy is OK. That's the kind of democracy that's being enhanced, at home as well, a form of democracy which leaves traditional structures of power in control and in fact, in greater control. Traditional structures of power are basically the corporate sector and its affiliates. Any form of democracy that leaves them unchallenged, that's admissible. Any form that undermines their power is as intolerable as ever.

**DB:** We should have a lexical definition of democracy and then the practical definition.

The practical definition is something like the one that Thomas Carothers describes and criticizes. The lexical definition is that democracy has lots of different dimensions. But roughly speaking, a society is democratic to the extent that people have meaningful opportunity to take part in formation of public policy. Insofar as that's true, the society's democratic, and there are a lot of different ways in which that can be true. Society can have the formal trappings of democracy and not be democratic at all. The Soviet Union, for example, had elections.

**DB:** You've commented that the U.S. has a formal democracy with primaries, elections, referenda, recalls, and so on. But what is the content of this democracy in terms of popular participation?

The content has generally been rather slight. There are changes, but over long periods the involvement of the public in planning or implementation of public policy has been quite marginal. It's a business-run society. For a long time the parties have reflected business interests.

One version of this view which I think has much power behind it is what political scientist Thomas Ferguson calls the investment theory of politics. He argues that since the early nineteenth century the political arena has been a domain in which there's a conflict for power among groups of investors who coalesce together on some common interest and invest to control the state. The ones who participate are the ones who have the resources and the private power to become part of a meaningful coalition of investors. He argues, plausibly, I think, that long periods of apparent political compromise, when not

much is going on of a major character in the political system, are simply periods in which the major groups of investors have seen more or less eye to eye on what public policy should look like. The moments of conflict which come along, like the New Deal, are cases where you do have some differences in perspective and point of view among groups of investors.

So in the New Deal period there were various groupings of private capital which were in conflict over a number of issues. He identifies, among others, a high-tech capital-intensive, internationally oriented, export-oriented sector who tended to be quite pro-New Deal and in favor of the reforms. They wanted an orderly work force. They didn't want to be bothered. They wanted an opening to foreign trade. A more labor-intensive, more domestically oriented group, essentially around the National Association of Manufacturers, were strongly anti-New Deal. They didn't want any of these reform measures.

Of course, those groups were not the only thing involved. There was the labor movement, a lot of public ferment and so on, that led to something happening in the political arena.

**DB:** You view corporations as being incompatible with democracy. You say if we apply the concepts we use in political analysis they are fascist. "Fascist" is a highly charged term. What do you mean?

I mean fascism pretty much in the traditional sense. So when a rather mainstream person like Robert Skidelsky, the biographer of Keynes, describes the early postwar systems as modeled on fascism, he simply means the system of state coordination of corporate sectors. It integrates labor, capital, and so on, under the control of those who have power, which is the corporate system and with general state coordination. That's what a fascist system traditionally was. It's absolutist. Power goes from top down. Even a fascist system can vary in the way it works, but the ideal state is top down control with the public essentially following orders.

Let's take a look at a corporation. Fascism is a term that applies to the political domain, so it doesn't apply strictly to corporations. But if you look at what they are, power goes strictly top down, from the board of directors to managers to lower managers to ultimately the people on the shop floor, typing messages, and so on. There's no flow of power or planning from the bottom up. People can disrupt and make suggestions, but the same is true of a slave society. The structure of power is linear, from top to bottom, ultimately back to owners and investors. As for those who are not part of that structure, they have nothing to say about it. They can choose to rent themselves to it, and enter into the system at some level, following the orders from above and giving them to those down below. They can choose to purchase the commodities or services that it produces. That's it. That's the totality of their involvement in the workings of the corporation.

That's something of an exaggeration, because corporations are subject to some legal requirements and there is some limited degree of public control. There are taxes and other things. That reflects the parliamentary system to the extent that that's democratic. Corporations are more totalitarian than the things we call totalitarian in the political system. These are vast. We're not talking about small isolated

islands in some huge sea. We're talking about islands which are the size of the sea. Their operations, including much of what is called "trade," are centrally managed by highly visible hands which may introduce severe market distortions. So, for example, a corporation that has an outlet in Puerto Rico may decide to take its profits in Puerto Rico because of tax rebates and change the pricing system, what's called transfer pricing, so they don't seem to be making a profit here. There are severe market distortions, as in fact in any form of central internal planning. It's a very substantial and growing part of interactions across borders, which really shouldn't be called trade.

About half of what are called U.S. exports to Mexico are just intrafirm transfers. They don't enter the Mexican market. There's no meaningful sense in which they're exports to Mexico. It means Ford Motor Company has components constructed here and ships them to a plant which happens to be on the other side of the border where they get much lower wages and don't have to worry about pollution, unions, and that sort of nonsense. Then they ship them back here. Mexico has nothing to do with it.

According to the last figures I saw, about seventy percent of Japanese exports to the U.S. were in that category. These are major market distortions, and growing. When people say that GATT and NAFTA are free trade agreements, there are many respects in which that's not true. Some of the respects in which it's not true is that these investor rights agreements, as they ought to be called, extend the power of international corporations and finance. That means extending their ability to carry out market distorting operations internally.

If you tried to get a measure of the effect of the distortion of market principles, which I don't think anybody has ever done, you'd probably find that it's quite significant. Things like shifting pricing around to maximize profit are more or less functionally equivalent to non-tariff barriers to trade and voluntary export restrictions. There are estimates of the scale of non-tariff barriers. But I know of no estimates of internal corporate interference with market processes that way. They may be large in scale and are sure to be extended by the trade agreements. These are huge totalitarian institutions which are in a kind of oligopolistic market with plenty of government interference. There are market factors that affect them, but internally, they have little to do with market principles, and they are totalitarian. So when people like Anthony Lake, to get back to the original point, talk about enlarging market democracy, they are enlarging something, but it's not simply markets and it's not democracy.

**DB:** You describe free trade as protection for the rich and market discipline for everyone else.

That's what it comes down to. So the poor are indeed subjected to market discipline. The rich are not. The ideology calls for what are called flexible labor markets. Flexible labor markets is a fancy way of saying, when you go to sleep at night you don't know if you'll have a job tomorrow morning. That's a flexible labor market. That increases efficiency. Any economist can prove that it increases efficient use of resources if people have no job security, if you can get thrown out and somebody cheaper can come in the next morning. That's the kind of market discipline that the poor are to be subjected to. But the rich have all sorts of forms of protection. This was dramatically illustrated at Clinton's great triumph at the

Asia Pacific summit, when he presented what the press called his grand vision for the free market future. He picked as his model for the free market future the Boeing Corporation, whose wealth and power derive substantially from state intervention. That's protection for the rich.

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# Reflections on Democracy

April 11, 1994

**DB:** You just returned from the San Francisco Bay area where you had the usual rounds of speeches, interviews, and receptions. Anything different about this particular trip?

There was a noticeable effect of people having seen the Achbar-Wintonick film *Manufacturing Consent*. Lots of people recognized me on campus and the streets. Otherwise, it's similar to what I find around the country. It takes a little different form in different places. It's a combination of dismay ranging to hopelessness on the one hand and hunger for something to do and some suggestion as to a way to proceed on the other.

**DB:** Are you concerned that this increased visibility and recognition might inhibit you in some way?

It has a feature that I think is extremely unfortunate and that may actually be inherent in the film medium and also in the general collapse of a left intelligentsia, namely a tendency to personalize issues and to impose a serious misunderstanding of the way things happen, as if they happen because individuals show up and lead people, whereas in fact what happens is that people organize and occasionally will toss up a spokesperson.

**DB:** Let's talk about democracy. When democratic theorists talk about the "rabble," who do they mean?

They mean the general population, who they in past years called the rabble and in more recent years have called "ignorant and meddlesome outsiders." If they're more polite, they call them the "general public."

**DB:** Why is it important to keep the rabble in line?

Any form of concentrated power, whatever it is, is not going to want to be subjected to popular democratic control or, for that matter, to market discipline. Powerful sectors, including corporate wealth, are naturally opposed to functioning democracy, just as they're opposed to functioning markets, for themselves, at least. It's just natural. They do not want external constraints on their capacity to make

decisions and act freely. It entails that the elites will be extremely undemocratic.

**DB:** And has that always been the case?

Always. Of course, it's a little more nuanced because certain forms of democracy are favored, what is sometimes called "formal democracy." Modern democratic theory is simply more articulate and sophisticated than in the past. It takes the view that the role of the public, the "ignorant and meddling outsiders," as Walter Lippmann called them, is to be "spectators," not "participants," who show up every couple of years to ratify decisions made elsewhere or to select among representatives of dominant sectors in what's called an election. That form of democracy is approved and is indeed helpful to certain kinds of ruling groups, namely those in more or less state capitalist societies, and indeed the rising bourgeoisie a century or two ago. For one thing it has a legitimizing effect, and for another, it does offer significant options for the more privileged sectors, sometimes called the political class or the decision-making sectors, maybe something like a quarter of the population in a wealthy society.

**DB:** In discussions on democracy you refer to a couple of comments from Thomas Jefferson.

Near the end of his life, (he died in 1826), and a little before that, Thomas Jefferson had spoken with a mixture of concern and hope about what had been achieved. This is roughly fifty years after the Declaration of Independence. He said many interesting things. He made a distinction between two groups, what he called "aristocrats" and "democrats." The aristocrats are, in his words, "those who fear and distrust the people and wish to draw all powers from them into the hands of the higher classes." The democrats are those who "identify with the people, have confidence in them, cherish and consider them as the most honest and safe, although not the most wise depository of the public interest." So the democrats say, Look, people must be in control, whether or not I think that they're going to make the right decisions. The aristocrats fear and distrust the people and say that the higher classes shall take all powers into their hands.

What he called the aristocrats include the modern intelligentsia, whether in their Leninist variety or in the variety that appears in state capitalist democracies. So those who warn us of the "democratic dogmatism about men being the best judges of their own interests" say that they are not the best judges; we are. I'm quoting one of the founders of contemporary political science, Harold Lasswell, representing a standard view. They are what Jefferson called the aristocrats. Their view has a close similarity to the Leninist doctrine that the vanguard party of radical intellectuals should take power and lead the stupid masses to a bright future. Those views run across the board in the groups that are considered respectable intellectuals in their own societies. In fact this is the victory of Thomas Jefferson's aristocrats, something which he feared and hoped might not happen, but indeed did happen, not entirely in the forms he predicted, but in the general character. These insights, of which Jefferson was one of the earliest articulate spokespersons, continued through the nineteenth century.

Later on Bakunin made a similar distinction, predicting that the intellectual classes more or less

becoming visible as an independent element in the world would separate into two groups, those that he called the "red bureaucracy," who would take power into their own hands and create one of the most malevolent and vicious tyrannies in human history, and those who would conclude that power lies in the private sector and would become the intellectual servants of state and private power in what we now call state capitalist societies and, in his term, would "beat the people with the people's stick," meaning they would profess democracy while serving as what were later called the "responsible men" (Lippmann) who would make the decisions and the analysis and keep the "bewildered herd" (Lippmann) in hand. Those are two categories of what Jefferson called aristocrats. Democrats do exist, but they're increasingly marginal.

**DB:** You also cite the twentieth-century philosopher and educator John Dewey in a kind of link with Jefferson. What did Dewey have to say about this subject?

Dewey was one of the last spokespersons of what you might call the Jeffersonian view of democracy. Of course, he was writing a century later. Jefferson himself, some years before the remarks I quoted, warned of the danger that the government would fall into the hands of what he again called an aristocracy of "banking institutions and monied incorporations," what we would nowadays called corporations. He warned that that would be the end of democracy and the defeat of the American revolution. That's pretty much what happened in the century that followed, far beyond his worst nightmares.

Dewey was writing in the early part of the twentieth century. His view was that democracy is not an end in itself, it's a means by which people discover and extend and manifest their fundamental human nature and human rights, which is rooted in freedom and solidarity and a choice of both work and other forms of participation in a social order and free individual existence. Democracy produces free people, he said. That's the "ultimate aim" of a democratic society; not the production of goods, but "the production of free human beings associated with one another on terms of equality." He recognized that democracy in that sense was a very withered plant.

He described politics as "the shadow cast on society by big business," namely by Jefferson's "banking institutions and monied incorporations," of course vastly more powerful by this time. He felt that that fact made reform very limited if not impossible. Here are his words: As long as "politics is the shadow cast on society by big business, the attenuation of the shadow will not change the substance." So reform may be of some use, but it's not going to bring democracy and freedom. These are undermined by the very institutions of private power, which of course he recognized, as did Jefferson and other classical liberals, as absolutist institutions. They're unaccountable. They're basically totalitarian in their internal structure. They're powerful far beyond anything that Dewey dreamed, for that matter. He also spelled out exactly what they were. He made it quite clear that as long as there is no democratic control of the workplace, of the banking institutions and monied incorporations, there will be only the most limited democracy.

**DB:** A question about your methodology and research. You retrieve and

resurrect very valuable material, for example on Jefferson and Bakunin and Dewey and Adam Smith. There is that great St. Augustine story on pirates and emperors that you use. When did you read St. Augustine on the difference between pirates and emperors?

The St. Augustine story was actually brought to my attention by a friend, Israel Shahak, the Israeli dissident. He mentioned that to me. It was a nice story.

**DB:** Do you file these away? You dug out a quote from John Jay, "Those that own the country ought to govern it." Where did you find that?

I read it somewhere.

**DB:** It's a very impressive service.

This literature is all accessible. Thomas Jefferson and John Dewey, for example, it's hard to think of more leading figures in American history. All of these things are as American as apple pie. When you read John Dewey today, or Thomas Jefferson, their work sounds like that of some crazed Marxist lunatic. But that just shows how much intellectual life has deteriorated. These are straight developments from the classical liberal period. In many ways they received their earliest, and often most powerful formulation, in people like Wilhelm von Humboldt, somebody who I've been greatly interested in, and who inspired John Stuart Mill.

Von Humboldt was one of the eighteenth-century founders of the classical liberal tradition. He, like Adam Smith and other basically pre-capitalist classical liberals, felt that at the root of human nature is the need for free creative work under one's own control. That must be at the basis of any decent society. Those ideas run straight through to Dewey. They are of course deeply anti-capitalist in character. In the eighteenth century, Adam Smith didn't speak of himself as anti-capitalist because this was pre-capitalist, but you can see exactly where it's leading. It's leading to the left-libertarian critique of capitalism, which in my view grows straight out of classical liberalism and takes various forms. It takes the Deweyian form of a sort of workers' control version of democratic socialism. It takes the left Marxist form of people like Anton Pannekoek and Rosa Luxemburg, and it feeds directly into the libertarian socialist-anarchist tradition. All of this has been grossly perverted or forgotten in modern intellectual life. I think that those traditions are rich and internally fairly consistent, and I even think they can be traced back to earlier origins in seventeenth-century rationalism.

**DB:** Let's take Adam Smith, for example. He of course is the icon celebrated by the corporate community as the godfather of capitalism. But your research reveals some very startling information about Adam Smith.

It's not really startling. It's well known in Smith scholarship. Recall that Smith, for example, had even

given an argument to show that a properly functioning market will tend towards equality and that the perfect system will be one of very extensive and pervasive equality. The closer you reach equality the closer you reach a perfect society. He also argued that only under those conditions would a market function efficiently. He was very critical of what he called "joint stock companies," what we would call corporations, which existed in quite a different form in his day. He had a good deal of skepticism about them because of the separation of managerial control from direct participation and also because they might, he feared then, turn into, in effect, immortal persons, which indeed happened in the nineteenth century, not long after his death.

It happened not through parliamentary decisions. Nobody voted on it in Congress. This was a significant change in American society, and elsewhere in the world as well, through judicial decisions. Judges, corporate lawyers, and others, simply crafted a new society in which immortal persons, namely corporations, have immense power. By now the top two hundred corporations in the world control over a quarter of total assets, and this is increasing. Just this morning Forbes magazine came out with its annual listing of the top American corporations and their assets, their behavior, and their welfare, and found increasing profits, increasing concentration, and reduction of jobs, a tendency that's been going on for some years.

**DB:** You suggest that to further democracy people should be "seeking out authoritarian structures and challenging them, eliminating any form of absolute power and hierarchic power." How would that, for example, work in a family structure?

In any structure, including a family structure, there are various forms of authority. A patriarchal family, that kind of family structure, may have very rigid authority, from the father usually, setting rules that others adhere to, in some cases administering severe punishment if there's a violation of them. There are other hierarchical relations among siblings, between the mother and father, gender relations, and so on. These all have to be questioned. Sometimes I think you can find that there's a legitimate claim to authority, that is, the challenge to authority can sometimes be met. But the burden of proof is on the authority. So for example, some form of control over children is justified. It's fair to prevent the child from putting his or her hand in the oven, let's say, or from running across the street in traffic. It's even proper to place clear bounds on children. They want them. They want to understand where they are in the world. However, all of these things have to be done with sensitivity and with self-awareness and recognition that any authoritarian role that one plays, or that someone else plays, does require justification. It's not self-justifying.

**DB:** This is a difficult question. When does that child move to an autonomous state where the parent doesn't need to provide authority?

I don't think there are formulas for this. For one thing, it's not that we have solid scientific knowledge and understanding of these things. We don't. There's a mixture of experience and intuition plus a certain amount of study which yields a limited framework of understanding, about which people may certainly

differ. Beyond that there are plenty of individual differences. So I don't think there's a simple answer to that question. The growth of autonomy and self-control and expansion of the range of legitimate choices and the ability to exercise them, that's growing up.

**DB:** Let's talk about media and democracy. In your view, what are the communications requirements of a democratic society?

I would agree with Adam Smith on this. We would like to see a tendency toward equality. Equality doesn't just mean the extremely spare form of equality of opportunity that's considered part of the dominant value system here. It means actual equality and the ability at every stage of one's existence for access to information and choices and decisions and participation on the basis of that information. So a democratic communications system would be one that involves large-scale public participation, that reflects on the one hand public interests and on the other hand real values, like truth and integrity and discovery and so on. Pursuit and dissemination of scientific understanding, for example, isn't something that results from parliamentary choices. It does in part because of funding and so on, but it also pursues its own path. And it's pursuing values that are significant in themselves.

**DB:** Bob McChesney, in his recent book *Telecommunications, Mass Media and Democracy*, details the rather contentious debate between 1928 and 1935 for control of radio in the U.S. How did that battle for radio play out?

That's a very interesting topic, and he's done an important service by bringing it out. It's very pertinent today, because we're involved in a very similar battle over this so-called "information highway." In the 1920s, the first major means of mass communication came along after the printing press, which was radio. It's obvious that radio is a bounded resource. There was no question in anyone's mind that the government was going to have to regulate it. There's only a fixed bandwidth. The question was, What form would this government regulation take?

There were essentially two choices: It could offer this new technology, this new form of mass communication, as, in effect, a public service, meaning that it would be public radio, with popular participation, and as democratic as the society is. Public radio in the Soviet Union would have been totalitarian, and public radio in, say, Canada or England would be partially democratic insofar as the societies are democratic, which they are to an extent. That debate was pursued all over the world, at least in the wealthier societies that had choices, and it split.

The U.S. went one way, and the rest of the world, maybe all of it, I can't think of an exception, went the other way. Almost the entire world went in the direction of public radio. The U.S. chose private radio. "Chose" is a funny word. The distribution of power in the U.S. led to commercialization of radio. Not a hundred percent, so you were allowed to have small radio stations, say, a college radio station, which can reach a few blocks. But in effect it was handed over to private power. There was, as McChesney points out, a considerable struggle about that. There were church groups and some labor groups and other public

interest groups that felt that the U.S. should go the way the rest of the world was going. They lost out. This is very much a business-run society. That shows itself in many differences between the U.S. and the rest of the industrial world. Lack of comprehensive health care is another well-known example.

In any event, business power won. Rather strikingly, it also won an ideological victory, claiming that handing radio over to private power was democracy because you have choices in the market. That's a very weird concept of democracy, which means that your power in this democracy depends on the number of dollars you have, and the choices are limited to selection among options that are highly structured by the real concentration of power. So it's a very odd notion of democracy, sort of the kind of democracy you get in a totalitarian system. But nevertheless that was considered democracy. It was widely accepted, including by liberals, as the democratic solution. By the mid- and late 1930s that game was essentially over.

It replayed, in the world, at least, about a decade later, when television came along. In the U.S. this wasn't a battle at all. It was completely commercialized without any conflict. But again in the rest of the world, maybe in the entire rest of the world, it moved into the public sector, again a big split between the U.S. and other countries. There was a slight modification of this in the 1960s. For one thing, television and radio were becoming by then partly commercialized in other societies, too, as an effect of the same concentration of private power that we find in the U.S. So it was chipping away at the public service function of radio and television. In the U.S. in the 1960s there was a slight opening to public radio and television. The reasons for this have never been explored in any depth, as far as I know, but what seems to have happened is that corporations recognized that it was a nuisance for them to have to satisfy the formal requirements of the Federal Communications Commission that they devote part of their functioning to public interest purposes. So CBS and so on would have to have a big office with a lot of employees and bureaucrats who every year would put together a collection of fraudulent claims about how they had met this legislative condition. That's just a pain in the neck. Presumably they decided at some point that it would be easier to get the entire burden off their backs and permit a small and underfunded public broadcasting system. They could then claim that they don't have to fulfill this service any longer. That's what happened. So you get public radio and public television, small, underfunded, and by now largely corporate-funded in any event.

**DB:** That's happened more and more. PBS is sometimes called Petroleum Broadcasting Service.

That's again a reflection of the interests and power of a highly class-conscious business system which is always fighting an intense and self-conscious class war. These issues are coming up again in the decisions that are going to be made about the new communications technology, the Internet, the interactive technologies that are being developed and so on. And again we're going to find exactly the same conflict. It's going on right now.

**DB:** Lorenzo Milam is one of the pioneers of community radio in the U.S. He had this to say about public broadcasting: "Our freedom to be

heard has been replaced on radio by mindless call-in programs, endless repeats of the car culture by illiterate Bostonians," sorry, Noam, "and national news programs ground out like commercial sausage. On television, any access by the poor and dispossessed is replaced by lions eating wildebeests, Lawrence Welk, and hour-long programs dedicated to the wonders of theme parks. Those of us who once hoped that commercial radio and television would live up to their initial hopes now have to be satisfied with the exposure of our most lurid preoccupations on the likes of Oprah, Geraldo, Arsenio, sandwiched between the prime-time ritual murder of our children."

I don't see any reason why one should have had any long-term hopes for anything different. Commercially run radio is going to have certain purposes, namely the purposes designed and determined by those who own and control it. Their purposes are to have a passive, obedient population of spectators in the political arena, not participants, consumers in the commercial arena, certainly not decision makers and participants, a community of people who are atomized and isolated so they cannot organize to put together their limited resources so as to become an independent and powerful force that will chip away at concentrated power. That's exactly what private business power will naturally want. From that you can pretty well predict the kind of system that will emerge.

**DB:** Does ownership always determine and drive content?

In some far-reaching sense it does. That is, if content ever goes beyond the bounds that ownership will tolerate, it will surely move in to limit it. On the other hand, that permits a fair amount of flexibility. So investors don't go down to the television studio and make sure that the local talk show host or news director is doing what they want. On the other hand, there are other complex mechanisms which make it fairly certain that they will do what the owners and investors want. There's a whole filtering process that enables people to rise through the system into managerial roles only if they've demonstrated that they've successfully internalized the values demanded by private power.

At that point they can describe themselves as quite free. So you'll occasionally find the sort of flaming independent liberal type. I remember columns by Tom Wicker saying, Look, nobody tells me what to say. I do anything I feel. It's an absolutely free system. And for him that's just right. After he had demonstrated to the satisfaction of the bosses that he had internalized their values, he was entirely free to write anything he wanted.

**DB:** Within the ideological framework, both PBS and NPR frequently come under attack as being left-wing.

This is an interesting sort of critique. The fact is that they are elite institutions, reflecting by and large the points of view and interests of wealthy professionals who are very close to business circles, including corporation executives. Their circles happen to be liberal by certain criteria. That is, if you took a poll

among corporation executives on matters like, say, abortion rights, I've never seen this done, but I presume that they would be together with what's called the liberal community. The same on lots of social issues. They would tend not to be fundamentalist, born-again Christians, for example. They might tend to be more opposed to the death penalty than the general population. You'll find the wealthy and the privileged, including CEOs of corporations and big investors and so on, at the liberal fringe on a whole series of issues. The same will be true on things like civil rights and freedom of speech, I suspect. Since those are aspects of the social order from which they gain, they will tend to support them. If you look at support for the American Civil Liberties Union, I'm sure you'll find plenty of private wealth backing it. So by these criteria, by these standards, the powerful elites who basically dominate the country and own it tend to be liberal. That reflects itself in an institution like PBS.

**DB:** You've been on National Public Radio twice in twenty-three years, on MacNeil-Lehrer once in its almost twenty years. What if you were on MacNeil-Lehrer ten times? Would it make a difference?

Not a lot. I'm not quite sure of those numbers. I don't know where they come from, and my own memory is not that precise. For example, I've been on local PBS stations in particular towns.

**DB:** I'm talking about the national network.

Probably something roughly like that is correct. I don't know the exact numbers. It wouldn't make a lot of difference. In fact, in my view, if the managers of the propaganda system were more intelligent, they would allow more leeway to real dissidents and critics. Because it still wouldn't make much of a difference, given the overwhelming weight of propaganda on the other side and the constant framing of issues, even in the news stories and in that huge mass of the media system that is simply devoted to diverting people and making them more stupid and passive. It would also give the impression of broader debate and discussion and hence would have a legitimizing function. That's not to say I'm against opening up these media a bit, but I would think it would have a limited effect.

What you need is something that presents every day, in a clear and comprehensive fashion, a different picture of the world, one that reflects the concerns and interests of ordinary people, that takes something like the point of view on democracy and participation that you find from people like Jefferson or Dewey. Where that happens, and it has happened, even in modern societies, it has effects. Let's say, in England, where up until the 1960s you did have major mass media of this kind. It helped sustain and enliven a working-class culture, which had a big effect on British society.

**DB:** In 1990 we did one of our many interviews. We had a brief discussion about the role and function of sports in American society. I've probably gotten more comments about your comments than practically anything else. Part of it was excerpted in Harper's. You really pushed some buttons on this issue of sports. What's that about?

I got some funny reactions, a lot of irate reactions, as if I were somehow taking people's fun away from them. I have nothing against sports. I like to watch a good basketball game and that sort of thing. On the other hand, we have to recognize that there is a role that this mass hysteria about spectator sports plays. It's a significant role. It plays a role first of all in making people more passive, because you're not doing it. You're watching somebody doing it.

Secondly, it plays a role in engendering jingoist and chauvinist attitudes, sometimes to quite an extreme level. I saw something in the newspapers just a day or two ago about how high school teams are now so antagonistic and passionately committed to winning at all costs that they can't even do civil things like greeting one another because they're ready to kill one another. So they had to abandon the standard handshake before or after the game.

Those are the things that spectator sports engender, particularly when they're designed to organize a community to be hysterically committed to their gladiators. That's very dangerous, and it has lots of deleterious effects. Furthermore, I think things like that are understood and are part of the planning system, part of the public relations control system.

I was reading something about the glories of the information highway not too long ago. I can't quote it exactly, but I'll paraphrase the general tone. It was talking about how wonderful and empowering it's going to be with these new interactive technologies. Two basic examples were given. For women, what it's going to offer is highly improved methods of home shopping. So you'll be able to watch the tube and some model will appear with a commodity and you're supposed to think, God, I've got to have this or my children won't go to college, or whatever the reasoning is supposed to be. So you press a button and they deliver it to your door within a couple of hours. That's interactive technology liberating women. On the other hand, for men the example that was given was the Superbowl. Every red-blooded American male in the country is glued to it. Now all they can do is watch and cheer and drink beer. But once we have interactive technology, they can be asked, while the quarterback is getting his instructions from the coach about the next play, what the play ought to be. He should throw a pass, or something. They will be able to punch that into their computer and it will go to some central location. It won't have any effect on what the quarterback does, but after the play the television channel will be able to put up the numbers, sixty-three percent say he should have passed. That's interactive technology for men. Now you're really participating in the world. Forget about all this business of deciding what ought to happen for health care. Now you're doing something really important: deciding what play the quarterback should have called. That reflects the understanding of the stupefying effect of these systems in making people passive, atomized, obedient, non-participants, non-questioning, and easily controlled and disciplined.

**DB:** You also have, at the same time, the lionization of these athletes, or, in the case of Tonya Harding, for example, the demonization.

If you can personalize events, whether it's Hillary Clinton or Tonya Harding, you are directing people away from what matters and what is important. The John F. Kennedy cult is a good example, with the

effects that that's had on the left.

**DB:** You were at American University in Washington, D.C. in December 1993. A student got up and said, Isn't it just great? We now have all these computer bulletin boards and the opportunity to be on e-mail and expand our information and awareness, etc. I was very struck by your response. You were talking about our need to have more human contact and that there was a danger in the new technologies.

I think that there are good things about these Internet communications. There are also aspects of them that concern and worry me. These are intuitive responses. I can't prove it. But my feeling is that people are not Martians, they are not robots, and that direct human contact, and I mean by that face-to-face contact, is an extremely important part of human life and existence and developing self-understanding and the growth of a healthy personality and so on. You just have a different relationship to somebody when you are looking at them than when you're punching away at a keyboard and some symbols come back. Extending that form of abstract and remote relationship, instead of direct personal contact, I suspect that that's going to have unpleasant effects on what people are like. It will diminish people, I think.

**DB:** Let's move on to another area. Historian Paul Boyer, in his book *When Time Shall Be No More*, writes, "Surveys show that," and I find this absolutely stunning, "from one third to one half of the population," he's talking about Americans, "believes that the future can be interpreted in biblical prophecies." Have you heard of these things?

I haven't seen that particularly number, but I've seen plenty of things like it. I saw a cross-cultural study a couple of years ago, I think it was published in England, which compared a whole range of societies in terms of beliefs of that kind. The U.S. stood out. It was unique in the industrial world. In fact, the measures for the U.S. were similar to pre-industrial societies.

**DB:** Why is that?

That's an interesting question, but it's certainly true. It's a very fundamentalist society. It's like Iran in the degree of fanatic religious commitment. You get extremely strange results. For example, I think about seventy-five percent of the population has a literal belief in the devil. There was a poll several years ago on evolution. People were asked their opinion on various theories of evolution, of how the world came to be what it is. The number of people who believed in Darwinian evolution was less than ten percent. About half the population believed in a church doctrine of divine-guided evolution. Most of the rest presumably believed that the world was created a couple of thousand years ago. This runs across the board. These are very unusual results. Why the U.S. should be off the spectrum on these issues has been discussed and debated for some time.

I remember reading something by a political scientist who writes about these things, William Dean Burnham, maybe ten or fifteen years ago. He had also done similar studies. He suggested that this may be a reflection of depoliticization, that is, inability to participate in a meaningful fashion in the political arena, which may have a rather important psychic effect, heightened by the striking disparity between the facts and the ideological depiction of them. What's sometimes called the ideal culture is so radically different from the real culture in terms of the theory of popular participation versus the reality of remoteness and impotence. That's not impossible. People will find some ways of identifying themselves, becoming associated with others, taking part in something. They're going to do it some way or other. If they don't have the options of participation in labor unions, political organizations that actually function, they'll find other ways. Religious fundamentalism is a classic example.

We see that happening in other parts of the world right now. The rise of what's called Islamic fundamentalism is to a significant extent a result of the collapse of secular nationalist alternatives which were either discredited internally or destroyed, leaving few other options. Something like that may be true of American society. This goes back to the nineteenth century. In fact, in the nineteenth century you even had some conscious efforts on the part of business leaders to promote and encourage fire and brimstone-type preachers who would lead people into looking in another way. The same thing happened in the early part of the Industrial Revolution in England. E.P. Thompson writes about this in his classic *The Making of the English Working Class*.

**DB:** What is one to make of Clinton's comment in his recent State of the Union speech. He said, "We can't renew our country unless more of us, I mean all of us, are willing to join churches."

I don't know exactly what's in his mind, but the ideology is very straightforward. If you devote yourself to activities out of the public arena, we folks will be able to run it straight. It's very interesting to see the way this is done in the slick PR productions of the right-wing corporations. One of the biggest ones is the Bradley Foundation, which is devoted to trying to narrow still further the ideological spectrum that shifted to the right in the schools and colleges and the ideological institutions generally in the 1980s, in part as a result of dedicated ideological warfare by the business sector. That's their mission. Their director, Michael Joyce, recently published an article on this which I found fascinating. I don't know whether he wrote it or one of his PR guys. It was very revealing in this respect, done in a very slick fashion.

It starts off with rhetoric drawn, probably consciously, from the left. When left liberals or radical activists start reading it they get a feeling of recognition and sympathy. I suspect it's directed to them and to young people. It starts off talking about how remote the political system is from us, how we are asked just to show up every once in a while and cast our votes and then go home. This is meaningless. This isn't real participation in the world. What we need is a functioning and active civil society in which people come together and do important things and not just this business of pushing a button now and then. That's the way it starts. Then you get to page 2. It says, "How do we overcome these inadequacies."

Strikingly, the inadequacies are not to be overcome by more active participation in the political arena. They're to be overcome by abandoning the political arena and joining the PTA and going to church and getting a job and going to the store and buying something. That's how you fulfill your function as a citizen. That's the way to become a real citizen of a democratic society, by becoming engaged in activities like finding a job and going to the PTA.

Nothing wrong with going to the PTA. But there are a few gaps here. What happened to the political arena? That disappears from the discussion after the first few comments about how meaningless it is. Of course, if you abandon the political arena, somebody is going to be there. The somebody who is going to be there is the missing element in the entire discussion -- namely, private power, corporations. They're going to be there. They're not going to go home and join the PTA. So they're going to be there and they're going to run it. Nothing is said about this. This is abandoned.

As the discussion continues, there is some reference to the political arena and the way the people in it are oppressing us. But who are the people who are oppressing us? The liberal bureaucrats, the social scientists, the people who are trying to design social programs. They're the ones who run the country. They're ordering us around and kicking us in the pants and we've got to defend ourselves from them and so on. So there is a form of external power, namely, English departments somewhere or bureaucrats administering the IRS or social planners who are trying to talk about doing something for the poor. They're the ones who are really running the society. They're that impersonal, remote, unaccountable power that we've got to get off our backs as we go to the PTA and look for a job and in such ways fulfill our obligations as citizens.

Meanwhile the real public arena and the real centers of power in the country are totally missing from the discussion. This is done not quite step-by-step. I'm collapsing it. When you go through you see very clever propaganda, well-designed, well-crafted, plenty of thought behind it. Its goal, surely, is to make people as stupid and ignorant as possible and also as passive and obedient as possible, while at the same time making them feel that they are somehow moving towards higher forms of participation by abandoning the public arena. It also serves the crucial role of displacing attention from actual power. This is the kind of thing that really can't be achieved in a totalitarian state, where central power is just too visible. But it's achieved very commonly in the U.S. This is the right wing.

You see it at the liberal extreme, too. The campaign literature of the Clinton administration was interesting, since you mentioned Clinton. They put out a book called *Mandate for Change*, the kind of thing you pick up at airport newsstands for twenty-five cents, right before the election. We've talked about it before, but it's worth recalling in this context, to illustrate the actual breadth of the spectrum in a business-run society. It was about what great things they were going to do. The first chapter was on entrepreneurial economics and all their great plans for this. They explained that they're not going to be old-fashioned tax-and-spend liberals. They realize what's wrong with that. On the other hand, they're not going to be hard-hearted Republicans. They're forging a new path, entrepreneurial economics, which is concerned just for working people and their firms. The Clinton Administration is going to do something for them. The word "profits" appears once, I think, namely in a reference to the bad days when the Republicans were trying to make too much profit. The word "bosses" doesn't appear. "Managers" doesn't

appear. "Owners" and "investors" don't appear. They're not there. It's just the workers and the firms in which they work, their own firms. What about the entrepreneurs? They're there. The entrepreneurs are people who come in every once in a while and help out the workers and improve the firms in which they work and then apparently disappear. That's the picture. Here's the workers and their firms and the entrepreneurs helping them now and then and the Clinton administration coming in to benefit them. The actual structure of power and authority is totally missing, just as much as it is in the publication of the Bradley Foundation. This makes sense if you're trying to turn people into passive and obedient automata.

**DB:** To tie up this discussion about religion and irrational belief and state capitalism, I recently read an article on MITI, the Ministry of International Trade and Industry in Japan. There was a fascinating discussion by a MITI bureaucrat who was trained in the U.S. at the Harvard Business School. He says his class at Harvard was studying a failed airline, maybe Eastern or Pan Am, that went out of business. The class was shown a taped interview with the company's president, who noted with pride that through the whole financial crisis and eventual bankruptcy of the airline he had never asked for government help. The class, the Japanese man recalls with astonishment, erupted into applause. Then he says, "There's a strong resistance to government intervention in America. I understand that. But I was shocked. There are many shareholders in companies. What happened to his employees, for example?" Then he reflects on what he views as America's blind devotion to a free-market ideology. He says, "It is something quite close to a religion. You cannot argue about it with most people. You believe it or you don't." It's interesting.

It's interesting in part because of the failure to understand what happens in the U.S., which may well be shared by the students in his business class. If that was Eastern Airlines that they were talking about, Frank Lorenzo, the director, was in fact trying to put it out of business. He made a personal profit out of that, but he wanted to break the unions and to support his other enterprises, which he ripped off profits from Eastern Airlines for to leave the airline industry less unionized and more under corporate control and to leave himself wealthier, all of which happened. So naturally he didn't ask for government intervention because it was working the way he wanted. On the other hand, the belief that corporations don't call for government intervention is a joke. They demand government intervention and government power at an extraordinary level. The Chrysler bailout is a famous example, but a minor one. That's largely what the whole Pentagon system is about.

Take the airline industry. It was created by government intervention. A large part of the reason for the huge growth in the Pentagon in the late 1940s was to salvage the collapsing aeronautical industry, which obviously couldn't survive in a civilian market. There's an interesting and important book by Frank Kofsky which just came out on this, running through the details of the war scares that were manipulated in 1947 and 1948 to try to ram spending bills through Congress that would save the aeronautical industry. It's not the only thing they were for, but it was a big factor. That's continued. The aeronautical industry is

the leading American export industry. Boeing is the leading American exporter without government intervention it might be producing one-seaters for sport.

Furthermore, the real U.S. comparative advantages in what's called "services." About a third of the trade benefits and services are aeronautical related, things like tourism, travel, and so on. These are huge industries spawned by massive government intervention and maintained that way. The corporations demand it. They couldn't survive without it, even if for some of them it's not a huge part of their profits right now. But it's a cushion. And the public also provides the basic technology, metallurgy, avionics, and so on, via the public subsidy system. The same is true just across the board. You can't find a functioning sector of the American economy which hasn't gotten that way and isn't sustained that way by state intervention. Just a day or two ago the lead story in the *Wall Street Journal* was about how the Clinton administration is reviving the National Bureau of Standards and Technology and pouring new funds into it to try to replace the somewhat declining Pentagon system. It's harder to maintain the Pentagon, but you've got to keep the subsidy going to big corporations. You have to have the public pay the research and development costs. So they're shifting over to the National Bureau of Standards, which used to try to work out how long a foot is and will now be more actively involved in serving the needs of private capital. It describes how hundreds of corporations are beating on their doors asking for grants. The idea that a Japanese investigator could fail to see this is pretty remarkable. It's pretty well known in Japan. And it's hard to imagine that they don't teach it in business school.

**DB:** I remember you telling me about when you were a kid in Philadelphia, the first baseball game you ever attended. The Philadelphia Athletics were playing the New York Yankees. Tell me about that, if you don't mind.

I can still remember it. It must have been around 1937, I guess. My closest friend and I were taken to this game by the fourth-grade teacher, whose name was Miss Clark and who we were madly in love with. It was a great occasion. Not only were we being taken to our first baseball game, but Miss Clark was taking us. We sat in the bleachers, the cheap seats, in center field, right behind Joe DiMaggio and the A's equivalent star, whose name I think was Bob Johnson. We were naturally rooting for the home team, the Philadelphia A's, who were winning 7-3 going into the seventh inning when the Yankees had a seven-run explosion and won the game 10-7. Big disaster, except that we saw all of our heroes, Joe DiMaggio, Lou Gehrig, Red Ruffing and the rest of them. I can remember it pretty clearly.

**DB:** The A's were always losing in those years, right?

For a boy growing up in Philadelphia in those years, given the way the culture works, they were hard times. Not only the A's, but every team in Philadelphia was always losing. So we were an object of considerable mockery when we met our friends and cousins from New York, where they were always winning. I have a certain suspicion that young boys who grew up in Philadelphia in those days must have a kind of deep inferiority complex.

**DB:** Things got so bad for the Athletics that they eventually left town.

So I heard. After my day.

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# Health Care

May 2, 1994

**DB:** So I guess you're finished with the sports pages and ready to get into a day's work.

Only some of the sports pages. There's still the weeklies. (chuckles)

**DB:** It's becoming increasingly difficult to do interviews with you. That's because I don't know where we left off in conversations that we have and what we've talked about during interviews. So sometimes there's this blurring. Do you do all these interviews in your office upstairs in your home?

They're mostly here. Sometimes people come to my office at work, the ones with television cameras and stuff.

**DB:** I don't suppose you can see the Boston skyline from your home in Lexington. But if you could, do you know the two tallest buildings in Boston?

Yes.

**DB:** What are they?

The John Hancock and the Prudential.

**DB:** And what does that tell you? They happen to be two types of what?

They're going to be running our health program if Clinton has his way.

**DB:** There is a general consensus that the U.S. health care system needs to be reformed. How and why did that evolve?

It evolved very simply. Healthcare is never fully privatized. It can't be. It's not a commodity. But on the spectrum we have a relatively privatized health system. As a result it's hopelessly inefficient and extremely bureaucratic, with huge administrative expenses, and it's geared towards high-tech intervention rather than public health, prevention, and so on. It's just gotten too costly for American business. In fact, a little bit to my surprise, Business Week, the main business journal, has come out recently with several articles advocating a Canadian-style national government insurance program, what we call a single-payer program.

**DB:** What is that Canadian-style single-payer program?

The Canadian style is one of various plans that exist around the industrial world. It's basically a government insurance program. Health care is still individual, but the government is the insurer.

**DB:** The Clinton plan is called "managed competition." The big insurance companies are backing it in one form or another. What is managed competition and why are the big insurance companies supporting it?

Managed competition essentially will drive the little insurance companies out of the market, which is why they're opposed to it. It will mean that the big insurance companies will put together big conglomerates of health care institutions, hospitals, and clinics, labs, and so on. They will be in charge of organizing your health care. Various bargaining units will be set up to determine which of these conglomerates to work with. That's supposed to introduce some kind of market forces. But in effect, the big insurance companies will be pretty much running the show. It means an oligopolistic system, a very small number of big conglomerates in limited competition with one another and doubtlessly micromanaging health care, because they're business operations, they're in business for profit, not for your comfort.

**DB:** According to a Harris poll, Americans prefer, by a huge majority, the Canadian single-payer health-care system. Those results are kind of remarkable, given the minimal amount of media attention.

Polls, of course, depend on exactly how the question is asked. But there have been some surveys of polls over the years. The best work on this that I know is by Vicente Navarro. Have you ever interviewed him on this? You should if you haven't. He's extremely good.

**DB:** Yes. He's at Johns Hopkins.

He's done a lot of work on this. He has among other things surveyed many poll results. He has pointed out that even putting aside the variations depending on phrasing, there has been quite consistent support for something like a Canadian-style system ever since polls began on this business, which is now over forty years ago. In fact, Truman tried to put through such a program in the 1940s that would have

brought the U.S. into line with the rest of the industrial world. It was beaten back by a huge corporate offensive with tantrums about how we were going to turn into a Bolshevik society and so on. Every time the issue has come up there has been a major corporate offensive. Occasionally it fails. One of Ronald Reagan's great achievements back in the late 1960s was to read the messages written for him by the insurance companies over radio and television about how if Medicare was passed we would all be telling our children and grandchildren decades hence what freedom used to be like.

**DB:** David Himmelstein and Steffie Woolhandler also cite another poll result: When Canadians are asked if they would want a U.S.-style system, only five percent say yes.

By now, even the business community doesn't want it. It's just too inefficient, too bureaucratic and too costly for them. The auto companies estimated a couple of years ago that it was costing them about \$500 extra per car just because of the inefficiencies of the U.S. health system, as compared with, say, their Canadian operations. When business starts to get hurt, then the thing moves into the public agenda. The public has been in favor of a big change for a long time.

The public is sufficiently out of the political system so it doesn't matter much. There's a nice phrase about this sort of thing in a recent issue of the London *Economist*, the British business journal. It was about Poland. Their constituency is apparently worried about the fact that Poland has degenerated into this system where they have democratic elections, which is sort of a nuisance. The populations of all the East European countries are being smashed by the economic changes called "reforms" -- that's supposed to make them sound good -- that are being rammed down their throats. The Poles are opposed to the reforms. They voted in an anti-reform government. The *Economist* pointed out that this really wasn't too troublesome because "policy is insulated from politics." And that's a good thing. That's the way it is here, too. Policy is insulated from politics. People can have their opinions. They can even vote if they like. But policy goes on its merry way, determined by other forces.

**DB:** You have commented on another term, called "politically unrealistic."

What the public wants is called "politically unrealistic," meaning, when you translate that into English, that the major centers of power and privilege are opposed to it. A change in the health care system is now politically realistic because major systems of power, including the U.S. corporate community, want a change, since it's harming them. As I mentioned, it's striking that even Business Week, representing large sectors of the corporate community, wants to go over to a Canadian-style system because even the residual inefficiencies and expenses of the Clinton-style system will also, they assume, be harmful to them.

**DB:** Vicente Navarro says that a universal and comprehensive health care program is "directly related to the strength of the working class and its political and economic instruments."

That's certainly true of the Canadian and European experience. Take Canada, which had a system rather like ours up until the mid-1960s. It was changed first in one province, Saskatchewan, where there was a fairly strong labor-based NDP (New Democratic Party) government. It was able to put through a provincial insurance program, driving the insurance companies out of the business. It turned out to be very successful, very effective. It was giving good medical care and reducing costs and much more progressive in payment. That's a crucial fact. It was mimicked by other provinces, also under labor pressure, often through the NDP as an instrument. It's a this kind of umbrella political party with a mildly reformist character and labor backing. Pretty soon it was adopted across Canada nationally.

The history in Europe is pretty much the same. Working-class organizations have been one of the main, but not the only, mechanisms by which people with very limited power and resources can get together to participate in the public arena. That's one of the reasons why unions are so hated by business and elites generally. They're just too democratizing in their character. And Navarro is surely right: The history has been that the strength and organization of labor and its ability to enter into the public arena is certainly related, maybe even decisively related, to an institution of social programs of this kind.

**DB:** There may be a parallel movement going on in the U.S. today. In California there's a ballot initiative to have single-payer health care.

There are several states that are toying with it. This is still very much a business-run society. Here business is still playing an inordinate role in determining the kind of system that will evolve. Unless there are significant changes inside the U.S., that is, unless public pressures and organizations mount well beyond what we now see, including labor, the outcome of this will once again be determined by business interests.

**DB:** I'm not quite clear about how to formulate this question. It has to do with the nature of U.S. society as exemplified in such comments as "Do your own thing," "Go it alone," "Don't tread on me," "the pioneer spirit," all that deeply individualistic stuff. What does that tell you about American society and culture?

It tells you that the propaganda system is working full-time, because there is no such ideology in the U.S. Business, for example, doesn't believe it. It has always insisted upon a powerful interventionist state to support its interests -- still does and always has -- back to the origins of American society. There's nothing individualistic about corporations. Those are big conglomerate institutions, essentially totalitarian in character, but hardly individualistic. Within them you're a cog in a big machine. There are few institutions in human society that have such strict hierarchy and top-down control as a business organization. Nothing there about "Don't tread on me." You're being tread on all the time. The point of the ideology is to try to get other people, outside of the sectors of coordinated power, to fail to associate and enter into decision-making in the political arena themselves. The point is to atomize everyone else while leaving powerful sectors integrated and highly organized and of course dominating resources.

That aside, there is another factor. There is a streak of independence and individuality in American culture which I think is a very good thing. This "Don't tread on me" feeling is in many respects a healthy one. It's healthy up to the point where it atomizes and keeps you from working together with other people. So it's got its healthy side and its negative side. It's the negative side that's emphasized naturally in the propaganda and indoctrination.

**DB:** Have you thought about why the U.S. is such a violent society?

The U.S. does have many different features than other societies. Part of it is just that it is relatively weak in terms of social and community bonds. So if you travel around Europe, for example, you find that for one thing mobility is simply far lower. People are much more likely to be where they grew up, to be living and working pretty near to where they were. The countries themselves are small by U.S. standards. Moving across borders is much less likely than moving from one place to another in the U.S. But even within a country people tend, I've never seen statistics on this but you see it traveling around, much more than here to be part of ongoing, continuing communities.

Here societies have been very much broken up. Furthermore, communities have simply been dissolved. The forms of organization that do bring people together to work together, like unions, are quite weak in the U.S. The main ones that survive are churches. I think that that has a highly disruptive effect, along with the ideology that you mentioned earlier. The ideal is, get what you can for yourself. That's the ideal that's drummed into people's heads. Bayard Rustin, the civil rights activist, made a point about this back in the early 1960s, when he was asked about why black kids were stealing cars. He said, That's what they're told to do every day on television. They are told all the time that what you're supposed to do is maximize your own consumption any way you can. So they're doing it. Those are the options available to them. They don't have the options that are available to relatively privileged white kids, namely, go to work in a corporate law firm and rip people off that way. So they're ripping people off in ways that are open to them. But they're basically following the ideology that's not only presented but drummed into your head day and night: maximize your own consumption and don't care about anyone else.

**DB:** And you have the attending media focus on symptoms rather than the causes. Do you know what "smash and grab" is? This is something I discovered last night watching TV news from Chicago. When your car is in traffic or at a stop light, people come along and smash in the window and grab your purse or steal your wallet.

Right around Boston the same thing is going on. There's a new form. It's called "Good Samaritan robbery." You fake a flat tire on the highway and when somebody stops, jump them, steal their car, beat them up, if they're lucky. If they're unlucky you kill them and take the car off.

There's again a good deal of focus on the symptoms. The causes are deep-seated. For one thing, there are social causes that we've just been barely alluding to, but there are much more immediate causes. One is

the increasing polarization of the society that's been going on for the past twenty five years and the marginalization of large sectors of the population who are simply being rendered superfluous. They're superfluous for wealth production, meaning profit production, and hence have no human value, since the basic ideology is that a person's human rights depend on what they can get for themselves in the market system.

Larger and larger sectors of the population are simply excluded and have no form of organization or no viable, constructive way of reacting and therefore pursue the available options, which are often violent. Indeed, those are the ones that are encouraged to a large extent in the popular culture.

**DB:** It's not just the underclass. A recent Census Bureau report stated that there has been a fifty percent increase in the working poor, that is, people who have jobs and are nonetheless below the poverty level.

That's part of the Third Worldization of the society. It's not simply unemployment, but also wage reduction. Wages have been either stagnating or declining, actually declining, since the late 1960s. In the Reagan years they declined. Since 1987 real wages have been declining for college-educated people, which was a striking shift. There is supposed to be a recovery going on. There is a kind of recovery going on, that's true. It's at about half the rate of normal postwar recoveries. Job creation during this recovery is less than a third of the rate of preceding postwar recoveries from recession. There have been half a dozen of them.

Furthermore, the jobs themselves are, out of line with any other recovery, low-paying jobs. Wages are not going up. In addition, a huge number of them are temporaries, again out of line with earlier history. This is what's called "increasing flexibility of the labor market." "Flexibility" is like "reform." It's supposed to be a good thing.

Flexibility means insecurity. It means you go to bed at night and don't know if you have a job tomorrow morning. That's called flexibility of the labor market, and any economist can explain that's a good thing for the economy, where by "the economy" now we understand profit-making. We don't mean by "the economy" the way people live. That's good for the economy, and temporary jobs increase flexibility. Low wages also increase job insecurity. They keep inflation low. That's good for people who have money, say, bondholders. So these all contribute to what's called a "healthy economy," meaning one with very high profits. Profits are doing fine. Corporate profits are zooming. But for most of the population, very grim circumstances. And grim circumstances, without much prospect for a future, may lead to constructive social action, but where that's lacking they express themselves in violence.

**DB:** It's interesting that you should say that. Most of the examples of mass murders are in the workplace. I'm thinking of the various post office killings and fast food restaurants where workers are disgruntled for one reason or another or have been fired or laid off.

Not only have real wages stagnated or declined, but working conditions have gotten much worse. You can see that just in counting hours of work. Today we happen to be talking on May 2. Yesterday was May 1, which throughout the world has been a working-class holiday, everywhere except in the United States. May Day was initiated in solidarity with American workers who were suffering unusually harsh conditions in their effort to achieve an eight-hour day. This was back in the 1880s. The efficiency of U.S. ideological controls, business controls, is such that this has remained the only country where the day of solidarity with U.S. labor was never even known. U.S. workers finally did, in the 1930s, achieve elementary rights, including the right to an eight-hour day, which had long been achieved elsewhere.

But since then that's been eroded. They've long lost the eight-hour day. Juliet Schor, an economist at Harvard, had an important book on this called *The Overworked American*. It came out a couple of years ago. She studied things like working hours. They have been increasingly steadily. If I remember her figures correctly, by around 1990, the time she was writing, workers had to put in about six weeks extra work a year to maintain something like a 1970 real-wage level.

Along with the increasing hours of work comes increasing harshness of work conditions, increasing insecurity, and reduced ability to protect oneself because of the decline of unions. In the Reagan years, even the minimal government programs for protecting workers against workplace accidents and so on were reduced in the interest of maximizing profits. Furthermore, since the Reaganites regarded the government they ran as basically just a criminal enterprise in the service of the rich, they simply didn't enforce laws on safe working conditions and the like. That again leads to violence. In the absence of constructive options, like union organizing, it leads to violence. It's not very surprising.

A last comment about this May Day story: This morning, May 2, way back on the back pages of the *Boston Globe* there was a little item which said -- I was surprised when I saw it, I don't think I've ever seen this here in the U.S. -- "May Day Celebration in Boston." So I naturally looked at it. It turned out that there indeed was a May Day celebration, of the usual kind, by immigrant workers -- Latin American and Chinese workers -- who have recently come here. They organized to celebrate May Day and to organize for their rights. That's a dramatic example of how efficient business propaganda and indoctrination has been in depriving people of even any awareness of their own rights and history. You have to wait for poor Latino and Chinese workers to have a celebration of a couple hundred people of an international day of solidarity with American workers.

**DB:** Let's go back to talk a bit more about the health issue. There had been some media attention on AIDS but very little to breast cancer. A half a million women in the U.S. will die in the 1990s from breast cancer. Many men will die from prostate cancer. What are your views on that? Those are not considered political questions, are they?

If you mean by that there's no vote taken on them, yes, there's no vote taken on them. But obviously all of these things are political questions, if we mean by that questions of policy. You might add to that calculation the number of children who will die or suffer because of extremely poor conditions in infancy

and childhood, prenatal and early postnatal.

Take, say, malnutrition. That decreases life span quite considerably. If you count that up in deaths, that outweighs anything you're talking about. I don't think many people in the public health field will question the conclusion that the major contribution to improving health, meaning reducing mortality figures and improving the quality of life, come from simple public health measures, like ensuring people adequate nutrition and safe and healthy conditions of life, water, sewage, and so on. You'd think in a rich country like this these wouldn't be big issues. But they are for a lot of the population.

Lancet, the British medical journal, the most prestigious medical journal in the world, recently pointed out that forty percent of children in New York City live below the poverty line, meaning suffering conditions of malnutrition and other poor conditions of life which mean very severe health problems all through their lives and very high mortality rates. One of the American medical journals pointed out a couple of years ago that black males in Harlem have about the same mortality rate as people in Bangladesh. That's essentially because of the extreme deterioration of the most elementary public health conditions. That includes social conditions, incidentally.

**DB:** The government is often fond of declaring war on drugs, war on crime, but there's been no attendant war on breast cancer, for example.

There is a war on cancer generally. A lot of the biological research is funded with curing cancer as its goal, although not specifically breast cancer.

**DB:** Some people have linked the increase in breast cancer and prostate cancer to environmental degradation and also to diet, the increase of additives and preservatives. What do you think about that?

It's presumably some kind of a factor. How big or serious a factor it is I'm not sure.

**DB:** Are you at all interested in the so-called natural or organic food movement?

Sure. I think there ought to be concerns about the quality of food. This I would say falls into the question of general public health. It's like having good water and good sewage and making sure that people have enough food and so on. All of these things are in roughly the same category, that is, they have to do not with, say, high-technology medical treatment but with essential conditions of life. These general public health issues, of which eating food without poisons is a part, naturally, are the overwhelming factors in quality of life and mortality, for that matter.

**DB:** I was at a conference a couple of weeks ago in Washington, D.C. A woman in the audience got up and in addition to attributing all sorts

of power to the left, which is total fantasy, she also decried the fact that you are in favor of nuclear power. Does that accurately describe your views?

No. I don't think anybody's in favor of nuclear power, even business, because it's too expensive. But what I am in favor of is being rational on the topic. Rationality on the topic means recognizing that the question of nuclear power is not a moral one. It's a technical one. You have to ask what the consequences are of nuclear power versus alternatives. I don't think this is true, but imagine that the only alternatives were hydrocarbons and nuclear power. If you had to have one or the other, you have to ask yourself which is more dangerous to the environment, to human life, to human society? It's not an entirely simple question.

For example, suppose that fusion were a feasible alternative. It could turn out to be non-polluting, in which case it would have advantages. On the other hand, any form of nuclear power has disadvantages. There are problems of radioactive waste storage which are quite serious. Technical problems might be overcome. There are problems of the dangers of how this contributes to nuclear weapons proliferation. Those are negative factors.

On the other hand, there are also potentially positive factors, like lack of pollution. There are other negative factors, like the high degree of centralization of state power, centralized power that's associated with nuclear power. But on the other hand, that's also true of the hydrocarbon industry. The energy corporations are some of the biggest in the world. The Pentagon system is constructed to a significant degree to maintain their power. There is a range of other alternatives, including conservation, decentralized power, options such as solar and so on. They have advantages. But across the board these are problems that have to be thought through.

**DB:** Let's talk along these lines about the whole notion of economic growth and development. The U.S., with five percent of the world's population, consumes forty percent of the world's resources. You don't have to be a Nobel Prize winner or a genius to figure out what that's leading to.

For one thing, a lot of that consumption is artificially induced consumption. It's not consumption that has to do with people's real wants. A huge amount of business propaganda, meaning the output of the public relations industry, advertising and so on, is simply an effort to create wants. This has been well understood for a long time, in fact, it goes back to the early days of the Industrial Revolution. There's plenty of consumption, and much of that is artificially induced. People would be probably better off and happier if they didn't have it. Also, the consumption is naturally highly skewed.

Consumption tends to be more by those who have more money, for obvious reasons. So consumption is skewed towards luxury for the wealthy rather than necessities for the poor. That's true not just within the U.S. but on a global scale. That leads to the figures that you describe. The richer countries are the higher

consumers by a large measure, but internally to the richer countries, the wealthy are higher consumers by a large measure. And much of that consumption is artificially induced. It has little to do with basic human interests and needs and concerns. It's also in the long term very dangerous. It's healthy for the economy if you measure economic health by profits. If you measure economic health by what it means to people it's very unhealthy, particularly in the long term.

**DB:** There have been some proposals put forth about something called "sustainable development." There's a social experiment in the Basque region of Spain, in Mondragon. Can you describe that? Have you been there?

I haven't been there, but I know what you mean. Mondragon is a basically worker-owned cooperative of a very substantial scale and economically quite successful with many different industries in it, including manufacturing industries of a fairly sophisticated nature. However, remember, it's inserted into a capitalist economy. So it's no more committed to sustainable growth than any other part of the capitalist economy is. Internally it's not worker-controlled. It's manager-controlled. So it has a kind of a mixture of what's sometimes called industrial democracy, that means ownership, at least in principle, by the work force, mixed together with elements of hierarchic domination and control, which means not worker-managed. So it's a mixture. I mentioned before that businesses, say, corporations, are about as close to totalitarian structures, to strict hierarchic structures, as any human institutions are. Something like Mondragon is considerably less so.

Incidentally, before we entirely leave the health-care issue, there's another point that ought to be mentioned. The usual concern is the one that we discussed, namely the fact that all the programs, whether it's from Clinton over to the right, essentially vest power in the hands of huge insurance companies, which means that they will try to micromanage health care to reduce it to the lowest possible level, because naturally they're profit-making. They will also tend away from things like prevention and public health measures, which are not their concern, towards the technical side. It also means that the public has to pay for the enormous inefficiencies involved, such as huge profit, big corporate salaries and other corporate amenities, to big bureaucracy to control in precise detail what doctors and nurses do and don't do. So there are a lot of inefficiencies and inequalities and in my view just immoral elements to it. But that's only one factor.

There's another factor that's rarely discussed. That is that the Clinton program and all others like them are radically regressive. Just ask who pays and how much they pay. In a Canadian-style system, a government insurance system, the costs are distributed as the tax costs are distributed. So to the extent that the tax system is progressive, meaning rich people pay more and in fact pay a higher percentage, which is assumed, correctly, to be the only ethical standard in all the industrial societies, the costs of health care are distributed with heavier costs to the more wealthy.

All the systems being proposed here are radically regressive. They essentially are flat, meaning that a janitor in the corporation and the CEO pay the same amount. That's as if they both paid the same taxes,

which is unheard of in any civilized society. That's rarely discussed. If you look at it, it's even worse. It's going to turn out that the janitor will probably pay more. The reason is that the janitor will be living in a poor neighborhood somewhere and the executive will be living in a rich suburb or a downtown highrise, and they will belong to different health groupings. It will turn out that the one that the janitor belongs to includes many more poor and high-risk people. The insurance companies will demand higher rates from them than from the executive, who will be from lower-risk wealthier people. So it will turn out that the poor person will probably pay more in the long term. These are just incredible features of any form of social planning. And they're all built into all of these plans. It's very rarely discussed.

**DB:** Speaking of taxes, there's a new book out by a couple of Philadelphia Inquirer reporters called *America: Who Pays the Taxes?* Apparently they are producing evidence in that book which shows that the amount of taxes paid by corporations has dramatically declined in the U.S.

That's for sure. That's been very striking through the last fifteen years. Actually, the whole tax system is an extremely complex one. People have looked into it for years. Joseph Pechman was one of the leading specialists who pointed out that despite the progressivity that was built into some of the tax system, there are other regressive factors which enter in in all sorts of ways that end up making it very near a fixed percentage.

**DB:** Let's talk about Richard Nixon briefly. His death generated much fanfare. Henry Kissinger in his eulogy said: "The world is a better place, a safer place because of Richard Nixon." I'm sure he was thinking of Laos, Cambodia and Vietnam. Let's focus on one place that was not mentioned at all in the media hoopla, and that is Chile, and see how it is a "better and safer place." In early September 1970, Salvador Allende was elected President in a democratic election. What were Allende's politics?

Allende was basically a social democrat, very much of the European character. He would have fitted very well into the democratic socialist spectrum in Europe. Chile was a very inegalitarian society. He was calling for redistribution, for help to the poor. He was a doctor, and one of the things he did was to institute a free milk program for half-a-million very poor children to overcome these problems of child malnutrition and deficiency that are the major health issues, as we have been discussing. He called for nationalization of major industries, the major extractive industries, for social regulation, for a policy of international independence, meaning not simply subordination to the U.S., but more of an independent path, programs of that kind, which are not unfamiliar throughout the general social democracy.

**DB:** Was that a free and democratic election?

Not entirely, because there were major efforts to disrupt it, mainly by the U.S. That goes way back. For

example, in the preceding election, in 1964, in the preparation for that election, which was under Kennedy, and the actual election, which happened to be under Johnson, the U.S. intervened massively to try to prevent Allende from winning. When the Church Committee investigated this years later, it discovered that the per capita expenses for the ultimately winning candidate, the one the U.S. supported, were higher than those of both U.S. candidates, Johnson and Goldwater, in the U.S. elections in the same year. That's a measure of the extent of the U.S. intervention to disrupt the election of 1964.

Similar measures were undertaken in 1970 to try to prevent a free and democratic election. They were very substantial. There were huge amounts of black propoganda about how if Allende won mothers would be sending their children off to Russia to become slaves, and so on. The U.S. threatened to destroy the economy, which it could and in fact did do. So the election was not free and democratic in that sense. There was extensive outside intervention to try to disrupt it.

**DB:** Nevertheless Allende did win. A few days after his electoral victory, Nixon called in CIA Director Richard Helms, Kissinger, and others for a meeting on Chile. Can you describe what happened?

That's the meeting of what was called the "40 Committee" that Kissinger chaired. As Helms reported it in his notes, there were two tracks, the soft track and the hard track. The soft track was to "make the economy scream." Those were Nixon's words. The hard line was just to aim for a military coup. These were called track one and track two. Much of this later came out, in part in the Church Committee.

Ambassador Edward Korry, who was a Kennedy-liberal type, was assigned the task of implementing track one, the soft line. Let me quote you his own words as to what track one was: The soft line was to "do all within our power to condemn Chile and the Chileans to utmost deprivation and poverty, a policy designed for a long time to come to accelerate the hard features of a Communist society in Chile." That's the soft line, namely to really make them suffer utmost deprivation and poverty so they'll know from now on they'd better vote the way we tell them. That's the soft Kennedy liberals. The hard line was just to have a military coup.

**DB:** There was a massive destabilization and disinformation campaign. The CIA planted stories in El Mercurio and fomented labor unrest and strikes.

They really pulled out the stops on this one. Later, when the military coup finally came and the government was overthrown, you had thousands of people being slaughtered, imprisoned, and tortured. Then the U.S. changed its position and gave massive support to the new Pinochet government as a reward for its achievements in reversing Chilean democracy and instituting a murderous terror state of the Brazilian style. So economic aid which had been cancelled immediately began to flow. The U.S. had blocked international aid. That came in. Huge credits were given for wheat. All possible help was given.

The question of torture was brought up to Kissinger by the American Ambassador. Kissinger gave him a

sharp lecture, something like, Don't give me any of those political science lectures. We don't care about torture. We care about important things. He also explained what the important things were.

He was concerned, he said, that an Allende success, the success of social democracy in Chile, would be contagious. It would infect southern Europe, like Italy, and lead to the possible success of what was then called Eurocommunism there, meaning the Communist parties were moving in a social democratic direction and hooking up with social democratic parties. Actually, the Kremlin was just as much opposed to that as Kissinger was. So he was afraid that the contagious example of success in Chile under a democratic reformist system would infect places like Italy.

That really tells you what the domino theory is about, very clearly. Even Kissinger, mad as he is, didn't believe that Chilean armies were going to descend on Rome. It wasn't going to be that kind of an influence. The influence would be the demonstration effect of successful economic development, where here the economy doesn't just mean profits for private corporations, but the state of the general population. That's dangerous. If that gets started, it will have a contagious effect. So Kissinger's thinking was quite accurate. Also it's revealing. In those comments he revealed the basic story of U.S. foreign policy for decades.

**DB:** You see that pattern repeat itself in Nicaragua in the 1980s, the threat of a good example.

Everywhere. The same was true in Vietnam, in Cuba. It was true of Guatemala, of Greece. Always. That's the basic story: The threat that there will be a contagious effect of successful development.

**DB:** Kissinger also said, again speaking about Chile, that "I don't see why we should have to stand by and let a country go Communist due to the irresponsibility of its own people."

This is the *Economist* line, that we should make sure that policy is insulated from politics. If people are irresponsible, they should just be cut out of the system. Kissinger is just an extreme example of what Jefferson called an "aristocrat," with utter contempt for democracy and complete dedication to service to power.

**DB:** I'm also reminded of Seymour Hersh's description of Kissinger sitting in the Oval Office while Nixon was ranting and raving about Jews, making very anti-Semitic remarks, and he was just sitting there, saying nothing.

He was also sitting there while even worse things were being said about blacks, in fact, he was participating in them. The racism of the Nixon administration was appalling. When Nixon gave Kissinger instructions as to how to write his first State of the Union address, according to people there, he said, "Put something in it for the jigs." Kissinger apparently nodded approvingly or quietly. Jigs being blacks.

**DB:** What about the role of the CIA in a democratic society? Is that an oxymoron?

You could imagine that a democratic society would have an organization that carries out intelligence gathering functions. But that's a very minor part of what the CIA does. The CIA is mainly a branch of the executive to carry out secret and usually illegal activities that the executive branch wants. It wants them to be kept secret because it knows that the public won't accept them. So it's highly undemocratic even domestically. The activities that it carries out are quite commonly efforts to undermine democracy, as the Chilean case through the 1960s into the early 1970s demonstrates with great clarity. It's by far not the only one. Although we talk about Nixon and Kissinger, similar policies were being carried out by Kennedy and Johnson in the earlier Chilean election.

**DB:** Is the CIA an instrument of state policy or does it formulate policy?

You can't be certain. My own view is that the CIA is very much under the control of executive power. I've studied those records fairly extensively in many cases, and there are very rare examples when the CIA undertook initiatives on its own. It often looks as though it's undertaking initiatives on its own, but that's because the executive wants to preserve deniability. The executive branch, say, Kennedy, doesn't want to have documents lying around saying, I told you to murder Lumumba. That's Eisenhower in that case. Or, I told you to overthrow the government of Brazil. They don't want such documents around. Or I wanted you to assassinate Castro. Or whoever it may be. The executive would like to be protected from such exposure. As a result, they try to follow policies of plausible deniability, which means that messages are given to the CIA to do things but without a paper trail, without a record. When the story comes out later it looks as if the CIA is doing things on their own. But if you really trace it through, I think this almost never happens.

**DB:** Let's stay, in Henry Stimson's words, in "our little region over here which has never bothered anyone," Latin America and the Caribbean. Let's move from Chile in the 1960s and 1970s to Haiti in the 1990s. Jean-Bertrand Aristide is elected President in December 1990 in what has been widely described as a free and democratic election. I think he got 67% of the vote. Seven months after taking office he is overthrown in a coup d'état. Do you see any connections there in U.S. policy?

When Aristide won it was a big surprise. He was swept into power by a network of popular grass roots organizations, what was called Lavalas, the flood, which outside observers just weren't aware of. They don't pay attention to what happens among poor people. There had been very extensive and very successful organizing. Out of nowhere came this massive network of organized grass roots popular organizations and managed to sweep their candidate into power. The U.S. expected that its own candidate, a former World Bank official named Marc Bazin, would win the election. He had all the

resources and support. It looked like a shoe-in. The U.S. was willing to support a democratic election, figuring that its candidate would easily win. He lost. He got fourteen percent of the vote, and Aristide got about 67%. The only question in anybody's mind at that time should have been, how is the U.S. going to get rid of him, for very much the reasons that Kissinger explained in the case of Chile. That is so uniform and invariant that the basic question was, What will be the method for getting rid of this disaster?

The disaster became even worse in the first months of Aristide's office. During those seven months there were amazing developments. Haiti, of course, is an extremely impoverished country, with awful conditions. Aristide was nevertheless beginning to get places. He was able to reduce corruption extensively, to trim a highly bloated state bureaucracy, winning a lot of international praise for this, even from the international lending institutions, the IMF and the World Bank, who were offering him loans and preferential terms because they liked what he was doing. He was getting independent support outside the U.S. Furthermore, he cut back on drug trafficking. The flow of refugees to the U.S. virtually stopped. Atrocities were reduced to way below what they had been or would become. They were very slight. There was a considerable degree of popular engagement in what was going on, although the contradictions were already beginning to show up. There were constraints on what he could do, external constraints.

All of this made the democratic election even more unfavorable and unacceptable from the point of view of U.S. policy, and indeed the U.S. moved at once to try to undermine it through what were naturally called "democracy-enhancing programs." The U.S., which had never cared at all about centralization of executive power when its own favored dictators were there, all of a sudden became involved in trying to set up alternative institutions that would undermine executive power in the interests of greater democracy. A number of those groups, which were alleged to be human rights and labor groups, survived the coup and became the governing authorities after the coup. This went on for a couple of months. On September 30, 1991 the coup came. The Organization of American States declared an embargo. The U.S. joined it but with obvious reluctance. The Bush administration was really dragging its feet. It was perfectly obvious. The government focused attention on alleged atrocities or undemocratic activities of Aristide, downplaying the major atrocities that were taking place right then, and the media went along.

While people were getting slaughtered in the streets of Port-au-Prince, the media were concentrating on alleged human rights abuses under the Aristide government, the usual pattern. We're familiar with it. Refugees started fleeing again because the situation was deteriorating so rapidly. The Bush administration blocked them, instituted in effect a blockade to send them back. Within a couple of months, in early February (the embargo was instituted in October), the Bush administration had already undermined the embargo by instituting an exception, namely, that U.S.-owned companies would be permitted to ignore the embargo. The *New York Times* called that "fine-tuning" the embargo to improve the restoration of democracy. The fine-tuning meant that U.S. companies could continue to proceed without any concern for the embargo.

Meanwhile, the U.S., which is known to be able to exert pressure when it feels like it, found no way to influence anyone else to observe the embargo, including the Dominican Republic next door. The whole thing was mostly a farce. Pretty soon Marc Bazin, the U.S. candidate, was in power as Prime Minister,

with the ruling generals behind him. That year, 1992, U.S. trade with Haiti continued not very far below the norm despite the so-called embargo.

During the 1992 campaign Clinton bitterly attacked the Bush administration for its inhuman policy of returning refugees to this torture chamber, which is incidentally not only inhuman but also in flat violation of the Universal Declaration of Human Rights, which we claim to uphold. He announced that he was going to really change all this stuff. His first act as elected President, even before he took office, was to make the Bush blockade even harsher. He imposed even harsher measures to force fleeing refugees back into this hellhole. Ever since then it's simply been a matter of seeing what kind of finessing will be carried out to ensure that the popularly elected government doesn't come back into office. It only has another year and a half to run, so they've more or less won that game. Meanwhile the terror increases. The atrocities increase. The popular organizations are getting decimated. People are suffering.

U.S. trade meanwhile continues and in fact went up by about 50% under Clinton under the so-called embargo. In fact, Haiti, which is a starving island, is exporting food to the U.S., fruit and nuts, under the Clinton administration. This went up by a factor of about thirty-five under Clinton as compared with Bush. Baseballs are coming along nicely. This means women are working in U.S.-owned factories where, if they meet their quota, they get ten cents an hour. Since they don't usually meet their quota, their wages go down to something like five cents an hour. They don't last in it very long. Softballs in the U.S. are advertised as being unusually good because they're hand-dipped into whatever it is that makes them hang together properly. They're hand dipped by Haitian women into toxic substances with obvious effect. The work conditions are indescribable.

All of this continues, in fact has increased, under Clinton. Meanwhile, the conditions for forcibly returning refugees have gotten much harsher. The terror and the torture have increased. The U.S. tried for a long time to get Aristide to "broaden his government in the interests of democracy." Broaden the government is a phrase which means throw out the two-thirds of the population that voted for you. They're the wrong kind of people. And bring in what are called "moderate" elements of the business community, those who don't think you just ought to slaughter everybody and cut them to pieces and cut their faces off and leave them in ditches. Those are the extremists. The moderates think you ought to have them working in your assembly plants for fourteen cents an hour under conditions of the kind I described. Those are the moderates. So bring them in and give them power and then we'll have a real democracy. But unfortunately, Aristide, being kind of backward and disruptive and the whole series of bad words, has not been willing to go along with that. Therefore the U.S. has failed in its efforts to broaden the government and restore the democratic system.

This policy has gotten so cynical and outrageous that Clinton has lost almost all major domestic support on it. Even the mainstream press is denouncing him at this point. So there will have to be some cosmetic changes made. But unless there's an awful lot of popular pressure, these policies will continue in one way or another, and pretty soon we'll have the moderates in power. Then they'll even be able to run a democratic election, if people are sufficiently intimidated, popular organizations are sufficiently destroyed, and people get it beaten into their heads that either you accept the rule of those with the guns and the gold-plated Cadillacs or else you suffer in unrelieved misery. Once people understand that, you

can have a democratic election and it will all come out the right way. Everybody will cheer.

**DB:** In this period of Aristide's exile, he has been asked to make concessions to the junta, to Cédras and François.

And the right-wing business community.

**DB:** This is kind of curious. For the victim, the aggrieved party, to make concessions to his victimizer.

It's perfectly understandable. The U.S. was strongly opposed to the Aristide government. It had entirely the wrong base of support and power. What he is supposed to do is to cede power to those who count. The U.S. has no particular interest in Cédras and François, but it does have a lot of interest in the sectors of the business world that are linked to American corporations. I mean the people who are the local owners or managers of those textile and baseball-producing plants. Those who are linked up with U.S. agribusiness. Those are the people who are supposed to be in power everywhere. When they're not in power it's not democratic and we therefore have to make concessions to bring them into power.

**DB:** Let's say Aristide is "restored." But given the destruction of popular organization and the devastation of civil society, what are his and the country's prospects?

Some of the closest observation of this has been done by Human Rights Watch, the Americas Watch branch of it. Back over a year ago they came out with a good report in which they described what was going on. They gave their own answer to that question, which I thought was plausible. They said that things are reaching the point (this is over a year ago) that even if Aristide were restored, the lively, vibrant civil society based on grass-roots organizations that had brought him to power would have been so decimated that it's unlikely that he would have the popular support to do anything anyway. I don't know if that's true or not. Nobody knows, any more than anyone knew how powerful those groups were in the first place. Human beings have reserves of courage that are often hard to imagine. But I think that's the plan. The idea is to try to decimate the organizations, to intimidate people sufficiently that it won't matter if you have democratic elections.

There was an interesting conference run by the Jesuits in El Salvador. Its final report came out in January of this year. They discussed questions of this kind. This is several months before the Salvadoran elections. They were talking about the buildup to the elections. They did discuss, as a lot of people did, the ongoing terror which was substantial and which was plainly designed to keep up front in people's minds that you better vote the right way or else. But they also pointed out something else which is much more important. That had to do with the long-term effects of terror. And they've had plenty of experience with this. The long-term effects of terror, they said, are simply to "domesticate people's aspirations" and to reduce their aspirations to those of the powerful and the privileged. Terror instills into people's minds the idea that there is no alternative. Drive out any hope. Domesticate aspirations. Subordinate yourself to

the powerful. Once that achievement has been reached, perhaps by massive and horrifying terror, as in El Salvador, after that you can run democratic elections without too much fear.

**DB:** The U.S. refugee policy is in stark contrast. You mentioned it briefly. Cuban refugees are considered political and are accepted immediately into the U.S., while Haitian refugees are termed economic and are refused entry.

That's determined by ESP, since they never check with them. In fact, if you look at the records, people who are being refused asylum suffer enormous persecution. Just a couple of weeks ago there were two interesting leaks from the Immigration and Naturalization Service, INS. One is a Haitian desk officer who was discovered by Dennis Bernstein at KPFA, who interviewed him. He had been working in the Port-au-Prince embassy. He described how they were not even making the most perfunctory efforts to check the credentials of people who were applying for political asylum because they don't want them. At about the same time there was a leak of a document from Cuba, from the U.S. interests section in Havana, which checks asylum, complaining about the fact that they can't find genuine political asylum cases. The people who are claiming asylum can't really claim serious persecutions by international or even U.S. standards. At most they claim various kinds of harassment that wouldn't qualify them. They're worried about this. So here are the two cases, side by side. I should mention that the U.S. Justice Department has just made a slight change in U.S. law which makes the violation of international law and the Universal Declaration of Human Rights even more grotesque. It has just determined that Haitian refugees who reach U.S. territorial waters, by some miracle, can also be shipped back. That's never been allowed before. I doubt that any other industrial country allows that.

**DB:** Do you have a few more minutes?

I'm afraid I have another appointment. They are probably trying to get on the line right now.

**DB:** OK. Let's wind it up. Thanks a lot. Talk to you soon.

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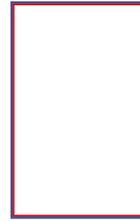
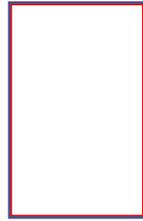
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# *Secrets, Lies and Democracy*

**Noam Chomsky**

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## Editor's note

This book was compiled from interviews David Barsamian conducted with Noam Chomsky on December 6, 1993 and February 1, April 11 and May 2, 1994. I organized the material into (what I hope are) coherent topics and removed -- as much as possible -- the repetition that inevitably crops up in widely spaced interviews like these. Then I sent the result to Chomsky and Barsamian for final corrections and changes.

**Barsamian's questions appear in this typeface. Phoned-in questions from radio listeners appear in the same typeface, *but in italics*.**

We've tried to define terms and identify people that may be unfamiliar the first time they're mentioned. These explanatory notes are also in this typeface and appear [inside square brackets]. If you run across a term or name you don't recognize, check the index for the first page on which it appears.

Since many readers of Chomsky's books come away from them feeling overwhelmed and despairing, the last section of this book, called [What you can do](#), contains a list of 144 organizations worth investing energy in. [*Note: That section is not yet available in the on-line version of this book.*]

The interviews this book is based on were broadcast as part of Barsamian's Alternative Radio series, which is heard on 100 stations in the US, Canada, Europe and Australia. Alternative Radio has tapes and transcripts of hundreds of other Chomsky interviews and talks, and ones by many other fascinating speakers as well. For a free catalog, call 303 444 8788 or write 2129 Mapleton, Boulder CO 80304.

Noam Chomsky was born in Philadelphia in 1928. Since 1955, he's taught at the Massachusetts Institute of Technology, where he became a full professor at the age of 32. A major figure in twentieth-century linguistics, he's also written many books on contemporary issues.

Chomsky's political talks have been heard, typically by standing-room-only audiences, all over the country and the globe, and he's received countless honors and awards. In a saner world, his tireless efforts to promote justice would have long since won him the Nobel Peace Prize.

*Arthur Naiman*

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# The US

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## Defective democracy

**Clinton's National Security Advisor, Anthony Lake, is encouraging the enlargement of democracy overseas. Should he extend that to the US?**

I can't tell you what Anthony Lake has in mind, but the concept of democracy that's been advanced is a very special one, and the more honest people on the right describe it rather accurately. For example, Thomas Carothers, who was involved in what was called the "democracy assistance project" during the Reagan administration, has written a book and several articles about it.

He says the US seeks to create a form of top-down democracy that leaves traditional structures of power -- basically corporations and their allies -- in effective control. Any form of democracy that leaves the traditional structures essentially unchallenged is admissible. Any form that undermines their power is as intolerable as ever.

**So there's a dictionary definition of *democracy* and then a real-world definition.**

The real-world definition is more or less the one Carothers describes. The dictionary definition has lots of different dimensions, but, roughly speaking, a society is democratic to the extent that people in it have meaningful opportunities to take part in the formation of public policy. There are a lot of different ways in which that can be true, but insofar as it's true, the society is democratic.

A society can have the formal trappings of democracy and not be democratic at all. The Soviet Union, for example, had elections.

**The US obviously has a formal democracy with primaries, elections, referenda, recalls, and so on. But what's the content of this democracy in terms of popular participation?**

Over long periods, the involvement of the public in planning or implementation of public policy has been quite marginal. This is a business-run society. The political parties have reflected business interests for a

long time.

One version of this view which I think has a lot of power behind it is what political scientist Thomas Ferguson calls "the investment theory of politics." He believes that the state is controlled by coalitions of investors who join together around some common interest. To participate in the political arena, you must have enough resources and private power to become part of such a coalition.

Since the early nineteenth century, Ferguson argues, there's been a struggle for power among such groups of investors. The long periods when nothing very major seemed to be going on are simply times when the major groups of investors have seen more or less eye to eye on what public policy should look like. Moments of conflict come along when groups of investors have differing points of view.

During the New Deal, for example, various groupings of private capital were in conflict over a number of issues. Ferguson identifies a high-tech, capital-intensive, export-oriented sector that tended to be quite pro-New Deal and in favor of the reforms. They wanted an orderly work force and an opening to foreign trade.

A more labor-intensive, domestically oriented sector, grouped essentially around the National Association of Manufacturers, was strongly anti-New Deal. They didn't want any of these reform measures. (Those groups weren't the only ones involved, of course. There was the labor movement, a lot of public ferment and so on.)

**You view corporations as being incompatible with democracy, and you say that if we apply the concepts that are used in political analysis, corporations are fascist. That's a highly charged term. What do you mean?**

I mean fascism pretty much in the traditional sense. So when a rather mainstream person like Robert Skidelsky, the biographer of [British economist John Maynard] Keynes, describes the early postwar systems as modeled on fascism, he simply means a system in which the state integrates labor and capital under the control of the corporate structure.

That's what a fascist system traditionally was. It can vary in the way it works, but the ideal state that it aims at is absolutist -- top-down control with the public essentially following orders.

*Fascism* is a term from the political domain, so it doesn't apply strictly to corporations, but if you look at them, power goes strictly top-down, from the board of directors to managers to lower managers and ultimately to the people on the shop floor, typists, etc. There's no flow of power or planning from the bottom up. Ultimate power resides in the hands of investors, owners, banks, etc.

People can disrupt, make suggestions, but the same is true of a slave society. People who aren't owners and investors have nothing much to say about it. They can choose to rent their labor to the corporation, or to purchase the commodities or services that it produces, or to find a place in the chain of command, but

that's it. That's the totality of their control over the corporation.

That's something of an exaggeration, because corporations are subject to some legal requirements and there is some limited degree of public control. There are taxes and so on. But corporations are more totalitarian than most institutions we call totalitarian in the political arena.

**Is there anything large corporate conglomerates do that has beneficial effects?**

A lot of what's done by corporations will happen to have, by accident, beneficial effects for the population. The same is true of the government or anything else. But what are they trying to achieve? Not a better life for workers and the firms in which they work, but profits and market share.

That's not a big secret -- it's the kind of thing people should learn in third grade. Businesses try to maximize profit, power, market share and control over the state. Sometimes what they do helps other people, but that's just by chance.

**There's a common belief that, since the Kennedy assassination, business and elite power circles control our so-called democracy. Has that changed at all with the Clinton administration?**

First of all, Kennedy was very pro-business. He was essentially a business candidate. His assassination had no significant effect on policy that anybody has been able to detect. (There *was* a change in policy in the early 1970s, under Nixon, but that had to do with changes in the international economy.)

Clinton is exactly what he says he is, a pro-business candidate. The *Wall Street Journal* had a very enthusiastic, big, front-page article about him right after the NAFTA vote. They pointed out that the Republicans tend to be the party of business as a whole, but that the Democrats tend to favor big business over small business. Clinton, they said, is typical of this. They quoted executives from the Ford Motor Company, the steel industry, etc. who said that this is one of the best administrations they've ever had.

The day after the House vote on NAFTA, the *New York Times* had a very revealing front-page, pro-Clinton story by their Washington correspondent, R.W. Apple. It went sort of like this: People had been criticizing Clinton because he just didn't have any principles. He backed down on Bosnia, on Somalia, on his economic stimulus program, on Haiti, on the health program. He seemed like a guy with no bottom line at all.

Then he proved that he really was a man of principle and that he really does have backbone -- by fighting for the corporate version of NAFTA. So he does have principles -- he listens to the call of big money. The same was true of Kennedy.

**Radio listener: *I've often wondered about people who have a lot of power because of their financial resources. Is it possible to reach them with logic?***

They're acting very logically and rationally in their own interests. Take the CEO of Aetna Life Insurance, who makes \$23 million a year in salary alone. He's one of the guys who is going to be running our health-care program if Clinton's plan passes.

Suppose you could convince him that he ought to lobby against having the insurance industry run the health-care program, because that will be very harmful to the general population (as indeed it will be). Suppose you could convince him that he ought to give up his salary and become a working person.

What would happen then? He'd get thrown out and someone else would be put in as CEO. These are institutional problems.

### *Why is it important to keep the general population in line?*

Any form of concentrated power doesn't want to be subjected to popular democratic control -- or, for that matter, to market discipline. That's why powerful sectors, including corporate wealth, are naturally opposed to functioning democracy, just as they're opposed to functioning markets...for themselves, at least.

It's just natural. They don't want external constraints on their capacity to make decisions and act freely.

### *And has that been the case?*

Always. Of course, the descriptions of the facts are a little more nuanced, because modern "democratic theory" is more articulate and sophisticated than in the past, when the general population was called "the rabble." More recently, Walter Lippmann called them "ignorant and meddling outsiders." He felt that "responsible men" should make the decisions and keep the "bewildered herd" in line.

Modern "democratic theory" takes the view that the role of the public -- the "bewildered herd," in Lippmann's words -- is to be spectators, not participants. They're supposed to show up every couple of years to ratify decisions made elsewhere, or to select among representatives of the dominant sectors in what's called an "election." That's helpful, because it has a legitimizing effect.

It's very interesting to see the way this idea is promoted in the slick PR productions of the right-wing foundations. One of the most influential in the ideological arena is the Bradley Foundation. Its director, Michael Joyce, recently published an article on this. I don't know whether he wrote it or one of his PR guys did, but I found it fascinating.

It starts off with rhetoric drawn, probably consciously, from the left. When left liberals or radical activists start reading it, they get a feeling of recognition and sympathy (I suspect it's directed at them and at young people). It begins by talking about how remote the political system is from us, how we're asked just to show up every once in a while and cast our votes and then go home.

This is meaningless, the article says -- this isn't real participation in the world. What we need is a functioning and active civil society in which people come together and do important things, not just this business of pushing a button now and then.

Then the article asks, How do we overcome these inadequacies? Strikingly, you don't overcome them with more active participation in the political arena. You do it by abandoning the political arena and joining the PTA and going to church and getting a job and going to the store and buying something. That's the way to become a real citizen of a democratic society.

Now, there's nothing wrong with joining the PTA. But there are a few gaps here. What happened to the political arena? It disappeared from the discussion after the first few comments about how meaningless it is.

If you abandon the political arena, somebody is going to be there. Corporations aren't going to go home and join the PTA. They're going to run things. But that we don't talk about.

As the article continues, it talks about how we're being oppressed by the liberal bureaucrats, the social planners who are trying to convince us to do something for the poor. They're the ones who are really running the country. They're that impersonal, remote, unaccountable power that we've got to get off our backs as we fulfill our obligations as citizens at the PTA and the office.

This argument isn't quite presented step-by-step like that in the article -- I've collapsed it. It's very clever propaganda, well designed, well crafted, with plenty of thought behind it. Its goal is to make people as stupid, ignorant, passive and obedient as possible, while at the same time making them feel that they're somehow moving towards higher forms of participation.

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### **In your discussions of democracy, you often refer to a couple of comments of Thomas Jefferson's.**

Jefferson died on July 4, 1826 -- fifty years to the day after the Declaration of Independence was signed. Near the end of his life, he spoke with a mixture of concern and hope about what had been achieved, and urged the population to struggle to maintain the victories of democracy.

He made a distinction between two groups -- aristocrats and democrats. Aristocrats "fear and distrust the people, and wish to draw all powers from them into the hands of the higher classes." This view is held by respectable intellectuals in many different societies today, and is quite similar to the Leninist doctrine that the vanguard party of radical intellectuals should take power and lead the stupid masses to a bright future. Most liberals are aristocrats in Jefferson's sense. [Former Secretary of State] Henry Kissinger is an extreme example of an aristocrat.

Democrats, Jefferson wrote, "identify with the people, have confidence in them, cherish and consider

them as the most honest and safe, although not the most wise, depository of the public interest." In other words, democrats believe the people should be in control, whether or not they're going to make the right decisions. Democrats do exist today, but they're becoming increasingly marginal.

Jefferson specifically warned against "banking institutions and monied incorporations" (what we would now call "corporations") and said that if they grow, the aristocrats will have won and the American Revolution will have been lost. Jefferson's worst fears were realized (although not entirely in the ways he predicted).

Later on, [the Russian anarchist Mikhail] Bakunin predicted that the contemporary intellectual classes would separate into two groups (both of which are examples of what Jefferson meant by aristocrats). One group, the "red bureaucracy," would take power into their own hands and create one of the most malevolent and vicious tyrannies in human history.

The other group would conclude that power lies in the private sector, and would serve the state and private power in what we now call state capitalist societies. They'd "beat the people with the people's stick," by which he meant that they'd profess democracy while actually keeping the people in line.

**You also cite [the American philosopher and educator] John Dewey. What did he have to say about this?**

Dewey was one of the last spokespersons for the Jeffersonian view of democracy. In the early part of this century, he wrote that democracy isn't an end in itself, but a means by which people discover and extend and manifest their fundamental human nature and human rights. Democracy is rooted in freedom, solidarity, a choice of work and the ability to participate in the social order. Democracy produces real people, he said. That's the major product of a democratic society -- real people.

He recognized that democracy in that sense was a very withered plant. Jefferson's "banking institutions and monied incorporations" had of course become vastly more powerful by this time, and Dewey felt that "the shadow cast on society by big business" made reform very difficult, if not impossible. He believed that reform may be of some use, but as long as there's no democratic control of the workplace, reform isn't going to bring democracy and freedom.

Like Jefferson and other classical liberals, Dewey recognized that institutions of private power were absolutist institutions, unaccountable and basically totalitarian in their internal structure. Today, they're far more powerful than anything Dewey dreamed of.

This literature is all accessible. It's hard to think of more leading figures in American history than Thomas Jefferson and John Dewey. They're as American as apple pie. But when you read them today, they sound like crazed Marxist lunatics. That just shows how much our intellectual life has deteriorated.

In many ways, these ideas received their earliest -- and often most powerful -- formulation in people like

[the German intellectual] Wilhelm von Humboldt, who inspired [the English philosopher] John Stuart Mill and was one of the founders of the classical liberal tradition in the late eighteenth century. Like [the Scottish moral philosopher] Adam Smith and others, von Humboldt felt that at the root of human nature is the need for free creative work under one's own control. That must be at the basis of any decent society.

Those ideas, which run straight through to Dewey, are deeply anticapitalist in character. Adam Smith didn't call himself an anticapitalist because, back in the eighteenth century, he was basically precapitalist, but he had a good deal of skepticism about capitalist ideology and practice -- even about what he called "joint stock companies" (what we call corporations today, which existed in quite a different form in his day). He worried about the separation of managerial control from direct participation, and he also feared that these joint stock companies might turn into "immortal persons."

This indeed happened in the nineteenth century, after Smith's death [under current law, corporations have even more rights than individuals, and can live forever]. It didn't happen through parliamentary decisions -- nobody voted on it in Congress. In the US, as elsewhere in the world, it happened through judicial decisions. Judges and corporate lawyers simply crafted a new society in which corporations have immense power.

Today, the top two hundred corporations in the world control over a quarter of the world's total assets, and their control is increasing. *Fortune* magazine's annual listing of the top American corporations found increasing profits, increasing concentration, and reduction of jobs -- tendencies that have been going on for some years.

Von Humboldt's and Smith's ideas feed directly into the socialist-anarchist tradition, into the left-libertarian critique of capitalism. This critique can take the Deweyian form of a sort of workers'-control version of democratic socialism, or the left-Marxist form of people like [the Dutch astronomer and political theorist] Anton Pannekoek and [the Polish-German revolutionary] Rosa Luxemburg, or [the leading anarchist] Rudolf Rocker's anarcho-syndicalism (among others).

All this has been grossly perverted or forgotten in modern intellectual life but, in my view, these ideas grow straight out of classical, eighteenth-century liberalism. I even think they can be traced back to seventeenth-century rationalism.

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## Keeping the rich on welfare

**A book called *America: Who Pays the Taxes?*, written by a couple of *Philadelphia Inquirer* reporters, apparently shows that the amount of taxes paid by corporations has dramatically declined in the US.**

That's for sure. It's been very striking over the last fifteen years.

Some years ago, a leading specialist, Joseph Pechman, pointed out that despite the apparently progressive structure that's built into the income tax system (that is, the higher your income, the higher your tax rate), all sorts of other regressive factors end up making everyone's tax rate very near a fixed percentage.

**An interesting thing happened in Alabama involving Daimler-Benz, the big German auto manufacturer.**

Under Reagan, the US managed to drive labor costs way below the level of our competitors (except for Britain). That's produced consequences not only in Mexico and the US but all across the industrial world.

For example, one of the effects of the so-called free trade agreement with Canada was to stimulate a big flow of jobs from Canada to the southeast US, because that's an essentially nonunion area. Wages are lower; you don't have to worry about benefits; workers can barely organize. So that's an attack against Canadian workers.

Daimler-Benz, which is Germany's biggest conglomerate, was seeking essentially Third World conditions. They managed to get our southeastern states to compete against one another to see who could force the public to pay the largest bribe to bring them there. Alabama won. It offered hundreds of millions of dollars in tax benefits, practically gave Daimler-Benz the land on which to construct their plant, and agreed to build all sorts of infrastructure for them.

Some people will benefit -- the small number who are employed at the plant, with some spillover to hamburger stands and so on, but primarily bankers, corporate lawyers, people involved in investment and financial services. They'll do very well, but the cost to most of the citizens of Alabama will be substantial.

Even the *Wall Street Journal*, which is rarely critical of business, pointed out that this is very much like

what happens when rich corporations go to Third World countries, and it questioned whether there were going to be overall benefits for the state of Alabama. Meanwhile Daimler-Benz can use this to drive down the lifestyle of German workers.

German corporations have also set up factories in the Czech Republic, where they can get workers for about 10% the cost of German workers. The Czech Republic is right across the border; it's a Westernized society with high educational levels and nice white people with blue eyes. Since they don't believe in the free market any more than any other rich people do, they'll leave the Czech Republic to pay the social costs, pollution, debts and so on, while they pick up the profits.

It's exactly the same with the plants GM is building in Poland, where it's insisting on 30% tariff protection. The free market is for the poor. We have a dual system -- protection for the rich and market discipline for everyone else.

**I was struck by an article in the *New York Times* whose headline was, "Nation considers means to dispose of its plutonium." So the nation has to figure out how to dispose of what was essentially created by private capital.**

That's the familiar idea that profits are privatized but costs are socialized. The costs are the nation's, the people's, but the profits weren't for the people, nor did they make the decision to produce plutonium in the first place, nor are they making the decisions about how to dispose of it, nor do they get to decide what ought to be a reasonable energy policy.

**One of the things I've learned from working with you is the importance of reading *Business Week*, *Fortune* and the *Wall Street Journal*. In the business section of the *New York Times*, I read a fascinating discussion by a bureaucrat from MITI [Japan's Ministry of International Trade and Industry] who trained at the Harvard Business School.**

**One of his classes was studying a failed airline that went out of business. They were shown a taped interview with the company's president, who noted with pride that through the whole financial crisis and eventual bankruptcy of the airline, he'd never asked for government help. To the Japanese man's astonishment, the class erupted into applause.**

**He commented, "There's a strong resistance to government intervention in America. I understand that. But I was shocked. There are many shareholders in companies. What happened to his employees, for example?" Then he reflects on what he views as America's blind devotion to a free-market ideology. He says, "It is something quite close to a religion. You cannot argue about it with most people. You believe it or you don't." It's interesting.**

It's interesting, in part, because of the Japanese man's failure to understand what actually happens in the US, which apparently was shared by the students in his business class. If it was Eastern Airlines they were talking about, Frank Lorenzo, the director, was trying to put it out of business. He made a personal

profit out of that.

He wanted to break the unions in order to support his other enterprises (which he ripped off profits from Eastern Airlines for). He wanted to leave the airline industry less unionized and more under corporate control, and to leave himself wealthier. All of that happened. So naturally he didn't call on government intervention to save him -- things were working the way he wanted.

On the other hand, the idea that corporations don't ask for government help is a joke. They demand an extraordinary amount of government intervention. That's largely what the whole Pentagon system is about.

Take the airline industry, which was created by government intervention. A large part of the reason for the huge growth in the Pentagon in the late 1940s was to salvage the collapsing aeronautical industry, which obviously couldn't survive in a civilian market. That's worked -- it's now the United States' leading export industry, and Boeing is the leading exporter.

An interesting and important book on this by Frank Kofsky just came out. It describes the war scares that were manipulated in 1947 and 1948 to try to ram spending bills through Congress to save the aeronautical industry. (That wasn't the only purpose of these war scares, but it was a big factor.)

Huge industries were spawned, and are maintained, by massive government intervention. Many corporations couldn't survive without it. (For some, it's not a huge part of their profits at the moment, but it's a cushion.) The public also provides the basic technology -- metallurgy, avionics or whatever -- via the public subsidy system.

The same is true just across the board. You can hardly find a functioning sector of the US manufacturing or service economy which hasn't gotten that way and isn't sustained by government intervention.

The Clinton administration has been pouring new funds into the National Bureau of Standards and Technology. It used to try to work on how long a foot is but it will now be more actively involved in serving the needs of private capital. Hundreds of corporations are beating on their doors asking for grants.

The idea is to try to replace the somewhat declining Pentagon system. With the end of the Cold War, it's gotten harder to maintain the Pentagon system, but you've got to keep the subsidy going to big corporations. The public has to pay the research and development costs.

The idea that a Japanese investigator could fail to see this is fairly remarkable. It's pretty well known in Japan.

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## Health care

**I don't suppose you can see the Boston skyline from your home in Lexington. But if you could, what would be the two tallest buildings?**

The John Hancock and the Prudential.

**And they happen to be two types of what?**

They're going to be running our health-care program if Clinton has his way.

**There's a general consensus that the US health-care system needs to be reformed. How did that consensus evolve?**

It evolved very simply. We have a relatively privatized health-care system. As a result, it's geared towards high-tech intervention rather than public health and prevention. It's also hopelessly inefficient and extremely bureaucratic, with huge administrative expenses.

This has gotten just too costly for American business. In fact, a bit to my surprise, *Business Week*, the main business journal, has come out recently with several articles advocating a Canadian-style, single-payer program. Under this system, health care is individual, but the government is the insurer. Similar plans exist in every industrial country in the world, except the US.

**The Clinton plan is called "managed competition." What is that, and why are the big insurance companies supporting it?**

"Managed competition" means that big insurance companies will put together huge conglomerates of health-care institutions, hospitals, clinics, labs and so on. Various bargaining units will be set up to determine which of these conglomerates to work with. That's supposed to introduce some kind of market forces.

But a very small number of big insurance conglomerates, in limited competition with one another, will be pretty much in charge of organizing your health care. (This plan will drive the little insurance companies out of the market, which is why they're opposed to it.)

Since they're in business for profit, not for your comfort, the big insurance companies will doubtlessly micromanage health care, in an attempt to reduce it to the lowest possible level. They'll also tend away from prevention and public health measures, which aren't their concern. Enormous inefficiencies will be involved -- huge profits, advertising costs, big corporate salaries and other corporate amenities, big bureaucracies that control in precise detail what doctors and nurses do and don't do -- and we'll have to pay for all that.

There's another point that ought to be mentioned. In a Canadian-style, government-insurance system, the costs are distributed in the same way that taxes are. If the tax system is progressive -- that is, if rich people pay a higher percentage of their income in taxes (which all other industrial societies assume, correctly, to be the only ethical approach) -- then the wealthy will also pay more of the costs of health care.

But the Clinton program, and all the others like it, are radically regressive. A janitor and a CEO pay the same amount. It's as if they were both taxed the same amount, which is unheard of in any civilized society.

Actually, it's even worse than that -- the janitor will probably pay more. He'll be living in a poor neighborhood and the executive will be living in a rich suburb or a downtown high-rise, which means they'll belong to different health groupings. Because the grouping the janitor belongs to will include many more poor and high-risk people, the insurance companies will demand higher rates from it than the one the executive belongs to, which will include mostly wealthier, lower-risk people.

**According to a Harris poll, Americans prefer the Canadian-style health-care system by a huge majority. That's kind of remarkable, given the minimal amount of media attention the single-payer system has received.**

The best work I know on this is by [Professor] Vicente Navarro [of Johns Hopkins]. He's discovered that there's been quite consistent support for something like a Canadian-style system ever since polls began on this issue, which is now over forty years.

Back in the 1940s, Truman tried to put through such a program. It would have brought the US into line with the rest of the industrial world, but it was beaten back by a huge corporate offensive, complete with tantrums about how we were going to turn into a Bolshevik society and so on.

Every time the issue has come up, there's been a major corporate offensive. One of Ronald Reagan's great achievements back in the late 1960s was to give somber speeches (written for him by the AMA) about how if the legislation establishing Medicare was passed, we'd all be telling our children and grandchildren decades hence what freedom used to be like.

**Steffie Woolhandler and David Himmelstein [both of Harvard Medical School] also cite another poll result: When Canadians were asked if they'd want a US-style system, only 5% said yes.**

By now, even large parts of the business community don't want it. It's just too inefficient, too bureaucratic and too costly for them. The auto companies estimated a couple of years ago that it was costing them about \$500 extra per car just because of the inefficiencies of the US health system -- as compared with, say, their Canadian operations.

When business starts to get hurt, then the issue moves into the public agenda. The public has been in favor of a big change for a long time, but what the public thinks doesn't matter much.

There was a nice phrase about this sort of thing in the *Economist* [a leading London business journal]. The *Economist* was concerned about the fact that Poland has degenerated into a system where they have democratic elections, which is sort of a nuisance.

The population in all of the East European countries is being smashed by the economic changes that are being rammed down their throats. (These changes are called "reforms," which is supposed to make them sound good.) In the last election, the Poles voted in an anti-"reform" government. The *Economist* pointed out that this really wasn't too troublesome because "policy is insulated from politics." In their view, that's a good thing.

In this country too, policy is insulated from politics. People can have their opinions; they can even vote if they like. But policy goes on its merry way, determined by other forces.

What the public wants is called "politically unrealistic." Translated into English, that means the major centers of power and privilege are opposed to it. A change in our health-care system has now become politically more realistic because the corporate community wants a change, since the current system is harming them.

**Vicente Navarro says that a universal and comprehensive health-care program is "directly related to the strength of the working class and its political and economic instruments."**

That's certainly been true in Canada and Europe. Canada had a system rather like ours up until the mid-1960s. It was changed first in one province, Saskatchewan, where the NDP [the New Democratic Party, a mildly reformist, umbrella political party with labor backing] was in power.

The NDP was able to put through a provincial insurance program, driving the insurance companies out of the health-care business. It turned out to be very successful. It was giving good medical care and reducing costs and was much more progressive in payment. It was mimicked by other provinces, also under labor pressure, often using the NDP as an instrument. pretty soon it was adopted across Canada nationally.

The history in Europe is pretty much the same. Working-class organizations have been one of the main (although not the only) mechanisms by which people with very limited power and resources can get

together to participate in the public arena. That's one of the reasons unions are so hated by business and elites generally. They're just too democratizing in their character.

So Navarro is surely right. The strength and organization of labor and its ability to enter into the public arena is certainly related -- maybe even decisively related -- to the establishment of social programs of this kind.

**There may be a parallel movement going on in California, where there's a ballot initiative to have single-payer health care.**

The situation in the US is a little different from what Navarro described, because business still plays an inordinate role here in determining what kind of system will evolve. Unless there are significant changes in the US -- that is, unless public pressure and organizations, including labor, do a lot more than they've done so far -- the outcome will once again be determined by business interests.

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**Much more media attention has been paid to AIDS than to breast cancer, but a half a million women in the US will die from breast cancer in the 1990s. Many men will die from prostate cancer. These aren't considered political questions, are they?**

Well, there's no vote taken on them, but if you're asking if there are questions of policy involved, of course there are. You might add to those cancers the number of children who will suffer or die because of extremely poor conditions in infancy and childhood.

Take, say, malnutrition. That decreases life span quite considerably. If you count that up in deaths, it outweighs anything you're talking about. I don't think many people in the public health field would question the conclusion that the major contribution to improving health, reducing mortality figures and improving the quality of life, would come from simple public health measures like ensuring people adequate nutrition and safe and healthy conditions of life, clean water, effective sewage treatment, and so on.

You'd think that in a rich country like this, these wouldn't be big issues, but they are for a lot of the population. *Lancet*, the British medical journal -- the most prestigious medical journal in the world -- recently pointed out that 40% of children in New York City live below the poverty line. They suffer from malnutrition and other poor conditions that cause very high mortality rates -- and, if they survive, they have very severe health problems all through their lives.

The *New England Journal of Medicine* pointed out a couple of years ago that black males in Harlem have about the same mortality rate as people in Bangladesh. That's essentially because of the extreme deterioration of the most elementary public health conditions, and social conditions.

**Some people have linked the increase in breast cancer and prostate cancer to environmental degradation, to diet, and to the increase of additives and preservatives. What do you think about that?**

It's doubtless some kind of a factor. How big or serious a factor it is I'm not sure.

**Are you at all interested in the so-called natural or organic food movement?**

Sure. I think there ought to be concerns about the quality of food. This I would say falls into the question of general public health. It's like having good water and good sewage and making sure that people have enough food and so on.

All these things are in roughly the same category -- they don't have to do with high-technology medical treatment but with essential conditions of life. These general public-health issues, of which eating food that doesn't contain poisons is naturally a part, are the overwhelming factors in quality of life and mortality.

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## Crime and punishment

**There's been a tendency over the last few years for local TV news programs to concentrate on crimes, rapes, kidnappings, etc. Now this is spilling over into the national network news programs.**

That's true, but it's just a surface phenomenon. Why is there an increase in attention to violent crime? Is it connected to the fact that there's been a considerable decline in income for the large majority of the population, and a decline as well in the opportunity for constructive work?

But until you ask why there's an increase in social disintegration, and why more and more resources are being directed towards the wealthy and privileged sectors and away from the general population, you can't have even a concept of why there's rising crime or how you should deal with it.

Over the past twenty or thirty years, there's been a considerable increase in inequality. This trend accelerated during the Reagan years. The society has been moving visibly towards a kind of Third World model.

The result is an increasing crime rate, as well as other signs of social disintegration. Most of the crime is poor people attacking each other, but it spills over to more privileged sectors. People are very worried -- and quite properly, because the society is becoming very dangerous.

A constructive approach to the problem would require dealing with its fundamental causes, but that's off the agenda, because we must continue with a social policy that's aimed at strengthening the welfare state for the rich.

The only kind of responses the government can resort to under those conditions is pandering to the fear of crime with increasing harshness, attacking civil liberties and attempting to control the poor, essentially by force.

**Do you know what "smash and grab" is? When your car is in traffic or at a stop light, people come along, smash in the window and grab your purse or steal your wallet.**

The same thing is going on right around Boston. There's also a new form, called "Good Samaritan robbery." You fake a flat tire on the highway and when somebody stops to help, you jump them, steal their car, beat them up if they're lucky, kill them if they're not.

The causes are the increasing polarization of the society that's been going on for the past twenty-five years, and the marginalization of large sectors of the population. Since they're superfluous for wealth production (meaning profit production), and since the basic ideology is that a person's human rights depend on what they can get for themselves in the market system, they have no human value.

Larger and larger sectors of the population have no form of organization and no viable, constructive way of reacting, so they pursue the available options, which are often violent. To a large extent, those are the options that are encouraged in the popular culture.

**You can tell a great deal about a society when you look at its system of justice. I was wondering if you'd comment on the Clinton crime bill, which authorizes hiring 100,000 more cops, boot camps for juveniles, more money for prisons, extending the death penalty to about fifty new offenses and making gang membership a federal crime -- which is interesting, considering there's something about freedom of association in the Bill of Rights.**

It was hailed with great enthusiasm by the far right as the greatest anticrime bill ever. It's certainly the most *extraordinary* crime bill in history. It's greatly increased, by a factor of five or six, federal spending for repression. There's nothing much constructive in it. There are more prisons, more police, heavier sentences, more death sentences, new crimes, three strikes and you're out.

It's unclear how much pressure and social decline and deterioration people will accept. One tactic is just drive them into urban slums -- concentration camps, in effect -- and let them prey on one another. But they have a way of breaking out and affecting the interests of wealthy and privileged people. So you have to build up the jail system, which is incidentally also a shot in the arm for the economy.

It's natural that Clinton picked up this crime bill as a major social initiative, not only for a kind of ugly political reason -- namely, that it's easy to whip up hysteria about it -- but also because it reflects the general point of view of the so-called New Democrats, the business-oriented segment of the Democratic Party to which Clinton belongs.

**What are your views on capital punishment?**

It's a crime. I agree with Amnesty International on that one, and indeed with most of the world. The state should have no right to take people's lives.

**Radio listener: *Does this country have a vested interest in supporting the drug trade?***

It's complicated; I don't want to be too brief about it. For one thing, you can't talk about marijuana and cocaine in the same breath. Marijuana simply doesn't have the lethal effects of cocaine. You can debate about whether marijuana is good or bad, but out of about sixty million users, I don't think there's a known case of overdose. The criminalization of marijuana has motives other than concern about drugs.

On the other hand, hard drugs, to which people have been driven to a certain extent by the prohibitions against soft drugs, are very harmful -- although nowhere near the harm of, say, tobacco and alcohol in terms of overall societal effects, including deaths.

There are sectors of American society that profit from the hard drug trade, like the big international banks that do the money laundering or the corporations that provide the chemicals for the industrial production of hard drugs. On the other hand, people who live in the inner cities are being devastated by them. So there are different interests.

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## Gun control

### **Advocates of free access to arms cite the Second Amendment. Do you believe that it permits unrestricted, uncontrolled possession of guns?**

It's pretty clear that, taken literally, the Second Amendment doesn't permit people to have guns. But laws are never taken literally, including amendments to the Constitution or constitutional rights. Laws permit what the tenor of the times interprets them as permitting.

But underlying the controversy over guns are some serious questions. There's a feeling in the country that people are under attack. I think they're misidentifying the source of the attack, but they do feel under attack.

The government is the only power structure that's even partially accountable to the population, so naturally the business sectors want to make that the enemy -- not the corporate system, which is totally unaccountable. After decades of intensive business propaganda, people feel that the government is some kind of enemy and that they have to defend themselves from it.

It's not that that doesn't have its justifications. The government *is* authoritarian and commonly hostile to much of the population. But it's partially influenceable -- and potentially very influenceable -- by the general population.

Many people who advocate keeping guns have fear of the government in the back of their minds. But that's a crazy response to a real problem.

### **Do the media foster the feeling people have that they're under attack?**

At the deepest level, the media contribute to the sense that the government is the enemy, and they suppress the sources of real power in the society, which lie in the totalitarian institutions -- the corporations, now international in scale -- that control the economy and much of our social life. In fact, the corporations set the conditions within which the government operates, and control it to a large extent.

The picture presented in the media is constant, day after day. People simply have no awareness of the system of power under which they're suffering. As a result -- as intended -- they turn their attention against the government.

People have all kinds of motivations for opposing gun control, but there's definitely a sector of the population that considers itself threatened by big forces, ranging from the Federal Reserve to the Council on Foreign Relations to big government to who knows what, and they're calling for guns to protect themselves.

**Radio listener:** *On the issue of gun control, I believe that the US is becoming much more like a Third World country, and nothing is necessarily going to put a stop to it. I look around and see a lot of Third World countries where, if the citizens had weapons, they wouldn't have the government they've got. So I think that maybe people are being a little short-sighted in arguing for gun control and at the same time realizing that the government they've got is not exactly a benign one.*

Your point illustrates exactly what I think is a major fallacy. The government is far from benign -- that's true. On the other hand, it's at least partially accountable, and it can become as benign as we make it.

What's not benign (what's extremely harmful, in fact) is something you didn't mention -- business power, which is highly concentrated and, by now, largely transnational. Business power is very far from benign and it's completely unaccountable. It's a totalitarian system that has an enormous effect on our lives. It's also the main reason why the government isn't benign.

As for guns being the way to respond to this, that's outlandish. First of all, this is not a weak Third World country. If people have pistols, the government has tanks. If people get tanks, the government has atomic weapons. There's no way to deal with these issues by violent force, even if you think that that's morally legitimate.

Guns in the hands of American citizens are not going to make the country more benign. They're going to make it more brutal, ruthless and destructive. So while one can recognize the motivation that lies behind some of the opposition to gun control, I think it's sadly misguided.

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## Becoming a Third World country

**A recent Census Bureau report stated that there's been a 50% increase in the working poor -- that is, people who have jobs but are still below the poverty level.**

That's part of the Third-Worldization of the society. It's not just unemployment, but also wage reduction. Real wages have been declining since the late 1960s. Since 1987, they've even been declining for college-educated people, which was a striking shift.

There's supposed to be a recovery going on, and it's true that a kind of recovery is going on. It's at about half the rate of preceding postwar recoveries from recession (there've been half a dozen of them) and the rate of job creation is less than a third. Furthermore -- out of line with earlier recoveries -- the jobs themselves are low-paying, and a huge number of them are temporary.

This is what's called "increasing flexibility of the labor market." *Flexibility* is a word like reform -- it's supposed to be a good thing. Actually, *flexibility* means insecurity. It means you go to bed at night and don't know if you'll have a job in the morning. Any economist can explain that that's a good thing for the economy -- that is, for profit-making, not for the way people live.

Low wages also increase job insecurity. They keep inflation low, which is good for people who have money -- bondholders, say. Corporate profits are zooming, but for most of the population, things are grim. And grim circumstances, without much prospect for a future or for constructive social action, express themselves in violence.

**It's interesting that you should say that. Most of the examples of mass murders are in the workplace. I'm thinking of the various killings in post offices and fast-food restaurants, where workers are disgruntled for one reason or another, or have been fired or laid off.**

Not only have real wages stagnated or declined, but working conditions have gotten much worse. You can see that just in counting hours of work. Julie Schor, an economist at Harvard, brought out an important book on this a couple of years ago, called *The Overworked American*. If I remember her figures correctly, by around 1990, the time she was writing, workers had to put in about six weeks extra work a year to maintain something like a 1970 real wage level.

Along with the increasing hours of work comes increasing harshness of work conditions, increasing insecurity and, because of the decline of unions, reduced ability to protect oneself. In the Reagan years,

even the minimal government programs for protecting workers against workplace accidents and the like were reduced, in the interest of maximizing profits. The absence of constructive options, like union organizing, leads to violence.

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## Labor

**[Harvard professor] Elaine Bernard and [union official] Tony Mazzocchi have been talking about creating a new labor-based party. What are your views on that?**

I think that's an important initiative. The US is becoming very depoliticized and negative. About half the population thinks both political parties should be disbanded. There's a real need for something that would articulate the concerns of that substantial majority of the population that's being left out of social planning and the political process.

Labor unions have often been a significant force -- in fact, the main social force -- for democratization and progress. On the other hand, when they aren't linked to the political system through a labor-based party, there's a limit on what they can do. Take health care, for example.

Powerful unions in the US were able to get fairly reasonable health-care provisions for themselves. But since they were acting independently of the political system, they typically didn't attempt to bring about decent health conditions for the general population. Compare Canada, where the unions, being linked to labor-based parties, were able to implement health care for everybody.

That's an illustration of the kind of difference a politically oriented, popular movement like labor can achieve. We're not in the day any longer where the industrial workers are the majority or even the core of the labor force. But the same questions arise. I think Bernard and Mazzocchi are on the right track in thinking along those lines.

**Yesterday was May 1. What's its historical significance?**

It's May Day, which throughout the world has been a working-class holiday for more than a hundred years. It was initiated in solidarity with American workers who, back in the 1880s, were suffering unusually harsh conditions in their effort to achieve an eight-hour workday. The US is one of the few countries where this day of solidarity with US labor is hardly even known.

This morning, way in the back of the *Boston Globe*, there was a little item whose headline read, "May Day Celebration in Boston." I was surprised, because I don't think I've ever seen that here in the US. It turned out that there indeed was a May Day celebration, of the usual kind, but it was being held by Latin American and Chinese workers who've recently immigrated here.

That's a dramatic example of the efficiency with which business controls US ideology, of how effective its propaganda and indoctrination have been in depriving people of any awareness of their own rights and history. You have to wait for poor Latino and Chinese workers to celebrate an international holiday of solidarity with American workers.

**In his *New York Times* column, Anthony Lewis wrote: "Unions in this country, sad to say, are looking more and more like the British unions...backward, unenlightened....The crude, threatening tactics used by unions to make Democratic members of the House vote against NAFTA underline the point."**

That brings out Lewis's real commitments very clearly. What he called "crude, threatening tactics" were labor's attempt to get their representatives to represent their interests. By the standards of the elite, that's an attack on democracy, because the political system is supposed to be run by the rich and powerful.

Corporate lobbying vastly exceeded labor lobbying, but you can't even talk about it in the same breath. It wasn't considered raw muscle or antidemocratic. Did Lewis have a column denouncing corporate lobbying for NAFTA?

**I didn't see it.**

I didn't see it either.

Things reached the peak of absolute hysteria the day before the vote. The *New York Times* lead editorial was exactly along the lines of that quote from Lewis, and it included a little box that listed the dozen or so representatives in the New York region who were voting against NAFTA. It showed their contributions from labor and said that this raises ominous questions about the political influence of labor, and whether these politicians are being honest, and so on.

As a number of these representatives later pointed out, the *Times* didn't have a box listing corporate contributions to them or to other politicians -- nor, we may add, was there a box listing advertisers of the *New York Times* and their attitudes towards NAFTA.

It was quite striking to watch the hysteria that built up in privileged sectors, like the *Times*' commentators and editorials, as the NAFTA vote approached. They even allowed themselves the use of the phrase "class lines." I've never seen that in the *Times* before. You're usually not allowed to admit that the US has class lines. But this was considered a really serious issue, and all bars were let down.

The end result is very intriguing. In a recent poll, about 70% of the respondents said they were opposed to the actions of the labor movement against NAFTA, but it turned out that they took pretty much the same position that labor took. So why were they opposed to it?

I think it's easy to explain that. The media scarcely reported what labor was actually *saying*. But there

was plenty of hysteria about labor's alleged tactics.

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## The CIA

### **What about the role of the CIA in a democratic society? Is that an oxymoron?**

You could imagine a democratic society with an organization that carries out intelligence-gathering functions. But that's a very minor part of what the CIA does. Its main purpose is to carry out secret and usually illegal activities for the executive branch, which wants to keep these activities secret because it knows that the public won't accept them. So even inside the US, it's highly undemocratic.

The activities that it carries out are quite commonly efforts to undermine democracy, as in Chile through the 1960s into the early 1970s [described on pp. 91-95]. That's far from the only example. By the way, although most people focus on Nixon's and Kissinger's involvement with the CIA, Kennedy and Johnson carried out similar policies.

### **Is the CIA an instrument of state policy, or does it formulate policy on its own?**

You can't be certain, but my own view is that the CIA is very much under the control of executive power. I've studied those records fairly extensively in many cases, and it's very rare for the CIA to undertake initiatives on its own.

It often looks as though it does, but that's because the executive wants to preserve deniability. The executive branch doesn't want to have documents lying around that say, I told you to murder Lumumba, or to overthrow the government of Brazil, or to assassinate Castro.

So the executive branch tries to follow policies of plausible deniability, which means that messages are given to the CIA to do things but without a paper trail, without a record. When the story comes out later, it looks as if the CIA is doing things on their own. But if you really trace it through, I think this almost never happens.

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## The media

**Let's talk about media and democracy. In your view, what are the communications requirements of a democratic society?**

I agree with Adam Smith on this -- we'd like to see a tendency toward equality. Not just equality of opportunity, but actual equality -- the ability, at every stage of one's existence, to access information and make decisions on the basis of it. So a democratic communications system would be one that involves large-scale public participation, and that reflects both public interests and real values like truth, integrity and discovery.

**Bob McChesney, in his recent book *Telecommunications, Mass Media and Democracy*, details the debate between 1928 and 1935 for control of radio in the US. How did that battle play out?**

That's a very interesting topic, and he's done an important service by bringing it out. It's very pertinent today, because we're involved in a very similar battle over this so-called "information superhighway."

In the 1920s, the first major means of mass communication since the printing press came along -- radio. It's obvious that radio is a bounded resource, because there's only a fixed bandwidth. There was no question in anyone's mind that the government was going to have to regulate it. The question was, What form would this government regulation take?

Government could opt for public radio, with popular participation. This approach would be as democratic as the society is. Public radio in the Soviet Union would have been totalitarian, but in, say, Canada or England, it would be partially democratic (insofar as those societies are democratic).

That debate was pursued all over the world -- at least in the wealthier societies, which had the luxury of choice. Almost every country (maybe every one -- I can't think of an exception) chose public radio, while the US chose private radio. It wasn't 100%; you were allowed to have small radio stations -- say, a college radio station -- that can reach a few blocks. But virtually all radio in the US was handed over to private power.

As McChesney points out, there was a considerable struggle about that. There were church groups and some labor unions and other public interest groups that felt that the US should go the way the rest of the world was going. But this is very much a business-run society, and they lost out.

Rather strikingly, business also won an ideological victory, claiming that handing radio over to private power constituted democracy, because it gave people choices in the marketplace. That's a very weird concept of democracy, since your power depends on the number of dollars you have, and your choices are limited to selecting among options that are highly structured by the real concentrations of power. But this was nevertheless widely accepted, even by liberals, as the democratic solution. By the mid- to late 1930s, the game was essentially over.

This struggle was replayed -- in the rest of the world, at least -- about a decade later, when television came along. In the US this wasn't a battle at all; TV was completely commercialized without any conflict. But again, in most other countries -- or maybe every other country -- TV was put in the public sector.

In the 1960s, television and radio became partly commercialized in other countries; the same concentration of private power that we find in the US was chipping away at the public-service function of radio and television. At the same time in the US, there was a slight opening to public radio and television.

The reasons for this have never been explored in any depth (as far as I know), but it appears that the private broadcasting companies recognized that it was a nuisance for them to have to satisfy the formal requirements of the Federal Communications Commission that they devote part of their programming to public-interest purposes. So CBS, say, had to have a big office with a lot of employees who every year would put together a collection of fraudulent claims about how they'd met this legislative condition. It was a pain in the neck.

At some point, they apparently decided that it would be easier to get the entire burden off their backs and permit a small and underfunded public broadcasting system. They could then claim that they didn't have to fulfill this service any longer. That was the origin of public radio and television -- which is now largely corporate -- funded in any event.

**That's happening more and more. PBS [the Public Broadcasting Service] is sometimes called "the Petroleum Broadcasting Service."**

That's just another reflection of the interests and power of a highly class-conscious business system that's always fighting an intense class war. These issues are coming up again with respect to the Internet [a worldwide computer network] and the new interactive communications technologies. And we're going to find exactly the same conflict again. It's going on right now.

I don't see why we should have had any long-term hopes for something different. Commercially run radio is going to have certain purposes -- namely, the ones determined by people who own and control it.

As I mentioned earlier, they don't want decision-makers and participants; they want a passive, obedient population of consumers and political spectators -- a community of people who are so atomized and isolated that they can't put together their limited resources and become an independent, powerful force that will chip away at concentrated power.

## **Does ownership always determine content?**

In some far-reaching sense it does, because if content ever goes beyond the bounds owners will tolerate, they'll surely move in to limit it. But there's a fair amount of flexibility.

Investors don't go down to the television studio and make sure that the local talk-show host or reporter is doing what they want. There are other, subtler, more complex mechanisms that make it fairly certain that the people on the air will do what the owners and investors want. There's a whole, long, filtering process that makes sure that people only rise through the system to become managers, editors, etc., if they've internalized the values of the owners.

At that point, they can describe themselves as quite free. So you'll occasionally find some flaming independent-liberal type like Tom Wicker who writes, Look, nobody tells me what to say. I say whatever I want. It's an absolutely free system.

And, for *him*, that's true. After he'd demonstrated to the satisfaction of his bosses that he'd internalized their values, he was entirely free to write whatever he wanted.

## **Both PBS and NPR [National Public Radio] frequently come under attack for being left-wing.**

That's an interesting sort of critique. In fact, PBS and NPR are elite institutions, reflecting by and large the points of view and interests of wealthy professionals who are very close to business circles, including corporate executives. But they happen to be liberal by certain criteria.

That is, if you took a poll among corporate executives on matters like, say, abortion rights, I presume their responses would be what's called liberal. I suspect the same would be true on lots of social issues, like civil rights and freedom of speech. They tend not to be fundamentalist, born-again Christians, for example, and they might tend to be more opposed to the death penalty than the general population. I'm sure you'll find plenty of private wealth and corporate power backing the American Civil Liberties Union.

Since those are aspects of the social order from which they gain, they tend to support them. By these criteria, the people who dominate the country tend to be liberal, and that reflects itself in an institution like PBS.

## **You've been on NPR just twice in 23 years, and on *The MacNeil-Lehrer News Hour* once in its almost 20 years. What if you'd been on *MacNeil-Lehrer* ten times? Would it make a difference?**

Not a lot. By the way, I'm not quite sure of those numbers; my own memory isn't that precise. I've been on local PBS stations in particular towns.

## **I'm talking about the national network.**

Then probably something roughly like those numbers is correct. But it wouldn't make a lot of difference.

In fact, in my view, if the managers of the propaganda system were more intelligent, they'd allow more leeway to real dissidents and critics. That would give the impression of broader debate and discussion and hence would have a legitimizing function, but it still wouldn't make much of a dent, given the overwhelming weight of propaganda on the other side. By the way, that propaganda system includes not just how issues are framed in news stories but also how they're presented in entertainment programming -- that huge area of the media that's simply devoted to diverting people and making them more stupid and passive.

That's not to say I'm against opening up these media a bit, but I would think it would have a limited effect. What you need is something that presents every day, in a clear and comprehensive fashion, a different picture of the world, one that reflects the concerns and interests of ordinary people, and that takes something like the point of view with regard to democracy and participation that you find in people like Jefferson or Dewey.

Where that happens -- and it has happened, even in modern societies -- it has effects. In England, for example, you did have major mass media of this kind up until the 1960s, and it helped sustain and enliven a working class culture. It had a big effect on British society.

### **What do you think about the Internet?**

I think that there are good things about it, but there are also aspects of it that concern and worry me. This is an intuitive response -- I can't prove it -- but my feeling is that, since people aren't Martians or robots, direct face-to-face contact is an extremely important part of human life. It helps develop self-understanding and the growth of a healthy personality.

You just have a different relationship to somebody when you're looking at them than you do when you're punching away at a keyboard and some symbols come back. I suspect that extending that form of abstract and remote relationship, instead of direct, personal contact, is going to have unpleasant effects on what people are like. It will diminish their humanity, I think.

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## Sports

**In 1990, in one of our many interviews, we had a brief discussion about the role and function of sports in American society, part of which was subsequently excerpted in *Harper's*. I've probably gotten more comments about that than anything else I've ever recorded. You really pushed some buttons.**

I got some funny reactions, a lot of irate reactions, as if I were somehow taking people's fun away from them. I have nothing against sports. I like to watch a good basketball game and that sort of thing. On the other hand, we have to recognize that the mass hysteria about spectator sports plays a significant role.

First of all, spectator sports make people more passive, because you're not doing them -- you're watching somebody doing them. Secondly, they engender jingoist and chauvinist attitudes, sometimes to quite an extreme degree.

I saw something in the newspapers just a day or two ago about how high school teams are now so antagonistic and passionately committed to winning at all costs that they had to abandon the standard handshake before or after the game. These kids can't even do civil things like greeting one another because they're ready to kill one another.

It's spectator sports that engender those attitudes, particularly when they're designed to organize a community to be hysterically committed to their gladiators. That's very dangerous, and it has lots of deleterious effects.

I was reading something about the glories of the information superhighway not too long ago. I can't quote it exactly, but it was talking about how wonderful and empowering these new interactive technologies are going to be. Two basic examples were given.

For women, interactive technologies are going to offer highly improved methods of home shopping. So you'll be able to watch the tube and some model will appear with a product and you're supposed to think, God, I've got to have that. So you press a button and they deliver it to your door within a couple of hours. That's how interactive technology is supposed to liberate women.

For men, the example involved the Super Bowl. Every red-blooded American male is glued to it. Today, all they can do is watch it and cheer and drink beer, but the new interactive technology will let them actually participate in it. While the quarterback is in the huddle calling the next play, the people watching

will be able to decide what the play should be.

If they think he should pass, or run, or punt, or whatever, they'll be able to punch that into their computer and their vote will be recorded. It won't have any effect on what the quarterback does, of course, but after the play the television channel will be able to put up the numbers -- 63% said he should have passed, 24% said he should have run, etc.

That's interactive technology for men. Now you're really participating in the world. Forget about all this business of deciding what ought to happen with health care -- now you're doing something really important.

This scenario for interactive technology reflects an understanding of the stupefying effect spectator sports have in making people passive, atomized, obedient nonparticipants -- nonquestioning, easily controlled and easily disciplined.

**At the same time, athletes are lionized or -- in the case of Tonya Harding, say -- demonized.**

If you can personalize events of the world -- whether it's Hillary Clinton or Tonya Harding -- you've succeeded in directing people away from what really matters and is important. The John F. Kennedy cult is a good example, with the effects it's had on the left.

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## Religious fundamentalism

**In his book *When Time Shall Be No More*, historian Paul Boyer states that, "surveys show that from one third to one half of [all Americans] believe that the future can be interpreted from biblical prophecies." I find this absolutely stunning.**

I haven't seen that particular number, but I've seen plenty of things like it. I saw a cross-cultural study a couple of years ago -- I think it was published in England -- that compared a whole range of societies in terms of beliefs of that kind. The US stood out -- it was unique in the industrial world. In fact, the measures for the US were similar to pre-industrial societies.

### Why is that?

That's an interesting question. This is a very fundamentalist society. It's like Iran in its degree of fanatic religious commitment. For example, I think about 75% of the US population has a literal belief in the devil.

There was a poll several years ago on evolution. People were asked their opinion on various theories of how the world of living creatures came to be what it is. The number of people who believed in Darwinian evolution was less than 10%. About half the population believed in a church doctrine of divine-guided evolution. Most of the rest presumably believed that the world was created a couple of thousand years ago.

These are very unusual results. Why the US should be off the spectrum on these issues has been discussed and debated for some time.

I remember reading something maybe ten or fifteen years ago by a political scientist who writes about these things, Walter Dean Burnham. He suggested that this may be a reflection of depoliticization -- that is, the inability to participate in a meaningful fashion in the political arena may have a rather important psychic effect.

That's not impossible. People will find some ways of identifying themselves, becoming associated with others, taking part in something. They're going to do it some way or other. If they don't have the option to participate in labor unions, or in political organizations that actually function, they'll find other ways. Religious fundamentalism is a classic example.

We see that happening in other parts of the world right now. The rise of what's called Islamic fundamentalism is, to a significant extent, a result of the collapse of secular nationalist alternatives that were either discredited internally or destroyed.

In the nineteenth century, you even had some conscious efforts on the part of business leaders to promote fire-and-brimstone preachers who led people to look at society in a more passive way. The same thing happened in the early part of the industrial revolution in England. E.P. Thompson writes about it in his classic, *The Making of the English Working Class*.

**In a State of the Union speech, Clinton said, "We can't renew our country unless more of us -- I mean, all of us -- are willing to join churches." What do you make of this?**

I don't know exactly what was in his mind, but the ideology is very straightforward. If people devote themselves to activities that are out of the public arena, then we folks in power will be able to run things the way we want.

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## Don't tread on me

**I'm not quite clear about how to formulate this question. It has to do with the nature of US society as exemplified in comments like *do your own thing, go it alone, don't tread on me, the pioneer spirit* -- all that deeply individualistic stuff. What does that tell you about American society and culture?**

It tells you that the propaganda system is working full-time, because there is no such ideology in the US. Business certainly doesn't believe it. All the way back to the origins of American society, business has insisted on a powerful, interventionist state to support its interests, and it still does.

There's nothing individualistic about corporations. They're big conglomerate institutions, essentially totalitarian in character. Within them, you're a cog in a big machine. There are few institutions in human society that have such strict hierarchy and top-down control as a business organization. It's hardly *don't tread on me* -- you're being tread on all the time.

The point of the ideology is to prevent people who are outside the sectors of coordinated power from associating with each other and entering into decision-making in the political arena. The point is to leave the powerful sectors highly integrated and organized, while atomizing everyone else.

That aside, there is another factor. There's a streak of independence and individuality in American culture that I think is a very good thing. This *don't tread on me* feeling is in many respects a healthy one -- up to the point where it keeps you from working together with other people.

So it's got a healthy side and a negative side. Naturally it's the negative side that's emphasized in the propaganda and indoctrination.

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# *The world*

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## **Toward greater inequality**

**In his column in the *New York Times*, Anthony Lewis wrote, "Since World War II, the world has experienced extraordinary growth." Meanwhile, at a meeting in Quito, Ecuador, Juan de Dios Parra, the head of the Latin American Association for Human Rights, said, "In Latin America today, there are 7 million more hungry people, 30 million more illiterate people, 10 million more families without homes, 40 million more unemployed persons than there were 20 years ago. There are 240 million human beings in Latin America without the necessities of life, and this when the region is richer and more stable than ever, according to the way the world sees it." How do you reconcile those two statements?**

It just depends on which people you're talking about. The World Bank came out with a study on Latin America which warned that Latin America was facing chaos because of the extraordinarily high level of inequality, which is the highest in the world (and that's after a period of substantial growth). Even the things the World Bank cares about are threatened.

The inequality didn't just come from the heavens. There was a struggle over the course of Latin American development back in the mid-1940s, when the new world order of that day was being crafted.

The State Department documents on this are quite interesting. They said that Latin America was swept by what they called the "philosophy of the new nationalism," which called for increasing production for domestic needs and reducing inequality. The basic principle of this new nationalism was that the people of the country should be the prime beneficiary of the country's resources.

The US was sharply opposed to that and came out with an economic charter for the Americas that called for eliminating economic nationalism (as it's also called) in all of its forms and insisting that Latin American development be "complementary" to US development. That means we'll have the advanced industry and the technology and the peons in Latin America will produce export crops and do some simple operations that they can manage. But they won't develop economically the way we did.

Given the distribution of power, the US of course won. In countries like Brazil, we just took over -- Brazil has been almost completely directed by American technocrats for about fifty years. Its enormous resources should make it one of the richest countries in the world, and it's had one of the highest growth rates. But thanks to our influence on Brazil's social and economic system, it's ranked around Albania and Paraguay in quality of life measures, infant mortality and so on.

It's true, as Lewis says, that there's been very substantial growth in the world. At the same time, there's incredible poverty and misery, and that's increased even more.

If you compare the percentage of world income held by the richest 20% and the poorest 20%, the gap has dramatically increased over the past thirty years. Comparing rich countries to poor countries, it's about doubled. Comparing rich people to poor people within countries, it's increased far more and is much sharper. That's the consequence of a particular kind of growth.

**Do you think this trend of growth rates and poverty rates increasing simultaneously will continue?**

Actually, growth rates have been slowing down a lot; in the past twenty years, they've been roughly half of what they were in the preceding twenty years. This tendency toward lower growth will probably continue.

One cause is the enormous increase in the amount of unregulated, speculative capital. The figures are really astonishing. John Eatwell, one of the leading specialists in finance at Cambridge University, estimates that, in 1970, about 90% of international capital was used for trade and long-term investment -- more or less productive things -- and 10% for speculation. By 1990, those figures had reversed: 90% for speculation and 10% for trade and long-term investment.

Not only has there been radical change in the nature of unregulated financial capital, but the quantity has grown enormously. According to a recent World Bank estimate, \$14 *trillion* is now moving around the world, about \$1 trillion or so of which moves every *day*.

This huge amount of mostly speculative capital creates pressures for deflationary policies, because what speculative capital wants is low growth and low inflation. It's driving much of the world into a low-growth, low-wage equilibrium.

This is a tremendous attack against government efforts to stimulate the economy. Even in the richer societies, it's very difficult; in the poorer societies, it's hopeless. What happened with Clinton's trivial stimulus package was a good indication. It amounted to nothing -- \$19 billion, but it was shot down instantly.

**In the fall of 1993, the *Financial Times* [of London] trumpeted, "the public sector is in retreat everywhere." Is that true?**

It's largely true, but major parts of the public sector are alive and well -- in particular those parts that cater to the interests of the wealthy and the powerful. They're declining somewhat, but they're still very lively, and they're not going to disappear.

These developments have been going on for about twenty years now. They had to do with major changes in the international economy that became more or less crystallized by the early 1970s.

For one thing, US economic hegemony over the world had pretty much ended by then, and Europe and Japan had reemerged as major economic and political powers. The costs of the Vietnam War were very significant for the US economy, and extremely beneficial for its rivals. That tended to shift the world balance.

In any event, by the early 1970s, the US felt that it could no longer sustain its traditional role as -- essentially -- international banker. (This role was codified in the Bretton Woods agreements at the end of the Second World War, in which currencies were regulated relative to one another, and in which the de facto international currency, the US dollar, was fixed to gold.)

Nixon dismantled the Bretton Woods system around 1970. That led to tremendous growth in unregulated financial capital. That growth was rapidly accelerated by the short-term rise in the price of commodities like oil, which led to a huge flow of petrodollars into the international system. Furthermore, the telecommunications revolution made it extremely easy to transfer capital -- or, rather, the electronic equivalent of capital -- from one place to another.

There's also been a very substantial growth in the internationalization of production. It's now a lot easier than it was to shift production to foreign countries -- generally highly repressive ones -- where you get much cheaper labor. So a corporate executive who lives in Greenwich, Connecticut and whose corporate and bank headquarters are in New York City can have a factory somewhere in the Third World. The actual banking operations can take place in various offshore regions where you don't have to worry about supervision -- you can launder drug money or whatever you feel like doing. This has led to a totally different economy.

With the pressure on corporate profits that began in the early 1970s, a big attack was launched on the whole social contract that had developed through a century of struggle and that had been more or less codified around the end of the Second World War with the New Deal and the European social welfare states. The attack was led by the US and England, and by now has reached continental Europe.

It's led to a serious decline in unionization, which carries with it a decline in wages and other forms of protection, and to a very sharp polarization of the society, primarily in the US and Britain (but it's spreading).

Driving in to work this morning, I was listening to the BBC [the British Broadcasting Company, Britain's national broadcasting service]. They reported a new study that found that children living in workhouses a

century ago had better nutritional standards than millions of poor children in Britain today.

That's one of the grand achievements of [former British Prime Minister Margaret] Thatcher's revolution. She succeeded in devastating British society and destroying large parts of British manufacturing capacity. England is now one of the poorest countries in Europe -- not much above Spain and Portugal, and well below Italy.

The American achievement was rather similar. We're a much richer, more powerful country, so it isn't possible to achieve quite what Britain achieved. But the Reaganites succeeded in driving US wages down so far that we're now the second lowest of the major industrial countries, barely above Britain. Labor costs in Italy are about 20% higher than in the US, and in Germany they're maybe 60% higher.

Along with that goes a deterioration of the general social contract and a breakdown of the kind of public spending that benefits the less privileged. Needless to say, the kind of public spending that benefits the wealthy and the privileged -- which is enormous -- remains fairly stable.

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## "Free trade"

**My local newspaper, the Boulder [Colorado] *Daily Camera*, which is part of the Knight-Ridder chain, ran a series of questions and answers about GATT [the General Agreement on Tariffs and Trade]. They answered the question, Who would benefit from a GATT agreement? by writing, "Consumers would be the big winners." Does that track with your understanding?**

If they mean rich consumers -- yes, they'll gain. But much of the population will see a decline in wages, both in rich countries and poor ones. Take a look at NAFTA [the North American Free Trade Agreement], where the analyses have already been done. The day after NAFTA passed, the *New York Times* had its first article on its expected impact in the New York region. (Its conclusions apply to GATT too.)

It was a very upbeat article. They talked about how wonderful NAFTA was going to be. They said that finance and services will be particularly big winners. Banks, investment firms, PR firms, corporate law firms will do just great. Some manufacturers will also benefit -- for example, publishing and the chemical industry, which is highly capital-intensive, with not many workers to worry about.

Then they said, Well, there'll be some losers too: women, Hispanics, other minorities, and semi-skilled workers -- in other words, about two-thirds of the work force. But everyone else will do fine.

Just as anyone who was paying attention knew, the purpose of NAFTA was to create an even smaller sector of highly privileged people -- investors, professionals, managerial classes. (Bear in mind that this is a rich country, so this privileged sector, although smaller, still isn't tiny.) It will work fine for them, and the general population will suffer.

The prediction for Mexico is exactly the same. The leading financial journal in Mexico, which is very pro-NAFTA, estimated that Mexico would lose about 25% of its manufacturing capacity in the first few years and about 15% of its manufacturing labor force. In addition, cheap US agricultural exports are expected to drive several million people off the land. That's going to mean a substantial increase in the unemployed workforce in Mexico, which of course will drive down wages.

On top of that, union organizing is essentially impossible. Corporations can operate internationally, but unions can't -- so there's no way for the work force to fight back against the internationalization of production. The net effect is expected to be a decline in wealth and income for most people in Mexico and for most people in the US.

The strongest NAFTA advocates point that out in the small print. My colleague at MIT, Paul Krugman, is a specialist in international trade and, interestingly, one of the economists who's done some of the theoretical work showing why free trade doesn't work. He was nevertheless an enthusiastic advocate of NAFTA -- which is, I should stress, not a free trade agreement.

He agreed with the *Times* that unskilled workers -- about 70% of the work force -- would lose. The Clinton administration has various fantasies about retraining workers, but that would probably have very little impact. In any case, they're doing nothing about it.

The same thing is true of skilled white-collar workers. You can get software programmers in India who are very well trained at a fraction of the cost of Americans. Somebody involved in this business recently told me that Indian programmers are actually being brought to the US and put into what are kind of like slave labor camps and kept at Indian salaries -- a fraction of American salaries -- doing software development. So that kind of work can be farmed out just as easily.

The search for profit, when it's unconstrained and free from public control, will naturally try to repress people's lives as much as possible. The executives wouldn't be doing their jobs otherwise.

### **What accounted for all the opposition to NAFTA?**

The original expectation was that NAFTA would just sail through. Nobody would even know what it was. So it was signed in secret. It was put on a fast track in Congress, meaning essentially no discussion. There was virtually no media coverage. Who was going to know about a complex trade agreement?

That didn't work, and there are a number of reasons why it didn't. For one thing, the labor movement got organized for once and made an issue of it. Then there was this sort of maverick third-party candidate, Ross Perot, who managed to make it a public issue. And it turned out that as soon as the public learned anything about NAFTA, they were pretty much opposed.

I followed the media coverage on this, which was extremely interesting. Usually the media try to keep their class loyalties more or less in the background -- they try to pretend they don't have them. But on this issue, the bars were down. They went berserk, and toward the end, when it looked like NAFTA might not pass, they just turned into raving maniacs.

But despite this enormous media barrage and the government attack and huge amounts of corporate lobbying (which totally dwarfed all the other lobbying, of course), the level of opposition remained pretty stable. Roughly 60% or so of those who had an opinion remained opposed.

The same sort of media barrage influenced the Gore-Perot television debate. I didn't watch it, but friends who did thought Perot just wiped Gore off the map. But the media proclaimed that Gore won a massive victory.

In polls the next day, people were asked what they thought about the debate. The percentage who thought that Perot had been smashed was far higher than the percentage who'd seen the debate, which means that most people were being told what to think by the media, not coming to their own conclusions.

Incidentally, what was planned for NAFTA worked for GATT -- there was virtually no public opposition to it, or even awareness of it. It was rammed through in secret, as intended.

**What about the position people like us find ourselves in of being "against," of being "anti-," reactive rather than pro-active?**

NAFTA's a good case, because very few NAFTA critics were opposed to any agreement. Virtually everyone -- the labor movement, the Congressional Office of Technology Assessment (a major report that was suppressed) and other critics (including me) -- was saying there'd be nothing wrong with *a* North American Free Trade Agreement, but not this one. It should be different, and here are the ways in which it should be different -- in some detail. Even Perot had constructive proposals. But all that was suppressed.

What's left is the picture that, say, Anthony Lewis portrayed in the *Times*: jingoist fanatics screaming about NAFTA. Incidentally, what's called the left played the same game. James Galbraith is an economist at the University of Texas. He had an article in a sort of left-liberal journal, *World Policy Review*, in which he discussed an article in which I said the opposite of what he attributed to me (of course -- but that's typical).

Galbraith said there's this jingoist left -- nationalist fanatics -- who don't want Mexican workers to improve their lives. Then he went on about how the Mexicans are in favor of NAFTA. (True, if by "Mexicans" you mean Mexican industrialists and executives and corporate lawyers, not Mexican workers and peasants.)

All the way from people like James Galbraith and Anthony Lewis to way over to the right, you had this very useful fabrication -- that critics of NAFTA were reactive and negative and jingoist and against progress and just wanted to go back to old-time protectionism. When you have essentially total control of the information system, it's rather easy to convey that image. But it simply isn't true.

**Anthony Lewis also wrote, "The engine for [the world's] growth has been...vastly increased...international trade." Do you agree?**

His use of the word "trade," while conventional, is misleading. The latest figures available (from about ten years ago -- they're probably higher now) show that about 30% or 40% of what's called "world trade" is actually internal transfers within a corporation. I believe that about 70% of Japanese exports to the US are intrafirm transfers of this sort.

So, for example, Ford Motor Company will have components manufactured here in the US and then ship them for assembly to a plant in Mexico where the workers get much lower wages and where Ford doesn't have to worry about pollution, unions and all that nonsense. Then they ship the assembled part back here.

About half of what are called US exports to Mexico are intrafirm transfers of this sort. They don't enter the Mexican market, and there's no meaningful sense in which they're exports to Mexico. Still, that's called "trade."

The corporations that do this are huge totalitarian institutions, and they aren't governed by market principles -- in fact, they promote severe market distortions. For example, a US corporation that has an outlet in Puerto Rico may decide to take its profits in Puerto Rico, because of tax rebates. It shifts its prices around, using what's called "transfer pricing," so it doesn't seem to be making a profit here.

There are estimates of the scale of governmental operations that interfere with trade, but I know of no estimates of internal corporate interferences with market processes. They're no doubt vast in scale, and are sure to be extended by the trade agreements.

GATT and NAFTA ought to be called "investor rights agreements," not "free trade agreements." One of their main purposes is to extend the ability of corporations to carry out market-distorting operations internally.

So when people like [Clinton's National Security Advisor] Anthony Lake talk about enlarging market democracy, he's enlarging something, but it's not markets and it's not democracy.

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## Mexico (and South Central LA)

**I found the mainstream media coverage of Mexico during the NAFTA debate somewhat uneven. The *New York Times* has allowed in a number of articles that official corruption was -- and is -- widespread in Mexico. In fact, in one editorial, they virtually conceded that Salinas stole the 1988 presidential election. Why did that information come out?**

I think it's impossible to repress. Furthermore, there were scattered reports in the *Times* of popular protest against NAFTA. Tim Golden, their reporter in Mexico, had a story a couple of weeks before the vote, probably in early November [1993], in which he said that lots of Mexican workers were concerned that their wages would decline after NAFTA. Then came the punch line.

He said that that undercuts the position of people like Ross Perot and others who think that NAFTA is going to harm American workers for the benefit of Mexican workers. In other words, the fact that they're *all* going to get screwed was presented as a critique of the people who were opposing NAFTA here!

There was very little discussion here of the large-scale popular protest in Mexico, which included, for example, the largest non-governmental trade union. (The main trade union is about as independent as the Soviet trade unions were, but there are some independent ones, and they were opposed to the agreement.)

The environmental movements and most of the other popular movements were opposed. The Mexican Bishops' Conference strongly endorsed the position the Latin American bishops took when they met at Santa Domingo [in the Dominican Republic] in December 1992.

That meeting in Santa Domingo was the first major conference of Latin American bishops since the ones at Puebla [Mexico] and Medellín [Colombia] back in the 1960s and 1970s. The Vatican tried to control it this time to make sure that they wouldn't come out with these perverse ideas about liberation theology and the preferential option for the poor. But despite a very firm Vatican hand, the bishops came out quite strongly against neoliberalism and structural adjustment and these free-market-for-the-poor policies. That wasn't reported here, to my knowledge.

**There's been significant union-busting in Mexico.**

Ford and VW are two big examples. A few years ago, Ford simply fired its entire Mexican work force and would only rehire, at much lower wages, those who agreed not to join a union. Ford was backed in this by the always-ruling PRI [the Institutional Revolutionary Party, which has controlled Mexico since

the 1920s].

VW's case was pretty much the same. They fired workers who supported an independent union and only rehired, at lower wages, those who agreed not to support it.

A few weeks after the NAFTA vote in the US, workers at a GE and Honeywell plant in Mexico were fired for union activities. I don't know what the final outcome will be, but that's exactly the purpose of things like NAFTA.

**In early January [1994], you were asked by an editor at the *Washington Post* to submit an article on the New Year's Day uprising in Chiapas [a state at the southern tip of Mexico, next to Guatemala]. Was this the first time the *Post* had asked you to write something?**

It was the first time ever. I was kind of surprised, since I'm never asked to write for a national newspaper. So I wrote the article -- it was for the *Sunday Outlook* section -- but it didn't appear.

**Was there an explanation?**

No. It went to press, as far as I know. The editor who commissioned it called me, apparently after the deadline, to say that it looked OK to him but that it had simply been cancelled at some higher level. I don't know any more about it than that.

But I can guess. The article was about Chiapas, but it was also about NAFTA, and I think the *Washington Post* has been even more extreme than the *Times* in refusing to allow any discussion of that topic.

What happened in Chiapas doesn't come as very much of a surprise. At first, the government thought they'd just destroy the rebellion with tremendous violence, but then they backed off and decided to do it by more subtle violence, when nobody was looking. Part of the reason they backed off is surely their fear that there was just too much sympathy all over Mexico; if they were too up front about suppression, they'd cause themselves a lot of problems, all the way up to the US border.

The Mayan Indians in Chiapas are in many ways the most oppressed people in Mexico. Nevertheless, their problems are shared by a large majority of the Mexican population. This decade of neoliberal reforms has led to very little economic progress in Mexico but has sharply polarized the society. Labor's share in income has declined radically. The number of billionaires has shot up.

**In that unpublished *Post* article, you wrote that the protest of the Indian peasants in Chiapas gives "only a bare glimpse of time bombs waiting to explode, not only in Mexico." What did you have in mind?**

Take South Central Los Angeles, for example. In many respects, they are different societies, of course,

but there are points of similarity to the Chiapas rebellion. South Central LA is a place where people once had jobs and lives, and those have been destroyed -- in large part by the socio-economic processes we've been talking about.

For example, furniture factories went to Mexico, where they can pollute more cheaply. Military industry has somewhat declined. People used to have jobs in the steel industry, and they don't any more. So they rebelled.

The Chiapas rebellion was quite different. It was much more organized, and much more constructive. That's the difference between an utterly demoralized society like South Central Los Angeles and one that still retains some sort of integrity and community life.

When you look at consumption levels, doubtless the peasants in Chiapas are poorer than people in South Central LA. There are fewer television sets per capita. But by other, more significant criteria -- like social cohesion -- Chiapas is considerably more advanced. In the US, we've succeeded not only in polarizing communities but also in destroying their structures. That's why you have such rampant violence.

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## Haiti

**Let's stay in Latin America and the Caribbean, which [former US Secretary of War and of State] Henry Stimson called "our little region over here which has never bothered anyone." Jean-Bertrand Aristide was elected president of Haiti in what's been widely described as a free and democratic election. Would you comment on what's happened since?**

When Aristide won in December 1990 (he took office in February, 1991), it was a big surprise. He was swept into power by a network of popular grassroots organizations, what was called *Lavalas* -- the flood -- which outside observers just weren't aware of (since they don't pay attention to what happens among poor people). There had been very extensive and very successful organizing, and out of nowhere came this massive popular organization that managed to sweep their candidate into power.

The US was willing to support a democratic election, figuring that its candidate, a former World Bank official named Marc Bazin, would easily win. He had all the resources and support, and it looked like a shoe-in. He ended up getting 14% of the vote, and Aristide got about 67%.

The only question in the mind of anybody who knows a little history should have been, How is the US going to get rid of Aristide? The disaster became even worse in the first seven months of Aristide's office. There were some really amazing developments.

Haiti is, of course, an extremely impoverished country, with awful conditions. Aristide was nevertheless beginning to get places. He was able to reduce corruption extensively, and to trim a highly bloated state bureaucracy. He won a lot of international praise for this, even from the international lending institutions, which were offering him loans and preferential terms because they liked what he was doing.

Furthermore, he cut back on drug trafficking. The flow of refugees to the US virtually stopped. Atrocities were reduced to way below what they had been or would become. There was a considerable degree of popular engagement in what was going on, although the contradictions were already beginning to show up, and there were constraints on what he could do.

All of this made Aristide even more unacceptable from the US point of view, and we tried to undermine him through what were called -- naturally -- "democracy-enhancing programs." The US, which had never cared at all about centralization of power in Haiti when its own favored dictators were in charge, all of a sudden began setting up alternative institutions that aimed at undermining executive power, supposedly in the interests of greater democracy. A number of these alleged human rights and labor groups became

the governing authorities after the coup, which came on September 30, 1991.

In response to the coup, the Organization of American States declared an embargo of Haiti; the US joined it, but with obvious reluctance. The Bush administration focused attention on Aristide's alleged atrocities and undemocratic activities, downplaying the major atrocities which took place right after the coup. The media went along with Bush's line, of course. While people were getting slaughtered in the streets of Port-au-Prince [Haiti's capital], the media concentrated on alleged human rights abuses under the Aristide government.

Refugees started fleeing again, because the situation was deteriorating so rapidly. The Bush administration blocked them -- instituted a blockade, in effect -- to send them back. Within a couple of months, the Bush administration had already undermined the embargo by allowing a minor exception -- US-owned companies would be permitted to ignore it. The *New York Times* called that "fine-tuning" the embargo to improve the restoration of democracy!

Meanwhile, the US, which is known to be able to exert pressure when it feels like it, found no way to influence anyone else to observe the embargo, including the Dominican Republic next door. The whole thing was mostly a farce. pretty soon Marc Bazin, the US candidate, was in power as prime minister, with the ruling generals behind him. That year -- 1992 -- US trade with Haiti was not very much below the norm, despite the so-called embargo (Commerce Department figures showed that, but I don't think the press ever reported it).

During the 1992 campaign, Clinton bitterly attacked the Bush administration for its inhuman policy of returning refugees to this torture chamber -- which is, incidentally, a flat violation of the Universal Declaration of Human Rights, which we claim to uphold. Clinton claimed he was going to change all that, but his first act after being elected, even before he took office, was to impose even harsher measures to force fleeing refugees back into this hellhole.

Ever since then, it's simply been a matter of seeing what kind of finessing will be carried out to ensure that Haiti's popularly elected government doesn't come back into office. It doesn't have much longer to run [the next elections are scheduled for December, 1995], so the US has more or less won that game.

Meanwhile, the terror and atrocities increase. The popular organizations are getting decimated. Although the so-called embargo is still in place, US trade continues and, in fact, went up about 50% under Clinton. Haiti, a starving island, is exporting food to the US -- about 35 times as much under Clinton as it did under Bush.

Baseballs are coming along nicely. They're produced in US-owned factories where the women who make them get 10¢ an hour -- if they meet their quota. Since meeting the quota is virtually impossible, they actually make something like 5¢ an hour.

Softballs from Haiti are advertised in the US as being unusually good because they're hand-dipped into

some chemical that makes them hang together properly. The ads don't mention that the chemical the women hand-dip the balls into is toxic and that, as a result, the women don't last very long at this work.

**In his exile, Aristide has been asked to make concessions to the military junta.**

And to the right-wing business community.

**That's kind of curious. For the victim -- the aggrieved party -- to make concessions to his victimizer.**

It's perfectly understandable. The Aristide government had entirely the wrong base of support. The US has tried for a long time to get him to "broaden his government in the interests of democracy."

This means throw out the two-thirds of the population that voted for him and bring in what are called "moderate" elements of the business community -- the local owners or managers of those textile and baseball-producing plants, and those who are linked up with US agribusiness. When they're not in power, it's not democratic.

(The extremist elements of the business community think you ought to just slaughter everybody and cut them to pieces and hack off their faces and leave them in ditches. The moderates think you ought to have them working in your assembly plants for 14¢ an hour under indescribable conditions.)

Bring the moderates in and give them power and then we'll have a real democracy. Unfortunately, Aristide -- being kind of backward and disruptive -- has not been willing to go along with that.

Clinton's policy has gotten so cynical and outrageous that he's lost almost all major domestic support on it. Even the mainstream press is denouncing him at this point. So there will have to be some cosmetic changes made. But unless there's an awful lot of popular pressure, our policies will continue and pretty soon we'll have the "moderates" in power.

**Let's say Aristide is "restored." Given the destruction of popular organizations and the devastation of civil society, what are his and the country's prospects?**

Some of the closest observation of this has been done by Americas Watch [a US-based human-rights monitoring organization]. They gave an answer to that question that I thought was plausible. In early 1993, they said that things were reaching the point that even if Aristide were restored, the lively, vibrant civil society based on grassroots organizations that had brought him to power would have been so decimated that it's unlikely that he'd have the popular support to do anything anyway.

I don't know if that's true or not. Nobody knows, any more than anyone knew how powerful those groups were in the first place. Human beings have reserves of courage that are often hard to imagine. But I think that's the plan -- to decimate the organizations, to intimidate people so much that it won't matter if you

have democratic elections.

There was an interesting conference run by the Jesuits in El Salvador several months before the Salvadoran elections; its final report came out in January [1994]. They were talking about the buildup to the elections and the ongoing terror, which was substantial. They said that the long-term effect of terror -- something they've had plenty of experience with -- is to domesticate people's aspirations, to make them think there's no alternative, to drive out any hope. Once you've done that, you can have elections without too much fear.

If people are sufficiently intimidated, if the popular organizations are sufficiently destroyed, if the people have had it beaten into their heads that either they accept the rule of those with the guns or else they live and die in unrelieved misery, then your elections will all come out the way you want. And everybody will cheer.

**Cuban refugees are considered political and are accepted immediately into the US, while Haitian refugees are termed economic and are refused entry.**

If you look at the records, many Haitians who are refused asylum in the US because they aren't considered to be political refugees are found a few days later hacked to pieces in the streets of Haiti.

There were a couple of interesting leaks from the INS [the Immigration and Naturalization Service]. One was from an INS officer who'd been working in our embassy in Port-au-Prince. In an interview with Dennis Bernstein of KPFA [a listener-supported radio station in Berkeley CA], he described in detail how they weren't even making the most perfunctory efforts to check the credentials of people who were applying for political asylum.

At about the same time, a document was leaked from the US interests section in Havana (which reviews applications for asylum in the US) in which they complain that they can't find genuine political asylum cases. The applicants they get can't really claim any serious persecution. At most they claim various kinds of harassment, which aren't enough to qualify them. So -- there are the two cases, side by side.

I should mention that the US Justice Department has just made a slight change in US law which makes our violation of international law and the Universal Declaration of Human Rights even more grotesque. Now Haitian refugees who, by some miracle, reach US territorial waters can be shipped back. That's never been allowed before. I doubt that many other countries allow that.

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## Nicaragua

**You recall the uproar in the 1980s about how the Sandinistas were abusing the Miskito Indians on Nicaragua's Atlantic coast. president Reagan, in his inimitable, understated style, said it was "a campaign of virtual genocide." UN Ambassador Jeane Kirkpatrick was a bit more restrained; she called it the "most massive human rights violation in Central America." What's happening now with the Miskitos?**

Reagan and Kirkpatrick were talking about an incident in which, according to Americas Watch, several dozen Miskitos were killed and a lot of people were forcefully moved in a rather ugly way in the course of the contra war. The US terrorist forces were moving into the area and this was the Sandinista's reaction.

It was certainly an atrocity, but it's not even visible compared to the ones Jeane Kirkpatrick was celebrating in the neighboring countries at the time -- and in Nicaragua, where the overwhelming mass of the atrocities were committed by the so-called "freedom fighters."

What's happening to the Miskitos now? When I was in Nicaragua in October 1993, church sources -- the Christian Evangelical Church, primarily, which works in the Atlantic coast -- were reporting that 100,000 Miskitos were starving to death as a result of the policies we were imposing on Nicaragua. Not a word about it in the media here. (More recently, it did get some slight reporting.)

People here are worrying about the fact that one typical consequence of US victories in the Third World is that the countries where we win immediately become big centers for drug flow. There are good reasons for that -- it's part of the market system we impose on them.

Nicaragua has become a major drug transshipment center. A lot of the drugs go through the Atlantic coast, now that Nicaragua's whole governmental system has collapsed. Drug transshipment areas usually breed major drug epidemics, and there's one among the Miskitos, primarily among the men who dive for lobsters and other shellfish.

Both in Nicaragua and Honduras, these Miskito Indian divers are compelled by economic circumstances to do very deep diving without equipment. Their brains get smashed and they quickly die. In order to try to maintain their work rate, the divers stuff themselves with cocaine. It helps them bear the pain.

There's concern about drugs here, so *that* story got into the press. But of course nobody cares much about

the working conditions. After all, it's a standard free-market technique. You've got plenty of superfluous people, so you make them work under horrendous conditions; when they die, you just bring in others.

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## China

**Let's talk about human rights in one of our major trading partners -- China.**

During the Asia Pacific summit in Seattle [in November, 1993], Clinton announced that we'd be sending more high-tech equipment to China. This was in violation of a ban that was imposed to punish China for its involvement in nuclear and missile proliferation. The executive branch decided to "reinterpret" the ban, so we could send China nuclear generators, sophisticated satellites and supercomputers.

Right in the midst of that summit, a little tiny report appeared in the papers. In booming Kwangdong province, the economic miracle of China, 81 women were burned to death because they were locked into a factory. A couple of weeks later, 60 workers were killed in a Hong Kong-owned factory. China's Labor Ministry reported that 11,000 workers had been killed in industrial accidents just in the first eight months of 1993 -- twice as many as in the preceding year.

These sort of practices never enter the human rights debate, but there's been a big hullabaloo about the use of prison labor -- front-page stories in the *Times*. What's the difference? Very simple. Because prison labor is state enterprise, it doesn't contribute to private profit. In fact, it undermines private profit, because it competes with private industry. But locking women into factories where they burn to death contributes to private profit.

So prison labor is a human rights violation, but there's no right not to be burned to death. We have to maximize profit. From that principle, everything follows.

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## Russia

**Radio listener:** *I'd like to ask about US support for Yeltsin vs. democracy in Russia.*

Yeltsin was the tough, autocratic Communist Party boss of Sverdlovsk. He's filled his administration with the old party hacks who ran things for him under the earlier Soviet system. The West likes him a lot because he's ruthless and because he's willing to ram through what are called "reforms" (a nice-sounding word).

These "reforms" are designed to return the former Soviet Union to the Third World status it had for the five hundred years before the Bolshevik Revolution. The Cold War was largely about the demand that this huge region of the world once again become what it had been -- an area of resources, markets and cheap labor for the West.

Yeltsin is leading the pack on pushing the "reforms." Therefore he's a "democrat." That's what we call a democrat anywhere in the world -- someone who follows the Western business agenda.

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## Dead children and debt service

**After you returned from a recent trip to Nicaragua, you told me it's becoming more difficult to tell the difference between economists and Nazi doctors. What did you mean by that?**

There's a report from UNESCO (which I didn't see reported in the US media) that estimated the human cost of the "reforms" that aim to return Eastern Europe to its Third World status.

UNESCO estimates that about a half a million deaths a year in Russia since 1989 are the direct result of the reforms, caused by the collapse of health services, the increase in disease, the increase in malnutrition and so on. Killing half a million people a year -- that's a fairly substantial achievement for reformers.

The figures are similar, but not quite as bad, in the rest of Eastern Europe. In the Third World, the numbers are fantastic. For example, another UNESCO report estimated that about half a million children in Africa die every year simply from debt service. Not from the whole array of reforms -- just from interest on their countries' debts.

It's estimated that about eleven million children die every year from easily curable diseases, most of which could be overcome by treatments that cost a couple of cents. But the economists tell us that to do this would be interference with the market system.

There's nothing new about this. It's very reminiscent of the British economists who, during the Irish potato famine in the mid-nineteenth century, dictated that Ireland must export food to Britain -- which it did right through the famine -- and that it shouldn't be given food aid because that would violate the sacred principles of political economy. These policies always happen to have the curious property of benefiting the wealthy and harming the poor.

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# *Historical background*

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## **How the Nazis won the war**

**In his book *Blowback*, Chris Simpson described Operation Paper Clip, which involved the importation of large numbers of known Nazi war criminals, rocket scientists, camp guards, etc.**

There was also an operation involving the Vatican, the US State Department and British intelligence, which took some of the worst Nazi criminals and used them, at first in Europe. For example, Klaus Barbie, the butcher of Lyon [France], was taken over by US intelligence and put back to work.

Later, when this became an issue, some of his US supervisors didn't understand what the fuss was all about. After all, we'd moved in -- we'd replaced the Germans. We needed a guy who would attack the left-wing resistance, and here was a specialist. That's what he'd been doing for the Nazis, so who better could we find to do exactly the same job for us?

When the Americans could no longer protect Barbie, they moved him over to the Vatican-run "ratline," where Croatian Nazi priests and others managed to spirit him off to Latin America. There he continued his career. He became a big drug lord and narcotrafficker, and was involved in a military coup in Bolivia -- all with US support.

But Barbie was basically small potatoes. This was a big operation, involving many top Nazis. We managed to get Walter Rauff, the guy who created the gas chambers, off to Chile. Others went to fascist Spain.

General Reinhard Gehlen was the head of German military intelligence on the eastern front. That's where the real war crimes were. Now we're talking about Auschwitz and other death camps. Gehlen and his network of spies and terrorists were taken over quickly by American intelligence and returned to essentially the same roles.

If you look at the American army's counterinsurgency literature (a lot of which is now declassified), it begins with an analysis of the German experience in Europe, written with the cooperation of Nazi officers. Everything is described from the point of view of the Nazis -- which techniques for controlling resistance worked, which ones didn't. With barely a change, that was transmuted into American counterinsurgency literature. (This is discussed at some length by Michael McClintock in *Instruments of Statecraft*, a very good book that I've never seen reviewed.)

The US left behind armies the Nazis had established in Eastern Europe, and continued to support them at least into the early 1950s. By then the Russians had penetrated American intelligence, so the air drops didn't work very well any more.

**You've said that if a real post-World War II history were ever written, this would be the first chapter.**

It would be a part of the first chapter. Recruiting Nazi war criminals and saving them is bad enough, but imitating their activities is worse. So the first chapter would primarily describe US -- and some British -- operations throughout the world that aimed to destroy the anti-fascist resistance and restore the traditional, essentially fascist, order to power. (I've also discussed this in an earlier book in this series, *What Uncle Sam Really Wants*.)

In Korea (where we ran the operation alone), restoring the traditional order meant killing about 100,000 people just in the late 1940s, before the Korean War began. In Greece, it meant destroying the peasant and worker base of the anti-Nazi resistance and restoring Nazi collaborators to power.

When British and then American troops moved into southern Italy, they simply reinstated the fascist order -- the industrialists. But the big problem came when the troops got to the north, which the Italian resistance had already liberated. The place was functioning -- industry was running. We had to dismantle all of that and restore the old order.

Our big criticism of the resistance was that they were displacing the old owners in favor of workers' and community control. Britain and the US called this "arbitrary replacement" of the legitimate owners. The resistance was also giving jobs to more people than were strictly needed for the greatest economic efficiency (that is, for maximum profit-making). We called this "hiring excess workers."

In other words, the resistance was trying to democratize the workplace and to take care of the population. That was understandable, since many Italians were starving. But starving people were their problem -- our problem was to eliminate the hiring of excess workers and the arbitrary dismissal of owners, which we did.

Next we worked on destroying the democratic process. The left was obviously going to win the elections; it had a lot of prestige from the resistance, and the traditional conservative order had been discredited. The US wouldn't tolerate that. At its first meeting, in 1947, the National Security Council decided to

withhold food and use other sorts of pressure to undermine the election.

But what if the communists still won? In its first report, NSC 1, the council made plans for that contingency: the US would declare a national emergency, put the Sixth Fleet on alert in the Mediterranean and support paramilitary activities to overthrow the Italian government.

That's a pattern that's been relived over and over. If you look at France and Germany and Japan, you get pretty much the same story. Nicaragua is another case. You strangle them, you starve them, and then you have an election and everybody talks about how wonderful democracy is.

The person who opened up this topic (as he did many others) was Gabriel Kolko, in his classic book *Politics of War* in 1968. It was mostly ignored, but it's a terrific piece of work. A lot of the documents weren't around then, but his picture turns out to be quite accurate.

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## Chile

**Richard Nixon's death generated much fanfare. Henry Kissinger said in his eulogy: "The world is a better place, a safer place, because of Richard Nixon." I'm sure he was thinking of Laos, Cambodia and Vietnam. But let's focus on one place that wasn't mentioned in all the media hoopla -- Chile -- and see how it's a "better, safer place." In early September 1970, Salvador Allende was elected president of Chile in a democratic election. What were his politics?**

He was basically a social democrat, very much of the European type. He was calling for minor redistribution of wealth, to help the poor. (Chile was a very inegalitarian society.) Allende was a doctor, and one of the things he did was to institute a free milk program for half a million very poor, malnourished children. He called for nationalization of major industries like copper mining, and for a policy of international independence -- meaning that Chile wouldn't simply subordinate itself to the US, but would take more of an independent path.

**Was the election he won free and democratic?**

Not entirely, because there were major efforts to disrupt it, mainly by the US. It wasn't the first time the US had done that. For example, our government intervened massively to prevent Allende from winning the preceding election, in 1964. In fact, when the Church Committee investigated years later, they discovered that the US spent more money per capita to get the candidate it favored elected in Chile in 1964 than was spent by both candidates (Johnson and Goldwater) in the 1964 election in the US!

Similar measures were undertaken in 1970 to try to prevent a free and democratic election. There was a huge amount of black propaganda about how if Allende won, mothers would be sending their children off to Russia to become slaves -- stuff like that. The US also threatened to destroy the economy, which it could -- and did -- do.

**Nevertheless, Allende won. A few days after his victory, Nixon called in CIA Director Richard Helms, Kissinger and others for a meeting on Chile. Can you describe what happened?**

As Helms reported in his notes, there were two points of view. The "soft line" was, in Nixon's words, to "make the economy scream." The "hard line" was simply to aim for a military coup.

Our ambassador to Chile, Edward Korry, who was a Kennedy liberal type, was given the job of implementing the "soft line." Here's how he described his task: "to do all within our power to condemn

Chile and the Chileans to utmost deprivation and poverty." That was the soft line.

**There was a massive destabilization and disinformation campaign. The CIA planted stories in *El Mercurio* [Chile's most prominent paper] and fomented labor unrest and strikes.**

They really pulled out the stops on this one. Later, when the military coup finally came [in September, 1973] and the government was overthrown -- and thousands of people were being imprisoned, tortured and slaughtered -- the economic aid which had been cancelled immediately began to flow again. As a reward for the military junta's achievement in reversing Chilean democracy, the US gave massive support to the new government.

Our ambassador to Chile brought up the question of torture to Kissinger. Kissinger rebuked him sharply -- saying something like, Don't give me any of those political science lectures. We don't care about torture -- we care about important things. Then he explained what the important things were.

Kissinger said he was concerned that the success of social democracy in Chile would be contagious. It would infect southern Europe -- southern Italy, for example -- and would lead to the possible success of what was then called Eurocommunism (meaning that Communist parties would hook up with social democratic parties in a united front).

Actually, the Kremlin was just as much opposed to Eurocommunism as Kissinger was, but this gives you a very clear picture of what the domino theory is all about. Even Kissinger, mad as he is, didn't believe that Chilean armies were going to descend on Rome. It wasn't going to be that kind of an influence. He was worried that successful economic development, where the economy produces benefits for the general population -- not just profits for private corporations -- would have a contagious effect.

In those comments, Kissinger revealed the basic story of US foreign policy for decades.

**You see that pattern repeating itself in Nicaragua in the 1980s.**

Everywhere. The same was true in Vietnam, in Cuba, in Guatemala, in Greece. That's always the worry -- the threat of a good example.

**Kissinger also said, again speaking about Chile, "I don't see why we should have to stand by and let a country go Communist due to the irresponsibility of its own people."**

As the *Economist* put it, we should make sure that policy is insulated from politics. If people are irresponsible, they should just be cut out of the system.

**In recent years, Chile's economic growth rate has been heralded in the press.**

Chile's economy isn't doing badly, but it's based almost entirely on exports -- fruit, copper and so on --

and thus is very vulnerable to world markets.

There was a really funny pair of stories yesterday. The *New York Times* had one about how everyone in Chile is so happy and satisfied with the political system that nobody's paying much attention to the upcoming election.

But the London *Financial Times* (which is the world's most influential business paper, and hardly radical) took exactly the opposite tack. They cited polls that showed that 75% of the population was very "disgruntled" with the political system (which allows no options).

There is indeed apathy about the election, but that's a reflection of the breakdown of Chile's social structure. Chile was a very vibrant, lively, democratic society for many, many years -- into the early 1970s. Then, through a reign of fascist terror, it was essentially depoliticized. The breakdown of social relations is pretty striking. People work alone, and just try to fend for themselves. The retreat into individualism and personal gain is the basis for the political apathy.

Nathaniel Nash wrote the *Times'* Chile story. He said that many Chileans have painful memories of Salvador Allende's fiery speeches, which led to the coup in which thousands of people were killed [including Allende]. Notice that they don't have painful memories of the torture, of the fascist terror -- just of Allende's speeches as a popular candidate.

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## Cambodia

### Would you talk a little about the notion of unworthy vs. worthy victims?

[*NY Newsday* columnist and former *New York Times* reporter] Sidney Schanberg wrote an op-ed piece in the *Boston Globe* in which he blasted Senator Kerry of Massachusetts for being two-faced because Kerry refused to concede that the Vietnamese have not been entirely forthcoming about American POWs. Nobody, according to Schanberg, is willing to tell the truth about this.

He says the government ought to finally have the honesty to say that it left Indochina without accounting for all the Americans. Of course, it wouldn't occur to him to suggest that the government should be honest enough to say that we killed a couple of million people and destroyed three countries and left them in total wreckage and have been strangling them ever since.

It's particularly striking that this is Sidney Schanberg, a person of utter depravity. He's regarded as the great conscience of the press because of his courage in exposing the crimes of our official enemies -- namely, Pol Pot [leader of Cambodia's Khmer Rouge rebel army]. He also happened to be the main US reporter in Phnom Penh [Cambodia's capital] in 1973. This was at the peak of the US bombardment of inner Cambodia, when hundreds of thousands of people (according to the best estimates) were being killed and the society was being wiped out.

Nobody knows very much about the bombing campaign and its effects because people like Sidney Schanberg refused to cover it. It wouldn't have been hard for him to cover it. He wouldn't have to go trekking off into the jungle -- he could walk across the street from his fancy hotel in Phnom Penh and talk to any of the hundreds of thousands of refugees who'd been driven from the countryside into the city.

I went through all of his reporting -- it's reviewed in detail in *Manufacturing Consent*, my book with Edward Herman [currently editor of *Lies of Our Times*]. You'll find a few scattered sentences here and there about the bombing, but not a single interview with the refugees.

There is one American atrocity he did report (for about three days); *The Killing Fields*, the movie that's based on his story, opens by describing it. What's the one report? American planes hit the wrong village -- a government village. That's an atrocity; that he covered. How about when they hit the right village? We don't care about that.

Incidentally, the United States' own record with POWs has been atrocious -- not only in Vietnam, where

it was monstrous, but in Korea, where it was even worse. And after WW II, we kept POWs illegally under confinement, as did the British.

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## World War II POWs

***Other Losses*, a Canadian book, alleges it was official US policy to withhold food from German prisoners in World War II. Many of them supposedly starved to death.**

That's James Bacque's book. There's been a lot of controversy about the details, and I'm not sure what the facts of the matter are. On the other hand, there are things about which there's no controversy. Ed Herman and I wrote about them back in the late 1970s.

Basically, the Americans ran what were called "re-education camps" for German POWs (the name was ultimately changed to something equally Orwellian). These camps were hailed as a tremendous example of our humanitarianism, because we were teaching the prisoners democratic ways (in other words, we were indoctrinating them into accepting our beliefs).

The prisoners were treated very brutally, starved, etc. Since these camps were in gross violation of international conventions, they were kept secret. We were afraid that the Germans might retaliate and treat American prisoners the same way.

Furthermore, the camps continued after the war; I forget for how long, but I think the US kept German POWs until mid-1946. They were used for forced labor, beaten and killed. It was even worse in England. They kept their German POWs until mid-1948. It was all totally illegal.

Finally, there was public reaction in Britain. The person who started it off was Peggy Duff, a marvelous woman who died a couple of years ago. She was later one of the leading figures in the CND [the Campaign for Nuclear Disarmament] and the international peace movement during the 1960s and 1970s, but she started off her career with a protest against the treatment of German POWs.

Incidentally, why only German POWs? What about the Italians? Germany's a very efficient country, so they've published volumes of documents on what happened to their POWs. But Italy's sort of laid back, so there was no research on their POWs. We don't know anything about them, although they were surely treated much worse.

When I was a kid, there was a POW camp right next to my high school. There were conflicts among the students over the issue of taunting the prisoners. The students couldn't physically attack the prisoners, because they were behind a barrier, but they threw things at them and taunted them. There were a group of us who thought this was horrifying and objected to it, but there weren't many.

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# *Miscellaneous topics*

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## **Consumption vs. well-being**

**The United States, with 5% of the world's population, consumes 40% of the world's resources. You don't have to be a genius to figure out what that's leading to.**

For one thing, a lot of that consumption is artificially induced -- it doesn't have to do with people's real wants and needs. People would probably be better off and happier if they didn't have a lot of those things.

If you measure economic health by profits, then such consumption is healthy. If you measure the consumption by what it means to people, it's very unhealthy, particularly in the long term.

A huge amount of business propaganda -- that is, the output of the public relations and advertising industry -- is simply an effort to create wants. This has been well understood for a long time; in fact, it goes back to the early days of the Industrial Revolution.

For another thing, those who have more money tend to consume more, for obvious reasons. So consumption is skewed towards luxuries for the wealthy rather than towards necessities for the poor. That's true within the US and on a global scale as well. The richer countries are the higher consumers by a large measure, and within the richer countries, the wealthy are higher consumers by a large measure.

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## Cooperative enterprises

**There's a social experiment in Mondragón in the Basque region of Spain. Can you describe it?**

Mondragón is basically a very large worker-owned cooperative with many different industries in it, including some fairly sophisticated manufacturing. It's economically quite successful, but since it's inserted into a capitalist economy, it's no more committed to sustainable growth than any other part of the capitalist economy is.

Internally, it's not worker-controlled -- it's manager-controlled. So it's a mixture of what's sometimes called industrial democracy -- which means ownership, at least in principle, by the work force -- along with elements of hierarchic domination and control (as opposed to worker management).

I mentioned earlier that businesses are about as close to strict totalitarian structures as any human institutions are. Something like Mondragón is considerably less so.

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## The coming eco-catastrophe

**Radio listener:** *What's happening in the growing economies in Southeast Asia, China, etc.? Is it going to be another example of capitalist exploitation, or can we expect to see some kind of change in their awareness?*

Right now, it's catastrophic. In countries like Thailand or China, ecological catastrophes are looming. These are countries where growth is being fueled by multinational investors for whom the environment is what's called an "externality" (which means you don't pay any attention to it). So if you destroy the forests in Thailand, say, that's OK as long as you make a short-term profit out of it.

In China, the disasters which lie not too far ahead could be extraordinary -- simply because of the country's size. The same is true throughout Southeast Asia.

*But when the environmental pressures become such that the very survival of people is jeopardized, do you see any change in the actions?*

Not unless people react. If power is left in the hands of transnational investors, the people will just die.

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## Nuclear power

**At a conference in Washington DC, a woman in the audience got up and decried the fact that you're in favor of nuclear power. Are you?**

No. I don't think anybody's in favor of nuclear power, even business, because it's too expensive. But what I am in favor of is being rational on the topic. That means recognizing that the question of nuclear power isn't a moral one -- it's a technical one. You have to ask what the consequences of nuclear power are, versus the alternatives.

There's a range of other alternatives, including conservation, solar and so on. Each has its own advantages and disadvantages. But imagine that the only alternatives were hydrocarbons and nuclear power. If you had to have one or the other, you'd have to ask yourself which is more dangerous to the environment, to human life, to human society. It's not an entirely simple question.

For example, suppose that fusion were a feasible alternative. It could turn out to be nonpolluting. But there are also negative factors. Any form of nuclear power involves quite serious problems of radioactive waste disposal, and can also contribute to nuclear weapons proliferation. Fusion would require a high degree of centralization of state power too.

On the other hand, the hydrocarbon industry, which is highly polluting, also promotes centralization. The energy corporations are some of the biggest in the world, and the Pentagon system is constructed to a significant degree to maintain their power.

In other words, there are questions that have to be thought through. They're not simple.

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## The family

**You've suggested that, to further democracy, people should be "seeking out authoritarian structures and challenging them, eliminating any form of absolute power and hierarchic power." How would that work in a family structure?**

In any structure, including a family structure, there are various forms of authority. A patriarchal family may have very rigid authority, with the father setting rules that others adhere to, and in some cases even administering severe punishment if there's a violation of them.

There are other hierarchical relations among siblings, between the mother and father, gender relations, and so on. These all have to be questioned. Sometimes I think you'll find that there's a legitimate claim to authority -- that is, the challenge to authority can sometimes be met. But the burden of proof is always on the authority.

So, for example, some form of control over children is justified. It's fair to prevent a child from putting his or her hand in the oven, say, or from running across the street in traffic. It's proper to place clear bounds on children. They want them -- they want to understand where they are in the world.

However, all of these things have to be done with sensitivity and with self-awareness and with the recognition that any authoritarian role requires justification. It's never self-justifying.

**When does a child get to the point where the parent doesn't need to provide authority?**

I don't think there are formulas for this. For one thing, we don't have solid scientific knowledge and understanding of these things. A mixture of experience and intuition, plus a certain amount of study, yields a limited framework of understanding (about which people may certainly differ). And there are also plenty of individual differences.

So I don't think there's a simple answer to that question. The growth of autonomy and self-control, and expansion of the range of legitimate choices, and the ability to exercise them -- that's growing up.

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# What you can do

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**Radio listener:** *Taking it down to the individual, personal level, I got a notice in my public service bill that said they're asking for a rate hike. I work, and I really don't have the time to sit down and write a letter of protest. This happens all the time, and not just with me. Most people don't have time to be active politically to change something. So those rate hikes go through without anybody ever really pointing out what's going on. I've often wondered why there isn't a limitation on the amount of profit any business can make (I know this probably isn't democratic).*

I think it's highly democratic. There's nothing in the principle of democracy that says that power and wealth should be so highly concentrated that democracy becomes a sham.

But your first point is quite correct. If you're a working person, you just don't have time -- alone -- to take on the power company. That's exactly what organization is about. That's exactly what unions are for, and political parties that are based on working people.

If such a party were around, they'd be the ones speaking up for you and telling the truth about what's going on with the rate hike. Then they'd be denounced by the Anthony Lewises of the world for being anti-democratic -- in other words, for representing popular interests rather than power interests.

**Radio listener:** *I'm afraid there may be a saturation point of despair just from knowing the heaviness of the truth that you impart. I'd like to strongly lobby you to begin devoting maybe 10% or 15% of your appearances or books or articles towards tangible, detailed things that people can do to try to change the world. I've heard a few occasions where someone asks you that question and your response is, Organize. Just do it.*

I try to keep it in the back of my mind and think about it, but I'm afraid that the answer is always the same. There is only one way to deal with these things. Being alone, you can't do anything. All you can do is deplore the situation.

But if you join with other people, you can make changes. Millions of things are possible, depending on where you want to put your efforts.

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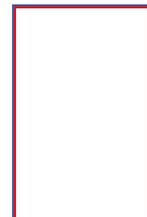
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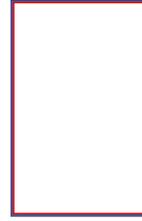
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**Market Democracy in a Neoliberal Order: Doctrines and Reality** - Davie Lecture, University of Cape Town (5/97) From ZNet

**The Passion for Free Markets** - *Exporting American values through the new World Trade Organization* (5/97) From ZNet

**A Painful Peace** - The Oslo II peace agreement

**No Longer Safe** - Overview of the situation in the Middle East in the wake of the World Trade Center bombing. (5/93)

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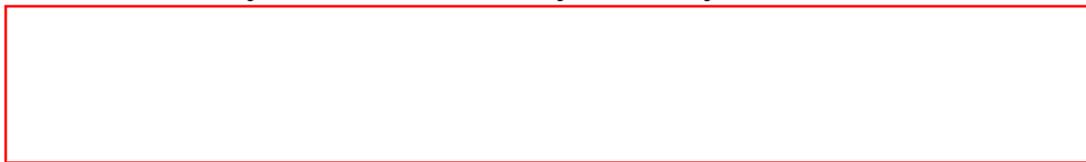
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[\*\*Naomi Chase interviews Chomsky\*\*](#) on linguistics and human nature. (1992)

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[\*\*The Middle East Hour\*\*](#) (11/91)

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[\*\*Interview with David Barsamian\*\*](#) - On the Cold War, economy, El Salvador, Israel (12/89)

[\*\*Q&A from the Massey Lectures\*\*](#) - Chomsky fields questions from a panel of journalists on his analysis of the media. (12/88)

[\*\*The Soviet Union Versus Socialism\*\*](#) - A succinct dissection of Marxism-Leninism. (1986)

[\*\*Chomsky debates John Silber\*\*](#) on U.S. intervention in Latin America. (1986)

[\*\*The Chorus and Cassandra\*\*](#) - Christopher Hitchens defends Chomsky on Cambodia, Faurisson, and the Middle East. (1985)

[Democracy and Education](#) - Mellon Lecture at Loyola University (10/94)

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[WRCT Interview](#) - On NAFTA, the media, activism, the Internet, Haiti, Chiapas, Bosnia, and Burundi (3/94)

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[His Right to Say It](#) - Chomsky explains his defense of Faurisson. (1981)

[Some Elementary Comments on the Rights of Freedom of Expression](#) - Defense of Robert Faurisson's civil rights. (1980)

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[Leninism and State Capitalism](#) - An excerpt from "Intellectuals and the State" (1977)

[Notes On Anarchism](#) - Introduction to Daniel Guérin's *Anarchism: From Theory to Practice*. (1970)

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New World Media and ZNet are proud to bring you a comprehensive collection of Chomsky's political work -- over *ten* megabytes of text and *seven* hours of audio! The [ZNet](#) web site hosts [Z Magazine](#) and [South End Press](#), two major publishers of Chomsky's work.

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For a list of Chomsky's upcoming speaking engagements, visit the [South End Press](#) site and look up "Authors on Tour."



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# *Secrets, Lies and Democracy*

**Noam Chomsky**

Interviewed by David Barsamian

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Another illusion-shattering, fact-filled masterpiece from the man the *New York Times* called "arguably the most important intellectual alive." Here are a few, brief excerpts:

- In 1970, about 90% of international capital was used for trade and long-term investment -- more or less productive things -- and 10% for speculation. By 1990, those figures had reversed.
- Haiti, a starving island, is exporting food to the US -- about 35 times as much under Clinton as under Bush.
- The US government spent more money per capita to get the presidential candidate it favored elected in Chile in 1964 than was spent by both candidates (Johnson and Goldwater) in the 1964 election here in the United States.
- The gap between how much income is held by the richest and poorest 20% has increased dramatically over the past 30 years -- about double for rich vs. poor countries and far more for rich vs. poor people.
- What the public wants is called "politically unrealistic." Translated into English, that means

power and privilege are opposed to it.

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# *What Uncle Sam Really Wants*

**Noam Chomsky**

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## Editors' forward

Noam Chomsky is a major figure in twentieth-century linguistics. Born in Philadelphia in 1928, he's taught since 1955 at the Massachusetts Institute of Technology, where he became a full professor at the age of 32.

In addition to his work as a linguist, Chomsky has written many books on contemporary issues. His political talks have been heard, typically by standing-room-only audiences, all over the country and the globe.

In a saner world, his tireless efforts to promote justice would have long since won him the Nobel Peace Prize, but the committee keeps giving it to people like Henry Kissinger.

If you're used to thinking of the United States as the defender of democracy throughout the world, you'll find much of what you read in this book incredible. But Chomsky is a scholar; the facts in this book are just that, and every conclusion is backed by massive evidence (see the [notes](#) for references to some of it).

It was *very* hard to compress the vast sweep of Chomsky's social thought into so small a book. You'll find a list of his other political books, which cover the topics introduced here in infinitely greater detail, on p. 102.

Hundreds of tapes and transcripts of Chomsky's talks and interviews (and those of many other interesting speakers) are available from David Barsamian, 2129 Mapleton, Boulder CO 80304, 303/444-8788 (free catalog on request).

*Arthur Naiman, Sandy Niemann*

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The material in this book was compiled from the following talks and interviews. Dr. Chomsky then made extensive additions, deletions and changes to the edited draft.

- A talk included in a teach-in on WBAI radio in New York City on January 13, 1991
- A telephone interview conducted by Kris Welch and Philip Maldari on KPFA radio, Berkeley, California on December 12, 1990
- *The Sociopolitical Context of the Assassination of Ignacio Martín-Baró*, a talk given on August 13, 1990 at the annual meeting of the American Psychological Association in Boston
- *US Still at War Against the World*, an article (excerpted from a talk given to the Central America Solidarity Association) published in the May, 1990 issue of the *Resist* newsletter
- Interviews conducted by David Barsamian in Cambridge, Massachusetts on February 1 and 2, 1990
- The Roots of US Intervention, a talk given at Lewis & Clark College in Portland, Oregon on January 24, 1989, and the question-and-answer period following
- *United States International and Security Policy: The "Right Turn" in Historical Perspective*, a talk given at the University of Colorado at Boulder on October 22, 1986, and the question-and-answer period following

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# *The main goals of US foreign policy*

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## **Protecting our turf**

Relations between the United States and other countries obviously go back to the origins of American history, but World War II was a real watershed, so let's begin there.

While most of our industrial rivals were either severely weakened or totally destroyed by the war, the United States benefited enormously from it. Our national territory was never under attack and American production more than tripled.

Even before the war, the US had been by far the leading industrial nation in the world -- as it had been since the turn of the century. Now, however, we had literally 50% of the world's wealth and controlled both sides of both oceans. There'd never been a time in history when one power had had such overwhelming control of the world, or such overwhelming security.

The people who determine American policy were well aware that the US would emerge from WW II as the first global power in history, and during and after the war they were carefully planning how to shape the postwar world. Since this *is* an open society, we can read their plans, which were very frank and clear.

American planners -- from those in the State Department to those on the Council on Foreign Relations (one major channel by which business leaders influence foreign policy) -- agreed that the dominance of the United States had to be maintained. But there was a spectrum of opinion about how to do it.

At the hard-line extreme, you have documents like National Security Council Memorandum 68 (1950). NSC 68 developed the views of Secretary of State Dean Acheson and was written by Paul Nitze, who's still around (he was one of Reagan's arms-control negotiators). It called for a "roll-back strategy" that would "foster the seeds of destruction within the Soviet system," so that we could then negotiate a

settlement on our terms "with the Soviet Union (or a successor state or states)."

The policies recommended by NSC 68 would require "sacrifice and discipline" in the United States -- in other words, huge military expenditures and cutbacks on social services. It would also be necessary to overcome the "excess of tolerance" that allows too much domestic dissent.

These policies were, in fact, already being implemented. In 1949, US espionage in Eastern Europe had been turned over to a network run by Reinhard Gehlen, who had headed Nazi military intelligence on the Eastern Front. This network was one part of the US-Nazi alliance that quickly absorbed many of the worst criminals, extending to operations in Latin America and elsewhere.

These operations included a "secret army" under US-Nazi auspices that sought to provide agents and military supplies to armies that had been established by and which were still operating inside the Soviet Union and Eastern Europe through the early 1950s. (This is known in the US but considered insignificant -- although it might raise a few eyebrows if the tables were turned and we discovered that, say, the Soviet Union had dropped agents and supplies to armies established by Hitler that were operating in the Rockies.)

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## The liberal extreme

NSC 68 is the hard-line extreme, and remember: the policies weren't just theoretical -- many of them were actually being implemented. Now let's turn to the other extreme, to the doves. The leading dove was undoubtedly George Kennan, who headed the State Department planning staff until 1950, when he was replaced by Nitze -- Kennan's office, incidentally, was responsible for the Gehlen network.

Kennan was one of the most intelligent and lucid of US planners, and a major figure in shaping the postwar world. His writings are an extremely interesting illustration of the dovish position. One document to look at if you want to understand your country is Policy Planning Study 23, written by Kennan for the State Department planning staff in 1948. Here's some of what it says:

we have about 50% of the world's wealth, but only 6.3% of its population....In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity....To do so, we will have to dispense with all sentimentality and day-dreaming; and our attention will have to be concentrated everywhere on our immediate national objectives....We should cease to talk about vague and...unreal objectives such as human rights, the raising of the living standards, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are then hampered by idealistic slogans, the better.

PPS 23 was, of course, a top-secret document. To pacify the public, it was necessary to trumpet the "idealistic slogans" (as is still being done constantly), but here planners were talking to one another.

Along the same lines, in a briefing for US ambassadors to Latin American countries in 1950, Kennan observed that a major concern of US foreign policy must be "the protection of our [i.e. Latin America's] raw materials." We must therefore combat a dangerous heresy which, US intelligence reported, was spreading through Latin America: "the idea that the government has direct responsibility for the welfare of the people."

US planners call that idea *Communism*, whatever the actual political views of the people advocating it. They can be Church-based self-help groups or whatever, but if they support this heresy, they're Communists.

This point is also made clear in the public record. For example, a high-level study group in 1955 stated

that the essential threat of the Communist powers (the real meaning of the term *Communism* in practice) is their refusal to fulfill their service role -- that is, "to complement the industrial economies of the West."

Kennan went on to explain the means we have to use against our enemies who fall prey to this heresy:

The final answer might be an unpleasant one, but...we should not hesitate before police repression by the local government. This is not shameful since the Communists are essentially traitors....It is better to have a strong regime in power than a liberal government if it is indulgent and relaxed and penetrated by Communists.

Policies like these didn't begin with postwar liberals like Kennan. As Woodrow Wilson's Secretary of State had already pointed out 30 years earlier, the operative meaning of the Monroe Doctrine is that "the United States considers its own interests. The integrity of other American nations is an incident, not an end." Wilson, the great apostle of self-determination, agreed that the argument was "unanswerable," though it would be "impolitic" to present it publicly.

Wilson also acted on this thinking by, among other things, invading Haiti and the Dominican Republic, where his warriors murdered and destroyed, demolished the political system, left US corporations firmly in control, and set the stage for brutal and corrupt dictatorships.

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## The "Grand Area"

During World War II, study groups of the State Department and Council on Foreign Relations developed plans for the postwar world in terms of what they called the "Grand Area," which was to be subordinated to the needs of the American economy.

The Grand Area was to include the Western Hemisphere, Western Europe, the Far East, the former British Empire (which was being dismantled), the incomparable energy resources of the Middle East (which were then passing into American hands as we pushed out our rivals France and Britain), the rest of the Third World and, if possible, the entire globe. These plans were implemented, as opportunities allowed.

Every part of the new world order was assigned a specific function. The industrial countries were to be guided by the "great workshops," Germany and Japan, who had demonstrated their prowess during the war (and now would be working under US supervision).

The Third World was to "fulfill its major function as a source of raw materials and a market" for the industrial capitalist societies, as a 1949 State Department memo put it. It was to be "exploited" (in Kennan's words) for the reconstruction of Europe and Japan. (The references are to Southeast Asia and Africa, but the points are general.)

Kennan even suggested that Europe might get a psychological lift from the project of "exploiting" Africa. Naturally, no one suggested that Africa should exploit Europe for its reconstruction, perhaps also improving its state of mind. These declassified documents are read only by scholars, who apparently find nothing odd or jarring in all this.

The Vietnam War emerged from the need to ensure this service role. Vietnamese nationalists didn't want to accept it, so they had to be smashed. The threat wasn't that they were going to conquer anyone, but that they might set a dangerous example of national independence that would inspire other nations in the region.

The US government had two major roles to play. The first was to secure the far-flung domains of the Grand Area. That required a very intimidating posture, to ensure that no one interferes with this task -- which is one reason why there's been such a drive for nuclear weapons.

The government's second role was to organize a public subsidy for high-technology industry. For various

reasons, the method adopted has been military spending, in large part.

Free trade is fine for economics departments and newspaper editorials, but nobody in the corporate world or the government takes the doctrines seriously. The parts of the US economy that are able to compete internationally are primarily the state-subsidized ones: capital-intensive agriculture (*agribusiness*, as it's called), high-tech industry, pharmaceuticals, biotechnology, etc.

The same is true of other industrial societies. The US government has the public pay for research and development and provides, largely through the military, a state-guaranteed market for waste production. If something is marketable, the private sector takes it over. That system of public subsidy and private profit is what is called *free enterprise*.

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## Restoring the traditional order

Postwar planners like Kennan realized right off that it was going to be vital for the health of US corporations that the other Western industrial societies reconstruct from wartime damage so they could import US manufactured goods and provide investment opportunities. (I'm counting Japan as part of the West, following the South African convention of treating Japanese as "honorary whites.") But it was crucial that these societies reconstruct in a very specific way.

The traditional, right-wing order had to be restored, with business dominant, labor split and weakened, and the burden of reconstruction placed squarely on the shoulders of the working classes and the poor.

The major thing that stood in the way of this was the antifascist resistance, so we suppressed it all over the world, often installing fascists and Nazi collaborators in its place. Sometimes that required extreme violence, but other times it was done by softer measures, like subverting elections and withholding desperately needed food. (This ought to be Chapter 1 in any honest history of the postwar period, but in fact it's seldom even discussed.)

The pattern was set in 1942, when President Roosevelt installed a French Admiral, Jean Darlan, as Governor-General of all of French North Africa. Darlan was a leading Nazi collaborator and the author of the antisemitic laws promulgated by the Vichy government (the Nazis' puppet regime in France).

But far more important was the first area of Europe liberated -- southern Italy, where the US, following Churchill's advice, imposed a right-wing dictatorship headed by Fascist war hero Field Marshall Badoglio and the King, Victor Emmanuel III, who was also a Fascist collaborator.

US planners recognized that the "threat" in Europe was not Soviet aggression (which serious analysts, like Dwight Eisenhower, did not anticipate) but rather the worker- and peasant-based antifascist resistance with its radical democratic ideals, and the political power and appeal of the local Communist parties.

To prevent an economic collapse that would enhance their influence, and to rebuild Western Europe's state-capitalist economies, the US instituted the Marshall Plan (under which Europe was provided with more than \$12 billion in loans and grants between 1948 and 1951, funds used to purchase a third of US exports to Europe in the peak year of 1949).

In Italy, a worker- and peasant-based movement, led by the Communist party, had held down six German

divisions during the war and liberated northern Italy. As US forces advanced through Italy, they dispersed this antifascist resistance and restored the basic structure of the prewar Fascist regime.

Italy has been one of the main areas of CIA subversion ever since the agency was founded. The CIA was concerned about Communists winning power legally in the crucial Italian elections of 1948. A lot of techniques were used, including restoring the Fascist police, breaking the unions and withholding food. But it wasn't clear that the Communist party could be defeated.

The very first National Security Council memorandum, NSC 1 (1948), specified a number of actions the US would take if the Communists won these elections. One planned response was armed intervention, by means of military aid for underground operations in Italy.

Some people, particularly George Kennan, advocated military action *before* the elections -- he didn't want to take a chance. But others convinced him we could carry it off by subversion, which turned out to be correct.

In Greece, British troops entered after the Nazis had withdrawn. They imposed a corrupt regime that evoked renewed resistance, and Britain, in its postwar decline, was unable to maintain control. In 1947, the United States moved in, supporting a murderous war that resulted in about 160,000 deaths.

This war was complete with torture, political exile for tens of thousands of Greeks, what we called "re-education camps" for tens of thousands of others, and the destruction of unions and of any possibility of independent politics.

It placed Greece firmly in the hands of US investors and local businessmen, while much of the population had to emigrate in order to survive. The beneficiaries included Nazi collaborators, while the primary victims were the workers and the peasants of the Communist-led, anti-Nazi resistance.

Our successful defense of Greece against its own population was the model for the Vietnam War -- as Adlai Stevenson explained to the United Nations in 1964. Reagan's advisors used exactly the same model in talking about Central America, and the pattern was followed many other places.

In Japan, Washington initiated the so-called "reverse course" of 1947 that terminated early steps towards democratization taken by General MacArthur's military administration. The reverse course suppressed the unions and other democratic forces and placed the country firmly in the hands of corporate elements that had backed Japanese fascism -- a system of state and private power that still endures.

When US forces entered Korea in 1945, they dispersed the local popular government, consisting primarily of antifascists who resisted the Japanese, and inaugurated a brutal repression, using Japanese fascist police and Koreans who had collaborated with them during the Japanese occupation. About 100,000 people were murdered in South Korea prior to what we call the Korean War, including 30-40,000 killed during the suppression of a peasant revolt in one small region, Cheju Island.

A fascist coup in Colombia, inspired by Franco's Spain, brought little protest from the US government; neither did a military coup in Venezuela, nor the restoration of an admirer of fascism in Panama. But the first democratic government in the history of Guatemala, which modeled itself on Roosevelt's New Deal, elicited bitter US antagonism.

In 1954, the CIA engineered a coup that turned Guatemala into a hell on earth. It's been kept that way ever since, with regular US intervention and support, particularly under Kennedy and Johnson.

One aspect of suppressing the antifascist resistance was the recruitment of war criminals like Klaus Barbie, an SS officer who had been the Gestapo chief of Lyon, France. There he earned his nickname: the Butcher of Lyon. Although he was responsible for many hideous crimes, the US Army put him in charge of spying on the French.

When Barbie was finally brought back to France in 1982 to be tried as a war criminal, his use as an agent was explained by Colonel (ret.) Eugene Kolb of the US Army Counterintelligence Corps: Barbie's "skills were badly needed....His activities had been directed against the underground French Communist party and the resistance," who were now targeted for repression by the American liberators.

Since the United States was picking up where the Nazis had left off, it made perfect sense to employ specialists in antiresistance activities. Later on, when it became difficult or impossible to protect these useful folks in Europe, many of them (including Barbie) were spirited off to the United States or to Latin America, often with the help of the Vatican and fascist priests.

There they became military advisers to US-supported police states that were modeled, often quite openly, on the Third Reich. They also became drug dealers, weapons merchants, terrorists and educators -- teaching Latin American peasants torture techniques devised by the Gestapo. Some of the Nazis' students ended up in Central America, thus establishing a direct link between the death camps and the death squads -- all thanks to the postwar alliance between the US and the SS.

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## Our commitment to democracy

In one high-level document after another, US planners stated their view that the primary threat to the new US-led world order was Third World nationalism -- sometimes called *ultranationalism*: "nationalistic regimes" that are responsive to "popular demand for immediate improvement in the low living standards of the masses" and production for domestic needs.

The planners' basic goals, repeated over and over again, were to prevent such "ultranationalist" regimes from ever taking power -- or if, by some fluke, they did take power, to remove them and to install governments that favor private investment of domestic and foreign capital, production for export and the right to bring profits out of the country. (These goals are never challenged in the secret documents. If you're a US policy planner, they're sort of like the air you breathe.)

Opposition to democracy and social reform is never popular in the victim country. You can't get many of the people living there excited about it, except a small group connected with US businesses who are going to profit from it.

The United States expects to rely on force, and makes alliances with the military -- "the least anti-American of any political group in Latin America," as the Kennedy planners put it -- so they can be relied on to crush any indigenous popular groups that get out of hand.

The US has been willing to tolerate social reform -- as in Costa Rica, for example -- *only* when the rights of labor are suppressed and the climate for foreign investment is preserved. Because the Costa Rican government has always respected these two crucial imperatives, it's been allowed to play around with its reforms.

Another problem that's pointed to over and over again in these secret documents is the excessive liberalism of Third World countries. (That was particularly a problem in Latin America, where the governments weren't sufficiently committed to thought control and restrictions on travel, and where the legal systems were so deficient that they required evidence for the prosecution of crimes.)

This is a constant lament right through the Kennedy period (after that, the documentary record hasn't yet been declassified). The Kennedy liberals were adamant about the need to overcome democratic excesses that permitted "subversion" -- by which, of course, they meant people thinking the wrong ideas.

The United States was not, however, lacking in compassion for the poor. For example, in the mid-1950s,

our ambassador to Costa Rica recommended that the United Fruit Company, which basically ran Costa Rica, introduce "a few relatively simple and superficial human-interest frills for the workers that may have a large psychological effect."

Secretary of State John Foster Dulles agreed, telling President Eisenhower that to keep Latin Americans in line, "you have to pat them a little bit and make them think that you are fond of them."

Given all that, US policies in the Third World are easy to understand. We've consistently opposed democracy if its results can't be controlled. The problem with real democracies is that they're likely to fall prey to the heresy that governments should respond to the needs of their own population, instead of those of US investors.

A study of the inter-American system published by the Royal Institute of International Affairs in London concluded that, while the US pays lip service to democracy, the real commitment is to "private, capitalist enterprise." When the rights of investors are threatened, democracy has to go; if these rights are safeguarded, killers and torturers will do just fine.

Parliamentary governments were barred or overthrown, with US support and sometimes direct intervention, in Iran in 1953, in Guatemala in 1954 (and in 1963, when Kennedy backed a military coup to prevent the threat of return to democracy), in the Dominican Republic in 1963 and 1965, in Brazil in 1964, in Chile in 1973 and often elsewhere. Our policies have been very much the same in El Salvador and in many other places across the globe.

The methods are not very pretty. What the US-run contra forces did in Nicaragua, or what our terrorist proxies do in El Salvador or Guatemala, isn't only ordinary killing. A major element is brutal, sadistic torture -- beating infants against rocks, hanging women by their feet with their breasts cut off and the skin of their face peeled back so that they'll bleed to death, chopping people's heads off and putting them on stakes. The point is to crush independent nationalism and popular forces that might bring about meaningful democracy.

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## The threat of a good example

No country is exempt from this treatment, no matter how unimportant. In fact, it's the weakest, poorest countries that often arouse the greatest hysteria.

Take Laos in the 1960s, probably the poorest country in the world. Most of the people who lived there didn't even know there was such a thing as Laos; they just knew they had a little village and there was another little village nearby.

But as soon as a very low-level social revolution began to develop there, Washington subjected Laos to a murderous "secret bombing," virtually wiping out large settled areas in operations that, it was conceded, had nothing to do with the war the US was waging in South Vietnam.

Grenada has a hundred thousand people who produce a little nutmeg, and you could hardly find it on a map. But when Grenada began to undergo a mild social revolution, Washington quickly moved to destroy the threat.

From the Bolshevik Revolution of 1917 till the collapse of the Communist governments in Eastern Europe in the late 1980s, it was possible to justify every US attack as a defense against the Soviet threat. So when the United States invaded Grenada in 1983, the chairman of the Joint Chiefs of Staff explained that, in the event of a Soviet attack on Western Europe, a hostile Grenada could interdict oil supplies from the Caribbean to Western Europe and we wouldn't be able to defend our beleaguered allies. Now this sounds comical, but that kind of story helps mobilize public support for aggression, terror and subversion.

The attack against Nicaragua was justified by the claim that if we don't stop "them" there, they'll be pouring across the border at Harlingen, Texas -- just two days' drive away. (For educated people, there were more sophisticated variants, just about as plausible.)

As far as American business is concerned, Nicaragua could disappear and nobody would notice. The same is true of El Salvador. But both have been subjected to murderous assaults by the US, at a cost of hundreds of thousands of lives and many billions of dollars.

There's a reason for that. The weaker and poorer a country is, the more dangerous it is *as an example*. If a tiny, poor country like Grenada can succeed in bringing about a better life for its people, some other place that has more resources will ask, "why not us?"

This was even true in Indochina, which is pretty big and has some significant resources. Although Eisenhower and his advisers ranted a lot about the rice and tin and rubber, the real fear was that if the people of Indochina achieved independence and justice, the people of Thailand would emulate it, and if that worked, they'd try it in Malaya, and pretty soon Indonesia would pursue an independent path, and by then a significant area of the Grand Area would have been lost.

If you want a global system that's subordinated to the needs of US investors, you can't let pieces of it wander off. It's striking how clearly this is stated in the documentary record -- even in the public record at times. Take Chile under Allende.

Chile is a fairly big place, with a lot of natural resources, but again, the United States wasn't going to collapse if Chile became independent. Why were we so concerned about it? According to Kissinger, Chile was a "virus" that would "infect" the region with effects all the way to Italy.

Despite 40 years of CIA subversion, Italy still has a labor movement. Seeing a social democratic government succeed in Chile would send the wrong message to Italian voters. Suppose they get funny ideas about taking control of their own country and revive the workers' movements the CIA undermined in the 1940s?

US planners from Secretary of State Dean Acheson in the late 1940s to the present have warned that "one rotten apple can spoil the barrel." The danger is that the "rot" -- social and economic development -- may spread.

This "rotten apple theory" is called the domino theory for public consumption. The version used to frighten the public has Ho Chi Minh getting in a canoe and landing in California, and so on. Maybe some US leaders believe this nonsense -- it's possible -- but rational planners certainly don't. They understand that the real threat is the "good example."

Sometimes the point is explained with great clarity. When the US was planning to overthrow Guatemalan democracy in 1954, a State Department official pointed out that "Guatemala has become an increasing threat to the stability of Honduras and El Salvador. Its agrarian reform is a powerful propaganda weapon; its broad social program of aiding the workers and peasants in a victorious struggle against the upper classes and large foreign enterprises has a strong appeal to the populations of Central American neighbors where similar conditions prevail."

In other words, what the US wants is "stability," meaning security for the "upper classes and large foreign enterprises." If that can be achieved with formal democratic devices, OK. If not, the "threat to stability" posed by a good example has to be destroyed before the virus infects others.

That's why even the tiniest speck poses such a threat, and may have to be crushed.

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## The three-sided world

From the early 1970s, the world has been drifting into what's called *tripolarism* or *trilateralism* -- three major economic blocs that compete with each other. The first is a yen-based bloc with Japan as its center and the former Japanese colonies on the periphery.

Back in the thirties and forties, Japan called that The Greater East Asia Co-Prosperity Sphere. The conflict with the US arose from Japan's attempt to exercise the same kind of control there that the Western powers exercised in their own spheres. But after the war, we reconstructed the region for them. We then had no problem with Japan exploiting it -- they just had to do it under our overarching power.

There's a lot of nonsense written about how the fact that Japan became a major competitor proves how honorable we are and how we built up our enemies. The actual policy options, however, were narrower. One was to restore Japan's empire, but now all under our control (this was the policy that was followed).

The other option was to keep out of the region and allow Japan and the rest of Asia to follow their independent paths, excluded from the Grand Area of US control. That was unthinkable.

Furthermore, after WW II, Japan was not regarded as a possible competitor, even in the remote future. It was assumed that maybe somewhere down the road Japan would be able to produce knickknacks, but nothing beyond that. (There was a strong element of racism in this.) Japan recovered in large part because of the Korean War and then the Vietnam War, which stimulated Japanese production and brought Japan huge profits.

A few of the early postwar planners were more far-sighted, George Kennan among them. He proposed that the United States encourage Japan to industrialize, but with one limit: the US would control Japanese oil imports. Kennan said this would allow us "veto power" over Japan in case it ever got out of line. The US followed this advice, keeping control over Japan's oil supplies and refineries. As late as the early 1970s, Japan still controlled only about 10% of its own oil supplies.

That's one of the main reasons the United States has been so interested in Middle Eastern oil. We didn't need the oil for ourselves; until 1968, North America led world oil production. But we do want to keep our hands on this lever of world power, and make sure that the profits flow primarily to the US and Britain.

That's one reason why we have maintained military bases in the Philippines. They're part of a global

intervention system aimed at the Middle East to make sure indigenous forces there don't succumb to "ultranationalism."

The second major competitive bloc is based in Europe and is dominated by Germany. It's taking a big step forward with the consolidation of the European Common Market. Europe has a larger economy than the United States, a larger population and a better educated one.

If it ever gets its act together and becomes an integrated power, the United States could become a second-class power. This is even more likely as German-led Europe takes the lead in restoring Eastern Europe to its traditional role as an economic colony, basically part of the Third World.

The third bloc is the US-dominated, dollar-based one. It was recently extended to incorporate Canada, our major trading partner, and will soon include Mexico and other parts of the hemisphere, through "free trade agreements" designed primarily for the interests of US investors and their associates.

We've always assumed that Latin America belongs to us by right. As Henry Stimson (Secretary of War under FDR and Taft, Secretary of State under Hoover), once put it, it's "our little region over here, which never has bothered anybody." Securing the dollar-based bloc means that the drive to thwart independent development in Central America and the Caribbean will continue.

Unless you understand our struggles against our industrial rivals and the Third World, US foreign policy appears to be a series of random errors, inconsistencies and confusions. Actually, our leaders have succeeded rather well at their assigned chores, within the limits of feasibility.

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# *Devastation abroad*

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## **Our Good Neighbor policy**

How well have the precepts put forth by George Kennan been followed? How thoroughly have we put aside all concern for "vague and unreal objectives such as human rights, the raising of the living standards, and democratization"? I've already discussed our "commitment to democracy," but what about the other two issues?

Let's focus on Latin America, and begin by looking at human rights. A study by Lars Schoultz, the leading academic specialist on human rights there, shows that "US aid has tended to flow disproportionately to Latin American governments which torture their citizens." It has nothing to do with how much a country *needs* aid, only with its willingness to serve the interests of wealth and privilege.

Broader studies by economist Edward Herman reveal a close correlation worldwide between torture and US aid, and also provide the explanation: both correlate independently with improving the climate for business operations. In comparison with that guiding moral principle, such matters as torture and butchery pale into insignificance.

How about raising living standards? That was supposedly addressed by President Kennedy's Alliance for Progress, but the kind of development imposed was oriented mostly towards the needs of US investors. It entrenched and extended the existing system in which Latin Americans are made to produce crops for export and to cut back on subsistence crops like corn and beans grown for local consumption. Under Alliance programs, for example, beef production increased while beef consumption declined.

This agro-export model of development usually produces an "economic miracle" where GNP goes up while much of the population starves. When you pursue such policies, popular opposition inevitably develops, which you then suppress with terror and torture.

(The use of terror is deeply ingrained in our character. Back in 1818, John Quincy Adams hailed the "salutary efficacy" of terror in dealing with "mingled hordes of lawless Indians and negroes." He wrote that to justify Andrew Jackson's rampages in Florida which virtually annihilated the native population

and left the Spanish province under US control, much impressing Thomas Jefferson and others with his wisdom.)

The first step is to use the police. They're critical because they can detect discontent early and eliminate it before "major surgery" (as the planning documents call it) is necessary. If major surgery does become necessary, we rely on the army. When we can no longer control the army of a Latin American country -- particularly one in the Caribbean-Central American region -- it's time to overthrow the government.

Countries that have attempted to reverse the pattern, such as Guatemala under the democratic capitalist governments of Arévalo and Arbenz, or the Dominican Republic under the democratic capitalist regime of Bosch, became the target of US hostility and violence.

The second step is to use the military. The US has always tried to establish relations with the military in foreign countries, because that's one of the ways to overthrow a government that has gotten out of hand. That's how the basis was laid for military coups in Chile in 1973 and in Indonesia in 1965.

Before the coups, we were very hostile to the Chilean and Indonesian governments, but we continued to send them arms. Keep good relations with the right officers and they overthrow the government *for* you. The same reasoning motivated the flow of US arms to Iran via Israel from the early 1980s, according to the high Israeli officials involved, facts well-known by 1982, long before there were any hostages.

During the Kennedy administration, the mission of the US-dominated Latin American military was shifted from "hemispheric defense" to "internal security" (which basically means war against your own population). That fateful decision led to "direct [US] complicity" in "the methods of Heinrich Himmler's extermination squads," in the retrospective judgment of Charles Maechling, who was in charge of counterinsurgency planning from 1961-66.

The Kennedy Administration prepared the way for the 1964 military coup in Brazil, helping to destroy Brazilian democracy, which was becoming too independent. The US gave enthusiastic support to the coup, while its military leaders instituted a neo-Nazi-style national security state with torture, repression, etc. That inspired a rash of similar developments in Argentina, Chile and all over the hemisphere, from the mid-sixties to the eighties -- an extremely bloody period.

(I think, legally speaking, there's a very solid case for impeaching every American president since the Second World War. They've all been either outright war criminals or involved in serious war crimes.)

The military typically proceeds to create an economic disaster, often following the prescriptions of US advisers, and then decides to hand the problem over to civilians to administer. Overt military control is no longer necessary as new devices become available -- for example, controls exercised through the International Monetary Fund (which, like the World Bank, lends Third World nations funds largely provided by the industrial powers).

In return for its loans, the IMF imposes "liberalization": an economy open to foreign penetration and control, sharp cutbacks in services to the general population, etc. These measures place power even more firmly in the hands of the wealthy classes and foreign investors ("stability") and reinforce the classic two-tiered societies of the Third World -- the super-rich (and a relatively well-off professional class that serves them) and an enormous mass of impoverished, suffering people.

The indebtedness and economic chaos left by the military pretty much ensures that the IMF rules will be followed -- unless popular forces attempt to enter the political arena, in which case the military may have to reinstate "stability."

Brazil is an instructive case. It is so well endowed with natural resources that it ought to be one of the richest countries in the world, and it also has high industrial development. But, thanks in good measure to the 1964 coup and the highly praised "economic miracle" that followed (not to speak of the torture, murder and other devices of "population control"), the situation for many Brazilians is now probably on a par with Ethiopia -- vastly worse than in Eastern Europe, for example.

The Ministry of Education reports that over a third of the education budget goes to school meals, because most of the students in public schools either eat at school or not at all.

According to *South* magazine (a business magazine reporting on the Third World), Brazil has a higher infant mortality rate than Sri Lanka. A third of the population lives below the poverty line and "seven million abandoned children beg, steal and sniff glue on the streets. For scores of millions, home is a shack in a slum...or increasingly, a patch of ground under a bridge."

That's Brazil, one of the naturally richest countries in the world.

The situation is similar throughout Latin America. Just in Central America, the number of people murdered by US-backed forces since the late 1970s comes to something like 200,000, as popular movements that sought democracy and social reform were decimated. These achievements qualify the US as an "inspiration for the triumph of democracy in our time," in the admiring words of the liberal *New Republic*. Tom Wolfe tells us the 1980s were "one of the great golden moments that humanity has ever experienced." As Stalin used to say, we're "dizzy with success."

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## The crucifixion of El Salvador

For many years, repression, torture and murder were carried on in El Salvador by dictators installed and supported by our government, a matter of no interest here. The story was virtually never covered. By the late 1970s, however, the US government began to be concerned about a couple of things.

One was that Somoza, the dictator of Nicaragua, was losing control. The US was losing a major base for its exercise of force in the region. A second danger was even more threatening. In El Salvador in the 1970s, there was a growth of what were called "popular organizations" -- peasant associations, cooperatives, unions, Church-based Bible study groups that evolved into self-help groups, etc. That raised the threat of democracy.

In February 1980, the Archbishop of El Salvador, Oscar Romero, sent a letter to President Carter in which he begged him not to send military aid to the junta that ran the country. He said such aid would be used to "sharpen injustice and repression against the people's organizations" which were struggling "for respect for their most basic human rights" (hardly news to Washington, needless to say).

A few weeks later, Archbishop Romero was assassinated while saying a mass. The neo-Nazi Roberto d'Aubuisson is generally assumed to be responsible for this assassination (among countless other atrocities). D'Aubuisson was "leader-for-life" of the ARENA party, which now governs El Salvador; members of the party, like current Salvadoran president Alfredo Cristiani, had to take a blood oath of loyalty to him.

Thousands of peasants and urban poor took part in a commemorative mass a decade later, along with many foreign bishops, but the US was notable by its absence. The Salvadoran Church formally proposed Romero for sainthood.

All of this passed with scarcely a mention in the country that funded and trained Romero's assassins. The *New York Times*, the "newspaper of record," published no editorial on the assassination when it occurred or in the years that followed, and no editorial or news report on the commemoration.

On March 7, 1980, two weeks before the assassination, a state of siege had been instituted in El Salvador, and the war against the population began in force (with continued US support and involvement). The first major attack was a big massacre at the Rio Sumpul, a coordinated military operation of the Honduran and Salvadoran armies in which at least 600 people were butchered. Infants were cut to pieces with machetes, and women were tortured and drowned. Pieces of bodies were found in the river for days afterwards.

There were church observers, so the information came out immediately, but the mainstream US media didn't think it was worth reporting.

Peasants were the main victims of this war, along with labor organizers, students, priests or anyone suspected of working for the interests of the people. In Carter's last year, 1980, the death toll reached about 10,000, rising to about 13,000 for 1981 as the Reaganites took command.

In October 1980, the new archbishop condemned the "war of extermination and genocide against a defenseless civilian population" waged by the security forces. Two months later they were hailed for their "valiant service alongside the people against subversion" by the favorite US "moderate," José Napoleón Duarte, as he was appointed civilian president of the junta.

The role of the "moderate" Duarte was to provide a fig leaf for the military rulers and ensure them a continuing flow of US funding after the armed forces had raped and murdered four churchwomen from the US. That had aroused some protest here; slaughtering Salvadorans is one thing, but raping and killing American nuns is a definite PR mistake. The media evaded and downplayed the story, following the lead of the Carter Administration and its investigative commission.

The incoming Reaganites went much further, seeking to justify the atrocity, notably Secretary of State Alexander Haig and UN Ambassador Jeane Kirkpatrick. But it was still deemed worthwhile to have a show trial a few years later, while exculpating the murderous junta -- and, of course, the paymaster.

The independent newspapers in El Salvador, which might have reported these atrocities, had been destroyed. Although they were mainstream and pro-business, they were still too undisciplined for the military's taste. The problem was taken care of in 1980-81, when the editor of one was murdered by the security forces; the other fled into exile. As usual, these events were considered too insignificant to merit more than a few words in US newspapers.

In November 1989, six Jesuit priests, their cook and her daughter, were murdered by the army. That same week, at least 28 other Salvadoran civilians were murdered, including the head of a major union, the leader of the organization of university women, nine members of an Indian farming cooperative and ten university students.

The news wires carried a story by AP correspondent Douglas Grant Mine, reporting how soldiers had entered a working-class neighborhood in the capital city of San Salvador, captured six men, added a 14-year-old boy for good measure, then lined them all up against a wall and shot them. They "were not priests or human rights campaigners," Mine wrote, "so their deaths have gone largely unnoticed" -- as did his story.

The Jesuits were murdered by the Atlacatl Battalion, an elite unit created, trained and equipped by the United States. It was formed in March 1981, when fifteen specialists in counterinsurgency were sent to El Salvador from the US Army School of Special Forces. From the start, the Battalion was engaged in

mass murder. A US trainer described its soldiers as "particularly ferocious....We've always had a hard time getting [them] to take prisoners instead of ears."

In December 1981, the Battalion took part in an operation in which over a thousand civilians were killed in an orgy of murder, rape and burning. Later it was involved in the bombing of villages and murder of hundreds of civilians by shooting, drowning and other methods. The vast majority of victims were women, children and the elderly.

The Atlacatl Battalion was being trained by US Special Forces shortly before murdering the Jesuits. This has been a pattern throughout the Battalion's existence -- some of its worst massacres have occurred when it was fresh from US training.

In the "fledgling democracy" that was El Salvador, teenagers as young as 13 were scooped up in sweeps of slums and refugee camps and forced to become soldiers. They were indoctrinated with rituals adopted from the Nazi SS, including brutalization and rape, to prepare them for killings that often have sexual and satanic overtones.

The nature of Salvadoran army training was described by a deserter who received political asylum in Texas in 1990, despite the State Department's request that he be sent back to El Salvador. (His name was withheld by the court to protect him from Salvadoran death squads.)

According to this deserter, draftees were made to kill dogs and vultures by biting their throats and twisting off their heads, and had to watch as soldiers tortured and killed suspected dissidents -- tearing out their fingernails, cutting off their heads, chopping their bodies to pieces and playing with the dismembered arms for fun.

In another case, an admitted member of a Salvadoran death squad associated with the Atlacatl Battalion, César Vielman Joya Martínez, detailed the involvement of US advisers and the Salvadoran government in death-squad activity. The Bush administration has made every effort to silence him and ship him back to probable death in El Salvador, despite the pleas of human rights organizations and requests from Congress that his testimony be heard. (The treatment of the main witness to the assassination of the Jesuits was similar.)

The results of Salvadoran military training are graphically described in the Jesuit journal *America* by Daniel Santiago, a Catholic priest working in El Salvador. He tells of a peasant woman who returned home one day to find her three children, her mother and her sister sitting around a table, each with its own decapitated head placed carefully on the table in front of the body, the hands arranged on top "as if each body was stroking its own head."

The assassins, from the Salvadoran National Guard, had found it hard to keep the head of an 18-month-old baby in place, so they nailed the hands onto it. A large plastic bowl filled with blood was tastefully displayed in the center of the table.

According to Rev. Santiago, macabre scenes of this kind aren't uncommon.

People are not just killed by death squads in El Salvador -- they are decapitated and then their heads are placed on pikes and used to dot the landscape. Men are not just disemboweled by the Salvadoran Treasury Police; their severed genitalia are stuffed into their mouths. Salvadoran women are not just raped by the National Guard; their wombs are cut from their bodies and used to cover their faces. It is not enough to kill children; they are dragged over barbed wire until the flesh falls from their bones, while parents are forced to watch.

Rev. Santiago goes on to point out that violence of this sort greatly increased when the Church began forming peasant associations and self-help groups in an attempt to organize the poor.

By and large, our approach in El Salvador has been successful. The popular organizations have been decimated, just as Archbishop Romero predicted. Tens of thousands have been slaughtered and more than a million have become refugees. This is one of the most sordid episodes in US history -- and it's got a lot of competition.

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## Teaching Nicaragua a lesson

It wasn't just El Salvador that was ignored by the mainstream US media during the 1970s. In the ten years prior to the overthrow of the Nicaraguan dictator Anastasio Somoza in 1979, US television -- all networks -- devoted exactly *one hour* to Nicaragua, and that was entirely on the Managua earthquake of 1972.

From 1960 through 1978, the *New York Times* had three editorials on Nicaragua. It's not that nothing was happening there -- it's just that whatever was happening was unremarkable. Nicaragua was of no concern at all, as long as Somoza's tyrannical rule wasn't challenged.

When his rule *was* challenged, by the Sandinistas in the late 1970s, the US first tried to institute what was called "Somocismo [Somoza-ism] without Somoza" -- that is, the whole corrupt system intact, but with somebody else at the top. That didn't work, so President Carter tried to maintain Somoza's National Guard as a base for US power.

The National Guard had always been remarkably brutal and sadistic. By June 1979, it was carrying out massive atrocities in the war against the Sandinistas, bombing residential neighborhoods in Managua, killing tens of thousands of people. At that point, the US ambassador sent a cable to the White House saying it would be "ill-advised" to tell the Guard to call off the bombing, because that might interfere with the policy of keeping them in power and the Sandinistas out.

Our ambassador to the Organization of American States also spoke in favor of "Somocismo without Somoza," but the OAS rejected the suggestion flat out. A few days later, Somoza flew off to Miami with what was left of the Nicaraguan national treasury, and the Guard collapsed.

The Carter administration flew Guard commanders out of the country in planes with Red Cross markings (a war crime), and began to reconstitute the Guard on Nicaragua's borders. They also used Argentina as a proxy. (At that time, Argentina was under the rule of neo-Nazi generals, but they took a little time off from torturing and murdering their own population to help reestablish the Guard -- soon to be renamed the *contras*, or "freedom fighters.")

Reagan used them to launch a large-scale terrorist war against Nicaragua, combined with economic warfare that was even more lethal. We also intimidated other countries so they wouldn't send aid either.

And yet, despite astronomical levels of military support, the United States failed to create a viable

military force in Nicaragua. That's quite remarkable, if you think about it. No real guerillas anywhere in the world have ever had resources even remotely like what the United States gave the contras. You could probably start a guerilla insurgency in mountain regions of the US with comparable funding.

Why did the US go to such lengths in Nicaragua? The international development organization Oxfam explained the real reasons, stating that, from its experience of working in 76 developing countries, "Nicaragua was...exceptional in the strength of that government's commitment...to improving the condition of the people and encouraging their active participation in the development process."

Of the four Central American countries where Oxfam had a significant presence (El Salvador, Guatemala, Honduras and Nicaragua), only in Nicaragua was there a substantial effort to address inequities in land ownership and to extend health, educational and agricultural services to poor peasant families.

Other agencies told a similar story. In the early 1980s, the World Bank called its projects "extraordinarily successful in Nicaragua in some sectors, better than anywhere else in the world." In 1983, The Inter-American Development Bank concluded that "Nicaragua has made noteworthy progress in the social sector, which is laying the basis for long-term socio-economic development."

The success of the Sandinista reforms terrified US planners. They were aware that -- as José Figueres, the father of Costa Rican democracy, put it -- "for the first time, Nicaragua has a government that cares for its people." (Although Figueres was the leading democratic figure in Central America for forty years, his unacceptable insights into the real world were completely censored from the US media.)

The hatred that was elicited by the Sandinistas for trying to direct resources to the poor (and even succeeding at it) was truly wondrous to behold. Just about all US policymakers shared it, and it reached virtual frenzy.

Back in 1981, a State Department insider boasted that we would "turn Nicaragua into the Albania of Central America" -- that is, poor, isolated and politically radical -- so that the Sandinista dream of creating a new, more exemplary political model for Latin America would be in ruins.

George Shultz called the Sandinistas a "cancer, right here on our land mass," that has to be destroyed. At the other end of the political spectrum, leading Senate liberal Alan Cranston said that if it turned out not to be possible to destroy the Sandinistas, then we'd just have to let them "fester in [their] own juices."

So the US launched a three-fold attack against Nicaragua. First, we exerted extreme pressure to compel the World Bank and Inter-American Development Bank to terminate all projects and assistance.

Second, we launched the contra war along with an illegal economic war to terminate what Oxfam rightly called "the threat of a good example." The contras' vicious terrorist attacks against "soft targets" under US orders did help, along with the boycott, to end any hope of economic development and social reform.

US terror ensured that Nicaragua couldn't demobilize its army and divert its pitifully poor and limited resources to reconstructing the ruins that were left by the US-backed dictators and Reaganite crimes.

One of the most respected Central America correspondents, Julia Preston (who was then working for the *Boston Globe*), reported that "Administration officials said they are content to see the contras debilitate the Sandinistas by forcing them to divert scarce resources toward the war and away from social programs." That's crucial, since the social programs were at the heart of the good example that might have infected other countries in the region and eroded the American system of exploitation and robbery.

We even refused to send disaster relief. After the 1972 earthquake, the US sent an enormous amount of aid to Nicaragua, most of which was stolen by our buddy Somoza. In October 1988, an even worse natural disaster struck Nicaragua -- Hurricane Joan. We didn't send a penny for that, because if we had, it would probably have gotten to the people, not just into the pockets of some rich thug. We also pressured our allies to send very little aid.

This devastating hurricane, with its welcome prospects of mass starvation and long-term ecological damage, reinforced our efforts. We wanted Nicaraguans to starve so we could accuse the Sandinistas of economic mismanagement. Because they weren't under our control, Nicaraguans had to suffer and die.

Third, we used diplomatic fakery to crush Nicaragua. As Tony Avirgan wrote in the Costa Rican journal *Mesoamerica*, "the Sandinistas fell for a scam perpetrated by Costa Rican president Oscar Arias and the other Central American Presidents, which cost them the February [1990] elections."

For Nicaragua, the peace plan of August 1987 was a good deal, Avirgan wrote: they would move the scheduled national elections forward by a few months and allow international observation, as they had in 1984, "in exchange for having the *contras* demobilized and the war brought to an end...." The Nicaraguan government did what it was required to do under the peace plan, but no one else paid the slightest attention to it.

Arias, the White House and Congress never had the slightest intention of implementing any aspect of the plan. The US virtually tripled CIA supply flights to the contras. Within a couple of months the peace plan was totally dead.

As the election campaign opened, the US made it clear that the embargo that was strangling the country and the contra terror would continue if the Sandinistas won the election. You have to be some kind of Nazi or unreconstructed Stalinist to regard an election conducted under such conditions as free and fair -- and south of the border, few succumbed to such delusions.

If anything like that were ever done by our *enemies*... I leave the media reaction to your imagination. The amazing part of it was that the Sandinistas still got 40% of the vote, while *New York Times* headlines proclaimed that Americans were "United in Joy" over this "Victory for US Fair Play."

US achievements in Central America in the past fifteen years are a major tragedy, not just because of the appalling human cost, but because a decade ago there were prospects for real progress towards meaningful democracy and meeting human needs, with early successes in El Salvador, Guatemala and Nicaragua.

These efforts might have worked and might have taught useful lessons to others plagued with similar problems -- which, of course, was exactly what US planners feared. The threat has been successfully aborted, perhaps forever.

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## Making Guatemala a killing field

There was one place in Central America that did get some US media coverage before the Sandinista revolution, and that was Guatemala. In 1944, a revolution there overthrew a vicious tyrant, leading to the establishment of a democratic government that basically modeled itself on Roosevelt's New Deal. In the ten-year democratic interlude that followed, there were the beginnings of successful independent economic development.

That caused virtual hysteria in Washington. Eisenhower and Dulles warned that the "self-defense and self-preservation" of the United States was at stake unless the virus was exterminated. US intelligence reports were very candid about the dangers posed by capitalist democracy in Guatemala.

A CIA memorandum of 1952 described the situation in Guatemala as "adverse to US interests" because of the "Communist influence...based on militant advocacy of social reforms and nationalistic policies." The memo warned that Guatemala "has recently stepped-up substantially its support of Communist and anti-American activities in other Central American countries." One prime example cited was an alleged gift of \$300,000 to José Figueres.

As mentioned above, José Figueres was the founder of Costa Rican democracy and a leading democratic figure in Central America. Although he cooperated enthusiastically with the CIA, had called the United States "the standard-bearer of our cause" and was regarded by the US ambassador to Costa Rica as "the best advertising agency that the United Fruit Company could find in Latin America," Figueres had an independent streak and was therefore not considered as reliable as Somoza or other gangsters in our employ.

In the political rhetoric of the United States, this made him possibly a "Communist." So if Guatemala gave him money to help him win an election, that showed Guatemala supported Communists.

Worse yet, the same CIA memorandum continued, the "radical and nationalist policies" of the democratic capitalist government, including the "persecution of foreign economic interests, especially the United Fruit Company," had gained "the support or acquiescence of almost all Guatemalans." The government was proceeding "to mobilize the hitherto politically inert peasantry" while undermining the power of large landholders.

Furthermore, the 1944 revolution had aroused "a strong national movement to free Guatemala from the military dictatorship, social backwardness, and 'economic colonialism' which had been the pattern of the

past," and "inspired the loyalty and conformed to the self-interest of most politically conscious Guatemalans." Things became still worse after a successful land reform began to threaten "stability" in neighboring countries where suffering people did not fail to take notice.

In short, the situation was pretty awful. So the CIA carried out a successful coup. Guatemala was turned into the slaughterhouse it remains today, with regular US intervention whenever things threaten to get out of line.

By the late 1970s, atrocities were again mounting beyond the terrible norm, eliciting verbal protests. And yet, contrary to what many people believe, military aid to Guatemala continued at virtually the same level under the Carter "human rights" administration. Our allies have been enlisted in the cause as well -- notably Israel, which is regarded as a "strategic asset" in part because of its success in guiding state terrorism.

Under Reagan, support for near-genocide in Guatemala became positively ecstatic. The most extreme of the Guatemalan Hitlers we've backed there, Rios Montt, was lauded by Reagan as a man totally dedicated to democracy. In the early 1980s, Washington's friends slaughtered tens of thousands of Guatemalans, mostly Indians in the highlands, with countless others tortured and raped. Large regions were decimated.

In 1988, a newly opened Guatemalan newspaper called *La Epoca* was blown up by government terrorists. At the time, the media here were very much exercised over the fact that the US-funded journal in Nicaragua, *La Prensa*, which was openly calling for the overthrow of the government and supporting the US-run terrorist army, had been forced to miss a couple of issues due to a shortage of newsprint. That led to a torrent of outrage and abuse, in the *Washington Post* and elsewhere, about Sandinista totalitarianism.

On the other hand, the destruction of *La Epoca* aroused no interest whatsoever and was not reported here, although it was well-known to US journalists. Naturally the US media couldn't be expected to notice that US-funded security forces had silenced the one, tiny independent voice that had tried, a few weeks earlier, to speak up in Guatemala.

A year later, a journalist from *La Epoca*, Julio Godoy, who had fled after the bombing, went back to Guatemala for a brief visit. When he returned to the US, he contrasted the situation in Central America with that in Eastern Europe. Eastern Europeans are "luckier than Central Americans," Godoy wrote, because

while the Moscow-imposed government in Prague would degrade and humiliate reformers, the Washington-made government in Guatemala would kill them. It still does, in a virtual genocide that has taken more than 150,000 victims [in what Amnesty International calls] "a government program of political murder."

The press either conforms or, as in the case of *La Epoca*, disappears.

"One is tempted to believe," Godoy continued, "that some people in the White House worship Aztec gods - with the offering of Central American blood." And he quoted a Western European diplomat who said: "As long as the Americans don't change their attitude towards the region, there's no space here for the truth or for hope."

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## The invasion of Panama

Panama has been traditionally controlled by its tiny European elite, less than 10% of the population. That changed in 1968, when Omar Torrijos, a populist general, led a coup that allowed the black and mestizo [mixed-race] poor to obtain at least a share of the power under his military dictatorship.

In 1981, Torrijos was killed in a plane crash. By 1983, the effective ruler was Manuel Noriega, a criminal who had been a cohort of Torrijos and US intelligence.

The US government knew that Noriega was involved in drug trafficking since at least 1972, when the Nixon administration considered assassinating him. But he stayed on the CIA payroll. In 1983, a US Senate committee concluded that Panama was a major center for the laundering of drug funds and drug trafficking.

The US government continued to value Noriega's services. In May 1986, the Director of the Drug Enforcement Agency praised Noriega for his "vigorous anti-drug trafficking policy." A year later, the Director "welcomed our close association" with Noriega, while Attorney-General Edwin Meese stopped a US Justice Department investigation of Noriega's criminal activities. In August 1987, a Senate resolution condemning Noriega was opposed by Elliott Abrams, the State Department official in charge of US policy in Central America and Panama.

And yet, when Noriega was finally indicted in Miami in 1988, all the charges except one were related to activities that took place *before* 1984 -- back when he was our boy, helping with the US war against Nicaragua, stealing elections with US approval and generally serving US interests satisfactorily. It had nothing to do with suddenly discovering that he was a gangster and a drug-peddler -- that was known all along.

It's all quite predictable, as study after study shows. A brutal tyrant crosses the line from admirable friend to "villain" and "scum" when he commits the crime of independence. One common mistake is to go beyond robbing the poor -- which is just fine -- and to start interfering with the privileged, eliciting opposition from business leaders.

By the mid 1980s, Noriega was guilty of these crimes. Among other things, he seems to have been dragging his feet about helping the US in the contra war. His independence also threatened our interests in the Panama Canal. On January 1, 1990, most of the administration of the Canal was due to go over to Panama -- in the year 2000, it goes completely to them. We had to make sure that Panama was in the

hands of people we could control before that date.

Since we could no longer trust Noriega to do our bidding, he had to go. Washington imposed economic sanctions that virtually destroyed the economy, the main burden falling on the poor nonwhite majority. They too came to hate Noriega, not least because he was responsible for the economic warfare (which was illegal, if anyone cares) that was causing their children to starve.

Next a military coup was tried, but failed. Then, in December 1989, the US celebrated the fall of the Berlin wall and the end of the Cold War by invading Panama outright, killing hundreds or perhaps thousands of civilians (no one knows, and few north of the Rio Grande care enough to inquire). This restored power to the rich white elite that had been displaced by the Torrijos coup -- just in time to ensure a compliant government for the administrative changeover of the Canal on January 1, 1990 (as noted by the right-wing European press).

Throughout this process, the US press followed Washington's lead, selecting villains in terms of current needs. Actions we'd formerly condoned became crimes. For example, in 1984, the Panamanian presidential election had been won by Arnulfo Arias. The election was stolen by Noriega, with considerable violence and fraud.

But Noriega hadn't yet become disobedient. He was our man in Panama, and the Arias party was considered to have dangerous elements of "ultranationalism." The Reagan administration therefore applauded the violence and fraud, and sent Secretary of State George Shultz down to legitimate the stolen election and praise Noriega's version of "democracy" as a model for the errant Sandinistas.

The Washington-media alliance and the major journals refrained from criticizing the fraudulent elections, but dismissed as utterly worthless the Sandinistas' far more free and honest election in the same year -- because it could not be controlled.

In May 1989, Noriega again stole an election, this time from a representative of the business opposition, Guillermo Endara. Noriega used less violence than in 1984. But the Reagan administration had given the signal that it had turned against Noriega. Following the predictable script, the press expressed outrage over his failure to meet our lofty democratic standards.

The press also began passionately denouncing human rights violations that previously didn't reach the threshold of their attention. By the time we invaded Panama in December 1989, the press had demonized Noriega, turning him into the worst monster since Attila the Hun. (It was basically a replay of the demonization of Qaddafi of Libya.) Ted Koppel was orating that "Noriega belongs to that special fraternity of international villains, men like Qaddafi, Idi Amin and the Ayatollah Khomeini, whom Americans just love to hate." Dan Rather placed him "at the top of the list of the world's drug thieves and scums." In fact, Noriega remained a very minor thug -- exactly what he was when he was on the CIA payroll.

In 1988, for example, *Americas Watch* published a report on human rights in Panama, giving an unpleasant picture. But as their reports -- and other inquiries -- make clear, Noriega's human rights record was nothing remotely like that of other US clients in the region, and no worse than in the days when Noriega was still a favorite, following orders.

Take Honduras, for example. Although it's not a murderous terrorist state like El Salvador or Guatemala, human rights abuses were probably worse there than in Panama. In fact, there's one CIA-trained battalion in Honduras that all by itself had carried out more atrocities than Noriega did.

Or consider US-backed dictators like Trujillo in the Dominican Republic, Somoza in Nicaragua, Marcos in the Philippines, Duvalier in Haiti and a host of Central American gangsters through the 1980s. They were all *much* more brutal than Noriega, but the United States supported them enthusiastically right through decades of horrifying atrocities -- as long as the profits were flowing out of their countries and into the US. George Bush's administration continued to honor Mobutu, Ceausescu and Saddam Hussein, among others, all far worse criminals than Noriega. Suharto of Indonesia, arguably the worst killer of them all, remains a Washington-media "moderate."

In fact, at exactly the moment it invaded Panama because of its outrage over Noriega's abuses of human rights, the Bush administration announced new high-technology sales to China, noting that \$300 million in business for US firms was at stake and that contacts had secretly resumed a few weeks after the Tiananmen Square massacre.

On the same day -- the day Panama was invaded -- the White House also announced plans (and implemented them shortly afterwards) to lift a ban on loans to Iraq. The State Department explained with a straight face that this was to achieve the "goal of increasing US exports and put us in a better position to deal with Iraq regarding its human rights record...."

The Department continued with the pose as Bush rebuffed the Iraqi democratic opposition (bankers, professionals, etc.) and blocked congressional efforts to condemn the atrocious crimes of his old friend Saddam Hussein. Compared to Bush's buddies in Baghdad and Beijing, Noriega looked like Mother Teresa.

After the invasion, Bush announced a billion dollars in aid to Panama. Of this, \$400 million consisted of incentives for US business to export products to Panama, \$150 million was to pay off bank loans and \$65 million went to private sector loans and guarantees to US investors. In other words, about half the aid was a gift from the American taxpayer to American businesses.

The US put the bankers back in power after the invasion. Noriega's involvement in drug trafficking had been trivial compared to theirs. Drug trafficking there has always been conducted primarily by the banks -- the banking system is virtually unregulated, so it's a natural outlet for criminal money. This has been the basis for Panama's highly artificial economy and remains so -- possibly at a higher level -- after the invasion. The Panamanian Defense Forces have also been reconstructed with basically the same officers.

In general, everything's pretty much the same, only now more reliable servants are in charge. (The same is true of Grenada, which has become a major center of drug money laundering since the US invasion. Nicaragua, too, has become a significant conduit for drugs to the US market, after Washington's victory in the 1990 election. The pattern is standard -- as is the failure to notice it.)

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## Inoculating Southeast Asia

The US wars in Indochina fall into the same general pattern. By 1948, the State Department recognized quite clearly that the Viet Minh, the anti-French resistance led by Ho Chi Minh, was *the* national movement of Vietnam. But the Viet Minh did not cede control to the local oligarchy. It favored independent development and ignored the interests of foreign investors.

There was fear the Viet Minh might succeed, in which case "the rot would spread" and the "virus" would "infect" the region, to adopt the language the planners used year after year after year. (Except for a few madmen and nitwits, none feared conquest -- they were afraid of a positive example of successful development.)

What do you do when you have a virus? First you destroy it, then you inoculate potential victims, so that the disease does not spread. That's basically the US strategy in the Third World.

If possible, it's advisable to have the local military destroy the virus for you. If they can't, you have to move your own forces in. That's more costly, and it's ugly, but sometimes you have to do it. Vietnam was one of those places where we had to do it.

Right into the late 1960s, the US blocked all attempts at political settlement of the conflict, even those advanced by the Saigon generals. If there were a political settlement, there might be progress toward successful development outside of our influence -- an unacceptable outcome.

Instead, we installed a typical Latin American-style terror state in South Vietnam, subverted the only free elections in the history of Laos because the wrong side won, and blocked elections in Vietnam because it was obvious the wrong side was going to win there too.

The Kennedy administration escalated the attack against South Vietnam from massive state terror to outright aggression. Johnson sent a huge expeditionary force to attack South Vietnam and expanded the war to all of Indochina. That destroyed the virus, all right -- Indochina will be lucky if it recovers in a hundred years.

While the United States was extirpating the disease of independent development at its source in Vietnam, it also prevented its spread by supporting the Suharto takeover in Indonesia in 1965, backing the overthrow of Philippine democracy by Ferdinand Marcos in 1972, supporting martial law in South Korea and Thailand and so on.

Suharto's 1965 coup in Indonesia was particularly welcome to the West, because it destroyed the only mass-based political party there. That involved the slaughter, in a few months, of about 700,000 people, mostly landless peasants -- "a gleam of light in Asia," as the leading thinker of the *New York Times*, James Reston, exulted, assuring his readers that the US had a hand in this triumph.

The West was very pleased to do business with Indonesia's new "moderate" leader, as the *Christian Science Monitor* described General Suharto, after he had washed some of the blood off his hands -- meanwhile adding hundreds of thousands of corpses in East Timor and elsewhere. This spectacular mass murderer is "at heart benign," the respected London *Economist* assures us -- doubtless referring to his attitude towards Western corporations.

After the Vietnam war was ended in 1975, the major policy goal of the US has been to maximize repression and suffering in the countries that were devastated by our violence. The degree of the cruelty is quite astonishing.

When the Mennonites tried to send pencils to Cambodia, the State Department tried to stop them. When Oxfam tried to send ten solar pumps, the reaction was the same. The same was true when religious groups tried to send shovels to Laos to dig up some of the unexploded shells left by American bombing.

When India tried to send 100 water buffalo to Vietnam to replace the huge herds that were destroyed by the American attacks -- and remember, in this primitive country, water buffalo mean fertilizer, tractors, survival -- the United States threatened to cancel Food for Peace aid. (That's one Orwell would have appreciated.) No degree of cruelty is too great for Washington sadists. The educated classes know enough to look the other way.

In order to bleed Vietnam, we've supported the Khmer Rouge indirectly through our allies, China and Thailand. The Cambodians have to pay with their blood so we can make sure there isn't any recovery in Vietnam. The Vietnamese have to be punished for having resisted US violence.

Contrary to what virtually everyone -- left or right -- says, the United States achieved its major objectives in Indochina. Vietnam was demolished. There's no danger that successful development there will provide a model for other nations in the region.

Of course, it wasn't a total victory for the US. Our larger goal was to reincorporate Indochina into the US-dominated global system, and that has not yet been achieved.

But our basic goal -- the crucial one, the one that really counted -- was to destroy the virus, and we did achieve that. Vietnam is a basket case, and the US is doing what it can to keep it that way. In October 1991, the US once again overrode the strenuous objections of its allies in Europe and Japan, and renewed the embargo and sanctions against Vietnam. The Third World must learn that no one dare raise their head. The global enforcer will persecute them relentlessly if they commit this unspeakable crime.

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## The Gulf War

The Gulf War illustrated the same guiding principles, as we see clearly if we lift the veil of propaganda.

When Iraq invaded Kuwait in August 1990, the UN Security Council immediately condemned Iraq and imposed severe sanctions on it. Why was the UN response so prompt and so unprecedentedly firm? The US government-media alliance had a standard answer.

First, it told us that Iraq's aggression was a unique crime, and thus merited a uniquely harsh reaction. "America stands where it always has -- against aggression, against those who would use force to replace the rule of law" -- so we were informed by President Bush, the invader of Panama and the only head of state condemned by the World Court for the "unlawful use of force" (in the Court's condemnation of the US attack against Nicaragua). The media and the educated classes dutifully repeated the lines spelled out for them by their Leader, collapsing in awe at the magnificence of his high principles.

Second, these same authorities proclaimed in a litany that the UN was now at last functioning as it was designed to do. They claimed that this was impossible before the end of the Cold War, when the UN was rendered ineffective by Soviet disruption and the shrill anti-Western rhetoric of the Third World.

Neither of these claims can withstand even a moment's scrutiny. The US wasn't upholding any high principle in the Gulf, nor was any other state. The reason for the unprecedented response to Saddam Hussein wasn't his brutal aggression -- it was because he stepped on the wrong toes.

Saddam Hussein is a murderous gangster -- exactly as he was before the Gulf War, when he was our friend and favored trading partner. His invasion of Kuwait was certainly an atrocity, but well within the range of many similar crimes conducted by the US and its allies, and nowhere near as terrible as some. For example, Indonesia's invasion and annexation of East Timor reached near-genocidal proportions, thanks to the decisive support of the US and its allies. Perhaps one-fourth of the 700,000 population were killed, a slaughter exceeding that of Pol Pot, relative to the population, in the same years.

Our ambassador to the UN at the time (and now Senator from New York), Daniel Moynihan, explained his achievement at the UN concerning East Timor: "The United States wished things to turn out as they did, and worked to bring this about. The Department of State desired that the United Nations prove utterly ineffective in whatever measures it undertook. This task was given to me, and I carried it forward with no inconsiderable success."

The Australian Foreign Minister justified his country's acquiescence to the invasion and annexation of East Timor (and Australia's participation with Indonesia in robbing Timor's rich oil reserves) by saying simply that "the world is a pretty unfair place, littered with examples of acquisition by force." When Iraq invaded Kuwait, however, his government issued a ringing declaration that "big countries cannot invade small neighbors and get away with it." No heights of cynicism trouble the equanimity of Western moralists.

As for the UN finally functioning as it was designed to, the facts are clear -- but absolutely barred by the guardians of political correctness who control the means of expression with an iron hand. For many years, the UN has been blocked by the great powers, primarily the United States -- not the Soviet Union or the Third World. Since 1970, the United States has vetoed *far* more Security Council resolutions than any other country (Britain is second, France a distant third and the Soviet Union fourth).

Our record in the General Assembly is similar. And the "shrill, anti-Western rhetoric" of the Third World commonly turns out to be a call to observe international law, a pitifully weak barrier against the depredations of the powerful.

The UN was able to respond to Iraq's aggression because -- for once -- the United States *allowed* it to. The unprecedented severity of the UN sanctions was the result of intense US pressure and threats. The sanctions had an unusually good chance of working, both because of their harshness and because the usual sanctions-busters -- the United States, Britain and France -- would have abided by them for a change.

But even after allowing sanctions, the US immediately moved to close off the diplomatic option by dispatching a huge military force to the Gulf, joined by Britain and backed by the family dictatorships that rule the Gulf's oil states, with only nominal participation by others.

A smaller, deterrent force could have been kept in place long enough for the sanctions to have had a significant effect; an army of half a million couldn't. The purpose of the quick military build-up was to ward off the danger that Iraq might be forced out of Kuwait by peaceful means.

Why was a diplomatic resolution so unattractive? Within a few weeks after the invasion of Kuwait on August 2, the basic outlines for a possible political settlement were becoming clear. Security Council resolution 660, calling for Iraq's withdrawal from Kuwait, also called for simultaneous negotiations of border issues. By mid-August, the National Security Council considered an Iraqi proposal to withdraw from Kuwait in that context.

There appear to have been two issues: first, Iraqi access to the Gulf, which would have entailed a lease or other control over two uninhabited mudflats assigned to Kuwait by Britain in its imperial settlement (which had left Iraq virtually landlocked); second, resolution of a dispute over an oil field that extended two miles into Kuwait over an unsettled border.

The US flatly rejected the proposal, or any negotiations. On August 22, without revealing these facts about the Iraqi initiative (which it apparently knew), the *New York Times* reported that the Bush Administration was determined to block the "diplomatic track" for fear that it might "defuse the crisis" in very much this manner. (The basic facts were published a week later by the Long Island daily *Newsday*, but the media largely kept their silence.)

The last known offer before the bombing, released by US officials on January 2, 1991, called for total Iraqi withdrawal from Kuwait. There were no qualifications about borders, but the offer was made in the context of unspecified agreements on other "linked" issues: weapons of mass destruction in the region and the Israel-Arab conflict.

The latter issues include Israel's illegal occupation of southern Lebanon, in violation of Security Council resolution 425 of March 1978, which called for its immediate and unconditional withdrawal from the territory it had invaded. The US response was that there would be no diplomacy. The media suppressed the facts, *Newsday* aside, while lauding Bush's high principles.

The US refused to consider the "linked" issues because it was opposed to diplomacy on all the "linked" issues. This had been made clear months before Iraq's invasion of Kuwait, when the US had rejected Iraq's offer of negotiations over weapons of mass destruction. In the offer, Iraq proposed to destroy all such chemical and biological weapons, if other countries in the region also destroyed their weapons of mass destruction.

Saddam Hussein was then Bush's friend and ally, so he received a response, which was instructive. Washington said it welcomed Iraq's proposal to destroy its own weapons, but didn't want this linked to "other issues or weapons systems."

There was no mention of the "other weapons systems," and there's a reason for that. Israel not only may have chemical and biological weapons -- it's also the only country in the Mideast with nuclear weapons (probably about 200 of them). But "Israeli nuclear weapons" is a phrase that can't be written or uttered by any official US government source. That phrase would raise the question of why all aid to Israel is not illegal, since foreign aid legislation from 1977 bars funds to any country that secretly develops nuclear weapons.

Independent of Iraq's invasion, the US had also always blocked any "peace process" in the Middle East that included an international conference and recognition of a Palestinian right of self-determination. For 20 years, the US has been virtually alone in this stance. UN votes indicate the regular annual pattern; once again in December 1990, right in the midst of the Gulf crisis, the call for an international conference was voted 144-2 (US and Israel). This had nothing to do with Iraq and Kuwait.

The US also adamantly refused to allow a reversal of Iraq's aggression by the peaceful means prescribed by international law. Instead it preferred to avoid diplomacy and to restrict the conflict to the arena of violence, in which a superpower facing no deterrent is bound to prevail over a Third World adversary.

As already discussed, the US regularly carries out or supports aggression, even in cases far more criminal than Iraq's invasion of Kuwait. Only the most dedicated commissar can fail to understand these facts, or the fact that in the rare case when the US happens to oppose some illegal act by a client or ally, it's quite happy with "linkage."

Take the South African occupation of Namibia, declared illegal by the World Court and the UN in the 1960s. The US pursued "quiet diplomacy" and "constructive engagement" for years, brokering a settlement that gave South Africa ample reward (including Namibia's major port) for its aggression and atrocities, with "linkage" extending to the Caribbean and welcome benefits for international business interests.

The Cuban forces that had defended Namibia's neighbor Angola from South African attack were withdrawn. Much as in Nicaragua after the 1987 "peace accords," the US continued to support the terrorist army backed by the US and its allies (South Africa and Zaire) and is preparing the ground for a 1992 Nicaragua-style "democratic election," where people will go to the polls under threat of economic strangulation and terrorist attack if they vote the wrong way.

Meanwhile, South Africa was looting and destroying Namibia, and using it as a base for violence against its neighbors. In the Reagan-Bush years (1980-1988) alone, South African violence led to about \$60 billion in damage and over a million and a half people killed in the neighboring countries (excluding Namibia and South Africa). But the commissar class was unable to see these facts, and hailed George Bush's amazing display of principle as he opposed "linkage" -- when someone steps on our toes.

More generally, opposing "linkage" amounts to little more than rejecting diplomacy, which always involves broader issues. In the case of Kuwait, the US position was particularly flimsy. After Saddam Hussein stepped out of line, the Bush administration insisted that Iraq's capacity for aggression be eliminated (a correct position, in contrast to its earlier support for Saddam's aggression and atrocities) and called for a regional settlement guaranteeing security.

Well, that's linkage. The simple fact is that the US feared that diplomacy might "defuse the crisis," and therefore blocked diplomacy "linkage" at every turn during the build-up to the war.

By refusing diplomacy, the US achieved its major goals in the Gulf. We were concerned that the incomparable energy resources of the Middle East remain under our control, and that the enormous profits they produce help support the economies of the US and its British client.

The US also reinforced its dominant position, and taught the lesson that the world is to be ruled by force. Those goals having been achieved, Washington proceeded to maintain "stability," barring any threat of democratic change in the Gulf tyrannies and lending tacit support to Saddam Hussein as he crushed the popular uprising of the Shi'ites in the South, a few miles from US lines, and then the Kurds in the North.

But the Bush administration has not yet succeeded in achieving what its spokesman at the *New York Times*, chief diplomatic correspondent Thomas Friedman, calls "the best of all worlds: an iron-fisted Iraqi junta without Saddam Hussein." This, Friedman writes, would be a return to the happy days when Saddam's "iron fist...held Iraq together, much to the satisfaction of the American allies Turkey and Saudi Arabia," not to speak of the boss in Washington. The current situation in the Gulf reflects the priorities of the superpower that held all the cards, another truism that must remain invisible to the guardians of the faith.

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## The Iran/contra cover-up

The major elements of the Iran/contra story were well known long before the 1986 exposures, apart from one fact: that the sale of arms to Iran via Israel and the illegal contra war run out of Ollie North's White House office were connected.

The shipment of arms to Iran through Israel didn't begin in 1985, when the congressional inquiry and the special prosecutor pick up the story. It began almost immediately after the fall of the Shah in 1979. By 1982, it was public knowledge that Israel was providing a large part of the arms for Iran -- you could read it on the front page of the *New York Times*.

In February 1982, the main Israeli figures whose names later appeared in the Iran/contra hearings appeared on BBC television and described how they had helped organize an arms flow to the Khomeini regime. In October 1982, the Israeli ambassador to the US stated publicly that Israel was sending arms to the Khomeini regime "with the cooperation of the United States...at almost the highest level." The high Israeli officials involved also gave the reasons: to establish links with elements of the military in Iran who might overthrow the regime, restoring the arrangements that prevailed under the Shah -- standard operating procedure.

As for the contra war, the basic facts of the illegal North-CIA operations were known by 1985 (over a year before the story broke, when a US supply plane was shot down and a US agent, Eugene Hasenfus, was captured). The media simply chose to look the other way.

So what finally generated the Iran/contra scandal? A moment came when it was just impossible to suppress it any longer. When Hasenfus was shot down in Nicaragua while flying arms to the contras for the CIA, and the Lebanese press reported that the US National Security Adviser was handing out Bibles and chocolate cakes in Teheran, the story just couldn't be kept under wraps. After that, the connection between the two well-known stories emerged.

We then move to the next phase: damage control. That's what the follow-up was about.

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## The prospects for Eastern Europe

What was remarkable about the events in Eastern Europe in the 1980s was that the imperial power simply backed off. Not only did the USSR permit popular movements to function, it actually encouraged them. There are few historical precedents for that.

It didn't happen because the Soviets are nice guys -- they were driven by internal necessities. But it *did* happen and, as a result, the popular movements in Eastern Europe didn't have to face anything remotely like what they would have faced on our turf. The journal of the Salvadoran Jesuits quite accurately pointed out that in their country Vaclav Havel (the former political prisoner who became president of Czech-oslovakia) wouldn't have been put in jail -- he might well have been hacked to pieces and left by the side of the road somewhere.

The USSR even apologized for its past use of violence, and this too was unprecedented. US newspapers concluded that, because the Russians admitted that the invasion of Afghanistan was a crime that violated international law, they were finally joining the civilized world. That's an interesting reaction. Imagine someone in the US media suggesting that maybe the United States ought to try to rise to the moral level of the Kremlin and admit that the attacks against Vietnam, Laos and Cambodia violated international law.

The one country in Eastern Europe where there was extensive violence as the tyrannies collapsed was the very one where the Soviets had the least amount of influence and where we had the most: Romania. Nicolae Ceausescu, the dictator of Romania, had visited England and was given the royal treatment. The United States gave him favored nation treatment, trade advantages and the like.

Ceausescu was just as brutal and crazed then as he was later, but because he'd largely withdrawn from the Warsaw Pact and was following a somewhat independent course, we felt he was partially on our side in the international struggle. (We're in favor of independence as long as it's in *other* people's empires, not in our own.)

Elsewhere in Eastern Europe, the uprisings were remarkably peaceful. There was some repression, but historically, 1989 was unique. I can't think of another case that comes close to it.

I think the prospects are pretty dim for Eastern Europe. The West has a plan for it -- they want to turn large parts of it into a new, easily exploitable part of the Third World.

There used to be a sort of colonial relationship between Western and Eastern Europe; in fact, the Russians' blocking of that relationship was one of the reasons for the Cold War. Now it's being reestablished and there's a serious conflict over who's going to win the race for robbery and exploitation. Is it going to be German-led Western Europe (currently in the lead) or Japan (waiting in the wings to see how good the profits look) or the United States (trying to get into the act)?

There are a lot of resources to be taken, and lots of cheap labor for assembly plants. But first we have to impose the capitalist model on them. We don't accept it for *ourselves* -- but for the Third World, we insist on it. That's the IMF system. If we can get them to accept that, they'll be very easily exploitable, and will move toward their new role as a kind of Brazil or Mexico.

In many ways, Eastern Europe is more attractive to investors than Latin America. One reason is that the population is white and blue-eyed, and therefore easier to deal with for investors who come from deeply racist societies like Western Europe and the United States.

More significantly, Eastern Europe has much higher general health and educational standards than Latin America -- which, except for isolated sectors of wealth and privilege, is a total disaster area. One of the few exceptions in this regard is Cuba, which does approach Western standards of health and literacy, but its prospects are very grim.

One reason for this disparity between Eastern Europe and Latin America is the vastly greater level of state terror in the latter after the Stalin years. A second reason is economic policy.

According to US intelligence, the Soviet Union poured about 80 billion dollars into Eastern Europe in the 1970s. The situation has been quite different in Latin America. Between 1982 and 1987, about 150 billion dollars were transferred *from* Latin America to the West. The *New York Times* cites estimates that "hidden transactions" (including drug money, illegal profits, etc.) might be in the 700 billion range. The effects in Central America have been particularly awful, but the same is true throughout Latin America -- there's rampant poverty, malnutrition, infant mortality, environmental destruction, state terror, and a collapse of living standards to the levels of decades ago.

The situation in Africa is even worse. The catastrophe of capitalism was particularly severe in the 1980s, an "unrelenting nightmare" in the domains of the Western powers, in the accurate terms of the head of the Organization of African Unity. Illustrations provided by the World Health Organization estimate that eleven million children die every year in "the developing world," a "silent genocide" that could be brought to a quick end if resources were directed to human needs rather than enrichment of a few.

In a global economy designed for the interests and needs of international corporations and finance, and sectors that serve them, most of the species becomes superfluous. They will be cast aside if the institutional structures of power and privilege function without popular challenge or control.

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## The world's rent-a-thug

For most of this century, the United States was far and away the world's dominant economic power, and that made economic warfare an appealing weapon, including measures ranging from illegal embargo to enforcement of IMF rules (for the weak). But in the last twenty years or so, the US has declined relative to Japan and German-led Europe (thanks in part to the economic mismanagement of the Reagan administration, which threw a party for the rich with costs paid by the majority of the population and future generations). At the same time, however, US military power has become absolutely preeminent.

As long as the Soviet Union was in the game, there was a limit to how much force the US could apply, particularly in more remote areas where we didn't have a big conventional force advantage. Because the USSR used to support governments and political movements the US was trying to destroy, there was a danger that US intervention in the Third World might explode into a nuclear war. With the Soviet deterrent gone, the US is much more free to use violence around the world, a fact that has been recognized with much satisfaction by US policy analysts in the past several years.

In any confrontation, each participant tries to shift the battle to a domain in which it's most likely to succeed. You want to lead with your strength, play your strong card. The strong card of the United States is force -- so if we can establish the principle that force rules the world, that's a victory for us. If, on the other hand, a conflict is settled through peaceful means, that benefits us less, because our rivals are just as good or better in that domain.

Diplomacy is a particularly unwelcome option, unless it's pursued under the gun. The US has very little popular support for its goals in the Third World. This isn't surprising, since it's trying to impose structures of domination and exploitation. A diplomatic settlement is bound to respond, at least to some degree, to the interests of the other participants in the negotiation, and that's a problem when your positions aren't very popular.

As a result, negotiations are something the US commonly tries to avoid. Contrary to much propaganda, that has been true in Southeast Asia, the Middle East and Central America for many years.

Against this background, it's natural that the Bush administration should regard military force as a major policy instrument, preferring it to sanctions and diplomacy (as in the Gulf crisis). But since the US now lacks the economic base to impose "order and stability" in the Third World, it must rely on others to pay for the exercise -- a necessary one, it's widely assumed, since someone must ensure a proper respect for the masters. The flow of profits from Gulf oil production helps, but Japan and German-led continental

Europe must also pay their share as the US adopts the "mercenary role," following the advice of the international business press.

The financial editor of the conservative *Chicago Tribune* has been stressing these themes with particular clarity. We must be "willing mercenaries," paid for our ample services by our rivals, using our "monopoly power" in the "security market" to maintain "our control over the world economic system." We should run a global protection racket, he advises, selling "protection" to other wealthy powers who will pay us a "war premium."

This is Chicago, where the words are understood: if someone bothers you, you call on the Mafia to break their bones. And if you fall behind in your premium, your health may suffer too.

To be sure, the use of force to control the Third World is only a last resort. The IMF is a more cost-effective instrument than the Marines and the CIA if it can do the job. But the "iron fist" must be poised in the background, available when needed.

Our rent-a-thug role also causes suffering at home. All of the successful industrial powers have relied on the state to protect and enhance powerful domestic economic interests, to direct public resources to the needs of investors, and so on -- one reason why they are successful. Since 1950, the US has pursued these ends largely through the Pentagon system (including NASA and the Department of Energy, which produces nuclear weapons). By now we are locked into these devices for maintaining electronics, computers and high-tech industry generally.

Reaganite military Keynesian excesses added further problems. The transfer of resources to wealthy minorities and other government policies led to a vast wave of financial manipulations and a consumption binge. But there was little in the way of productive investment, and the country was saddled with huge debts: government, corporate, household and the incalculable debt of unmet social needs as the society drifts towards a Third World pattern, with islands of great wealth and privilege in a sea of misery and suffering.

When a state is committed to such policies, it must somehow find a way to divert the population, to keep them from seeing what's happening around them. There are not many ways to do this. The standard ones are to inspire fear of terrible enemies about to overwhelm us, and awe for our grand leaders who rescue us from disaster in the nick of time.

That has been the pattern right through the 1980s, requiring no little ingenuity as the standard device, the Soviet threat, became harder to take seriously. So the threat to our existence has been Qaddafi and his hordes of international terrorists, Grenada and its ominous air base, Sandinistas marching on Texas, Hispanic narcotraffickers led by the arch-maniac Noriega, and crazed Arabs generally. Most recently it's Saddam Hussein, after he committed his sole crime -- the crime of disobedience -- in August 1990. It has become more necessary to recognize what has always been true: that the prime enemy is the Third World, which threatens to get "out of control."

These are not laws of nature. The processes, and the institutions that engender them, could be changed. But that will require cultural, social and institutional changes of no little moment, including democratic structures that go far beyond periodic selection of representatives of the business world to manage domestic and international affairs.

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# *Brainwashing at home*

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## How the Cold War worked

Despite much pretense, national security has not been a major concern of US planners and elected officials. The historical record reveals this clearly. Few serious analysts took issue with George Kennan's position that "it is not Russian military power which is threatening us, it is Russian political power" (October 1947); or with President Eisenhower's consistent view that the Russians intended no military conquest of Western Europe and that the major role of NATO was to "convey a feeling of confidence to exposed populations, a confidence which will make them sturdier, politically, in their opposition to Communist inroads."

Similarly, the US dismissed possibilities for peaceful resolution of the Cold War conflict, which would have left the "political threat" intact. In his history of nuclear weapons, McGeorge Bundy writes that he is "aware of no serious contemporary proposal...that ballistic missiles should somehow be banned by agreement before they were ever deployed," even though these were the only potential military threat to the US. It was always the "political" threat of so-called "Communism" that was the primary concern.

(Recall that "Communism" is a broad term, and includes all those with the "ability to get control of mass movements....something we have no capacity to duplicate," as Secretary of State John Foster Dulles privately complained to his brother Allen, CIA director, "The poor people are the ones they appeal to," he added, "and they have always wanted to plunder the rich." So they must be overcome, to protect our doctrine that the rich should plunder the poor.)

Of course, both the US and USSR would have preferred that the other simply disappear. But since this would obviously have involved mutual annihilation, a system of global management called the Cold War was established.

According to the conventional view, the Cold War was a conflict between two superpowers, caused by Soviet aggression, in which we tried to contain the Soviet Union and protect the world from it. If this view is a doctrine of theology, there's no need to discuss it. If it is intended to shed some light on history, we can easily put it to the test, bearing in mind a very simple point: if you want to understand the Cold

War, you should look at the *events* of the Cold War. If you do so, a very different picture emerges.

On the Soviet side, the events of the Cold War were repeated interventions in Eastern Europe: tanks in East Berlin and Budapest and Prague. These interventions took place along the route that was used to attack and virtually destroy Russia three times in this century alone. The invasion of Afghanistan is the one example of an intervention outside that route, though also on the Soviet border.

On the US side, intervention was worldwide, reflecting the status attained by the US as the first truly global power in history.

On the domestic front, the Cold War helped the Soviet Union entrench its military-bureaucratic ruling class in power, and it gave the US a way to compel its population to subsidize high-tech industry. It isn't easy to sell all that to the domestic populations. The technique used was the old stand-by-fear of a great enemy.

The Cold War provided that too. No matter how outlandish the idea that the Soviet Union and its tentacles were strangling the West, the "Evil Empire" *was* in fact evil, *was* an empire and *was* brutal. Each superpower controlled its primary enemy -- its own population -- by terrifying it with the (quite real) crimes of the other.

In crucial respects, then, the Cold War was a kind of tacit arrangement between the Soviet Union and the United States under which the US conducted its wars against the Third World and controlled its allies in Europe, while the Soviet rulers kept an iron grip on their own internal empire and their satellites in Eastern Europe -- each side using the other to justify repression and violence in its own domains.

So why did the Cold War end, and how does its end change things? By the 1970s, Soviet military expenditures were leveling off and internal problems were mounting, with economic stagnation and increasing pressures for an end to tyrannical rule. Soviet power internationally had, in fact, been declining for some 30 years, as a study by the Center for Defense Information showed in 1980. A few years later, the Soviet system had collapsed. The Cold War ended with the victory of what had always been the far richer and more powerful contestant. The Soviet collapse was part of the more general economic catastrophe of the 1980s, more severe in most of the Third World domains of the West than in the Soviet empire.

As we've already seen, the Cold War had significant elements of North-South conflict (to use the contemporary euphemism for the European conquest of the world). Much of the Soviet empire had formerly been quasi-colonial dependencies of the West. The Soviet Union took an independent course, providing assistance to targets of Western attack and deterring the worst of Western violence. With the collapse of Soviet tyranny, much of the region can be expected to return to its traditional status, with the former higher echelons of the bureaucracy playing the role of the Third World elites that enrich themselves while serving the interests of foreign investors.

But while this particular phase has ended, North-South conflicts continue. One side may have called off the game, but the US is proceeding as before -- more freely, in fact, with Soviet deterrence a thing of the past. It should have surprised no one that George Bush celebrated the symbolic end of the Cold War, the fall of the Berlin Wall, by immediately invading Panama and announcing loud and clear that the US would subvert Nicaragua's election by maintaining its economic stranglehold and military attack unless "our side" won.

Nor did it take great insight for Elliott Abrams to observe that the US invasion of Panama was unusual because it could be conducted without fear of a Soviet reaction anywhere, or for numerous commentators during the Gulf crisis to add that the US and Britain were now free to use unlimited force against its Third World enemy, since they were no longer inhibited by the Soviet deterrent.

Of course, the end of the Cold War brings its problems too. Notably, the technique for controlling the domestic population has had to shift, a problem recognized through the 1980s, as we've already seen. New enemies have to be invented. It becomes harder to disguise the fact that the real enemy has always been "the poor who seek to plunder the rich" -- in particular, Third World miscreants who seek to break out of the service role.

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## The war on (certain) drugs

One substitute for the disappearing Evil Empire has been the threat of drug traffickers from Latin America. In early September 1989, a major government-media blitz was launched by the President. That month the AP wires carried more stories about drugs than about Latin America, Asia, the Middle East and Africa combined. If you looked at television, every news program had a big section on how drugs were destroying our society, becoming the greatest threat to our existence, etc.

The effect on public opinion was immediate. When Bush won the 1988 election, people said the budget deficit was the biggest problem facing the country. Only about 3% named drugs. After the media blitz, concern over the budget was way down and drugs had soared to about 40% or 45%, which is highly unusual for an open question (where no specific answers are suggested).

Now, when some client state complains that the US government isn't sending it enough money, they no longer say, "we need it to stop the Russians" -- rather, "we need it to stop drug trafficking." Like the Soviet threat, this enemy provides a good excuse for a US military presence where there's rebel activity or other unrest.

So internationally, "the war on drugs" provides a cover for intervention. Domestically, it has little to do with drugs but a lot to do with distracting the population, increasing repression in the inner cities, and building support for the attack on civil liberties.

That's not to say that "substance abuse" isn't a serious problem. At the time the drug war was launched, deaths from tobacco were estimated at about 300,000 a year, with perhaps another 100,000 from alcohol. But these aren't the drugs the Bush administration targeted. It went after illegal drugs, which had caused many fewer deaths -- over 3500 a year -- according to official figures. One reason for going after these drugs was that their use had been declining for some years, so the Bush administration could safely predict that its drug war would "succeed" in lowering drug use.

The Administration also targeted marijuana, which hadn't caused any known deaths among some 60 million users. In fact, that crackdown has exacerbated the drug problem -- many marijuana users have turned from this relatively harmless drug to more dangerous drugs like cocaine, which are easier to conceal.

Just as the drug war was launched with great fanfare in September 1989, the US Trade Representative (USTR) panel held a hearing in Washington to consider a tobacco industry request that the US impose

sanctions on Thailand in retaliation for its efforts to restrict US tobacco imports and advertising. Such US government actions had already rammed this lethal addictive narcotic down the throats of consumers in Japan, South Korea and Taiwan, with human costs of the kind already indicated

The US Surgeon General, Everett Koop, testified at the USTR panel that "when we are pleading with foreign governments to stop the flow of cocaine, it is the height of hypocrisy for the United States to export tobacco." He added, "years from now, our nation will look back on this application of free trade policy and find it scandalous."

Thai witnesses also protested, predicting that the consequence of US sanctions would be to reverse a decline in smoking achieved by their government's campaign against tobacco use. Responding to the US tobacco companies' claim that their product is the best in the world, a Thai witness said: "Certainly in the Golden Triangle we have some of the best products, but we never ask the principle of free trade to govern such products. In fact we suppressed [them]." Critics recalled the Opium War 150 years earlier, when the British government compelled China to open its doors to opium from British India, sanctimoniously pleading the virtues of free trade as they forcefully imposed large-scale drug addiction on China.

Here we have the biggest drug story of the day. Imagine the screaming headlines: "US government the world's leading drug peddler." It would surely sell papers. But the story passed virtually unreported, and with not a hint of the obvious conclusions.

Another aspect of the drug problem, which also received little attention, is the leading role of the US government in stimulating drug trafficking since World War II. This happened in part when the US began its postwar task of undermining the anti-fascist resistance and the labor movement became an important target.

In France, the threat of the political power and influence of the labor movement was enhanced by its steps to impede the flow of arms to French forces seeking to reconquer their former colony of Vietnam with US aid. So the CIA undertook to weaken and split the French labor movement -- with the aid of top American labor leaders, who were quite proud of their role.

The task required strikebreakers and goons. There was an obvious supplier: the Mafia. Of course, they didn't take on this work just for the fun of it. They wanted a return for their efforts. And it was given to them: they were authorized to reestablish the heroin racket that had been suppressed by the fascist governments -- the famous "French connection" that dominated the drug trade until the 1960s.

By then, the center of the drug trade had shifted to Indochina, particularly Laos and Thailand. The shift was again a by-product of a CIA operation -- the "secret war" fought in those countries during the Vietnam War by a CIA mercenary army. They also wanted a payoff for their contributions. Later, as the CIA shifted its activities to Pakistan and Afghanistan, the drug racket boomed there.

The clandestine war against Nicaragua also provided a shot in the arm to drug traffickers in the region, as illegal CIA arms flights to the US mercenary forces offered an easy way to ship drugs back to the US, sometimes through US Air Force bases, traffickers report.

The close correlation between the drug racket and international terrorism (sometimes called "counterinsurgency," "low intensity conflict" or some other euphemism) is not surprising. Clandestine operations need plenty of money, which should be undetectable. And they need criminal operatives as well. The rest follows.

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## **War is Peace. Freedom is Slavery. Ignorance is Strength.**

The terms of political discourse typically have two meanings. One is the dictionary meaning, and the other is a meaning that is useful for serving power -- the doctrinal meaning.

Take *democracy*. According to the common-sense meaning, a society is democratic to the extent that people can participate in a meaningful way in managing their affairs. But the doctrinal meaning of *democracy* is different -- it refers to a system in which decisions are made by sectors of the business community and related elites. The public are to be only "spectators of action," not "participants," as leading democratic theorists (in this case, Walter Lippmann) have explained. They are permitted to ratify the decisions of their betters and to lend their support to one or another of them, but not to interfere with matters -- like public policy -- that are none of their business.

If segments of the public depart from their apathy and begin to organize and enter the public arena, that's not democracy. Rather, it's a *crisis of democracy* in proper technical usage, a threat that has to be overcome in one or another way: in El Salvador, by death squads -- at home, by more subtle and indirect means.

Or take *free enterprise*, a term that refers, in practice, to a system of public subsidy and private profit, with massive government intervention in the economy to maintain a welfare state for the rich. In fact, in acceptable usage, just about any phrase containing the word "free" is likely to mean something like the opposite of its actual meaning.

Or take *defense against aggression*, a phrase that's used -- predictably -- to refer to aggression. When the US attacked South Vietnam in the early 1960s, the liberal hero Adlai Stevenson (among others) explained that we were defending South Vietnam against "internal aggression" -- that is, the aggression of South Vietnamese peasants against the US air force and a US-run mercenary army, which were driving them out of their homes and into concentration camps where they could be "protected" from the southern guerrillas. In fact, these peasants willingly supported the guerillas, while the US client regime was an empty shell, as was agreed on all sides.

So magnificently has the doctrinal system risen to its task that to this day, 30 years later, the idea that the

US attacked South Vietnam is unmentionable, even unthinkable, in the mainstream. The essential issues of the war are, correspondingly, beyond any possibility of discussion now. The guardians of political correctness (the real PC) can be quite proud of an achievement that would be hard to duplicate in a well-run totalitarian state.

Or take the term *peace process*. The naive might think that it refers to efforts to seek peace. Under this meaning, we would say that the peace process in the Middle East includes, for example, the offer of a full peace treaty to Israel by President Sadat of Egypt in 1971, along lines advocated by virtually the entire world, including official US policy; the Security Council resolution of January 1976 introduced by the major Arab states with the backing of the PLO, which called for a two-state settlement of the Arab-Israel conflict in the terms of a near-universal international consensus; PLO offers through the 1980s to negotiate with Israel for mutual recognition; and annual votes at the UN General Assembly, most recently in December 1990 (voted 144-2), calling for an international conference on the Israel-Arab problem, etc.

But the sophisticated understand that these efforts do not form part of the peace process. The reason is that in the PC meaning, the term *peace process* refers to what the US government is doing -- in the cases mentioned, this is to block international efforts to seek peace. The cases cited do not fall within the peace process, because the US backed Israel's rejection of Sadat's offer, vetoed the Security Council resolution, opposed negotiations and mutual recognition of the PLO and Israel, and regularly joins with Israel in opposing -- thereby, in effect, vetoing -- any attempt to move towards a peaceful diplomatic settlement at the UN or elsewhere.

The peace process is restricted to US initiatives, which call for a unilateral US-determined settlement with no recognition of Palestinian national rights. That's the way it works. Those who cannot master these skills must seek another profession.

There are many other examples. Take the term *special interest*. The well-oiled Republican PR systems of the 1980s regularly accused the Democrats of being the party of the special interests: women, labor, the elderly, the young, farmers -- in short, the general population. There was only one sector of the population never listed as a special interest: corporations and business generally. That makes sense. In PC discourse their (special) interests are the *national interest*, to which all must bow.

The Democrats plaintively retorted that they were *not* the party of the special interests: they served the national interest too. That was correct, but their problem has been that they lack the single-minded class consciousness of their Republican opponents. The latter are not confused about their role as representatives of the owners and managers of the society, who are fighting a bitter class war against the general population -- often adopting vulgar Marxist rhetoric and concepts, resorting to jingoist hysteria, fear and terror, awe of great leaders and the other standard devices of population control. The Democrats are less clear about their allegiances, hence less effective in the propaganda wars.

Finally, take the term *conservative*, which has come to refer to advocates of a powerful state, which

interferes massively in the economy and in social life. They advocate huge state expenditures and a postwar peak of protectionist measures and insurance against market risk, narrowing individual liberties through legislation and court-packing, protecting the Holy State from unwarranted inspection by the irrelevant citizenry -- in short, those programs that are the precise opposite of traditional conservatism. Their allegiance is to "the people who own the country" and therefore "ought to govern it," in the words of Founding Father John Jay.

It's really not that hard, once one understands the rules.

To make sense of political discourse, it's necessary to give a running translation into English, decoding the doublespeak of the media, academic social scientists and the secular priesthood generally. Its function is not obscure: the effect is to make it impossible to find words to talk about matters of human significance in a coherent way. We can then be sure that little will be understood about how our society works and what is happening in the world -- a major contribution to *democracy*, in the PC sense of the word.

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## Socialism, real and fake

One can debate the meaning of the term "socialism," but if it means anything, it means control of production by the workers themselves, not owners and managers who rule them and control all decisions, whether in capitalist enterprises or an absolutist state.

To refer to the Soviet Union as *socialist* is an interesting case of doctrinal doublespeak. The Bolshevik coup of October 1917 placed state power in the hands of Lenin and Trotsky, who moved quickly to dismantle the incipient socialist institutions that had grown up during the popular revolution of the preceding months -- the factory councils, the Soviets, in fact any organ of popular control -- and to convert the workforce into what they called a "labor army" under the command of the leader. In any meaningful sense of the term "socialism," the Bolsheviks moved at once to destroy its existing elements. No socialist deviation has been permitted since.

These developments came as no surprise to leading Marxist intellectuals, who had criticized Lenin's doctrines for years (as had Trotsky) because they would centralize authority in the hands of the vanguard Party and its leaders. In fact, decades earlier, the anarchist thinker Bakunin had predicted that the emerging intellectual class would follow one of two paths: either they would try to exploit popular struggles to take state power themselves, becoming a brutal and oppressive Red bureaucracy; or they would become the managers and ideologists of the state capitalist societies, if popular revolution failed. It was a perceptive insight, on both counts.

The world's two major propaganda systems did not agree on much, but they did agree on using the term *socialism* to refer to the immediate destruction of every element of socialism by the Bolsheviks. That's not too surprising. The Bolsheviks called their system *socialist* so as to exploit the moral prestige of socialism.

The West adopted the same usage for the opposite reason: to defame the feared libertarian ideals by associating them with the Bolshevik dungeon, to undermine the popular belief that there really might be progress towards a more just society with democratic control over its basic institutions and concern for human needs and rights.

If socialism is the tyranny of Lenin and Stalin, then sane people will say: *not for me*. And if that's the only alternative to corporate state capitalism, then many will submit to its authoritarian structures as the only reasonable choice.

With the collapse of the Soviet system, there's an opportunity to revive the lively and vigorous libertarian socialist thought that was not able to withstand the doctrinal and repressive assaults of the major systems of power. How large a hope that is, we cannot know. But at least one roadblock has been removed. In that sense, the disappearance of the Soviet Union is a small victory for socialism, much as the defeat of the fascist powers was.

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## The media

Whether they're called "liberal" or "conservative," the major media are large corporations, owned by and interlinked with even larger conglomerates. Like other corporations, they sell a product to a market. The market is advertisers -- that is, other businesses. The product is audiences. For the elite media that set the basic agenda to which others adapt, the product is, furthermore, relatively privileged audiences.

So we have major corporations selling fairly wealthy and privileged audiences to other businesses. Not surprisingly, the picture of the world presented reflects the narrow and biased interests and values of the sellers, the buyers and the product.

Other factors reinforce the same distortion. The cultural managers (editors, leading columnists, etc.) share class interests and associations with state and business managers and other privileged sectors. There is, in fact, a regular flow of high-level people among corporations, government and media. Access to state authorities is important to maintain a competitive position; "leaks," for example, are often fabrications and deceit produced by the authorities with the cooperation of the media, who pretend they don't know.

In return, state authorities demand cooperation and submissiveness. Other power centers also have devices to punish departures from orthodoxy, ranging from the stock market to an effective vilification and defamation apparatus.

The outcome is not, of course, entirely uniform. To serve the interests of the powerful, the media must present a tolerably realistic picture of the world. And professional integrity and honesty sometimes interfere with the overriding mission. The best journalists are, typically, quite aware of the factors that shape the media product, and seek to use such openings as are provided. The result is that one can learn a lot by a critical and skeptical reading of what the media produce.

The media are only one part of a larger doctrinal system; other parts are journals of opinion, the schools and universities, academic scholarship and so on. We're much more aware of the media, particularly the prestige media, because those who critically analyze ideology have focused on them. The larger system hasn't been studied as much because it's harder to investigate systematically. But there's good reason to believe that it represents the same interests as the media, just as one would anticipate.

The doctrinal system, which produces what we call "propaganda" when discussing enemies, has two distinct targets. One target is what's sometimes called the "political class," the roughly 20% of the population that's relatively educated, more or less articulate, playing some role in decision-making. Their

acceptance of doctrine is crucial, because they're in a position to design and implement policy.

Then there's the other 80% or so of the population. These are Lippmann's "spectators of action," whom he referred to as the "bewildered herd." They are supposed to follow orders and keep out of the way of the important people. They're the target of the real *mass* media: the tabloids, the sitcoms, the Super Bowl and so on.

These sectors of the doctrinal system serve to divert the unwashed masses and reinforce the basic social values: passivity, submissiveness to authority, the overriding virtue of greed and personal gain, lack of concern for others, fear of real or imagined enemies, etc. The goal is to keep the bewildered herd bewildered. It's unnecessary for them to trouble themselves with what's happening in the world. In fact, it's undesirable -- if they see too much of reality they may set themselves to change it.

That's not to say that the media can't be influenced by the general population. The dominant institutions -- whether political, economic or doctrinal -- are not immune to public pressures. Independent (alternative) media can also play an important role. Though they lack resources, almost by definition, they gain significance in the same way that popular organizations do: by bringing together people with limited resources who can multiply their effectiveness, and their own understanding, through their interactions -- precisely the democratic threat that's so feared by dominant elites.

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# *The future*

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## **Things have changed**

It's important to recognize how much the scene has changed in the past 30 years as a result of the popular movements that organized in a loose and chaotic way around such issues as civil rights, peace, feminism, the environment and other issues of human concern.

Take the Kennedy and Reagan administrations, which were similar in a number of ways in their basic policies and commitments. When Kennedy launched a huge international terrorist campaign against Cuba after his invasion failed, and then escalated the murderous state terror in South Vietnam to outright aggression, there was no detectable protest.

It wasn't until hundreds of thousands of American troops were deployed and all of Indochina was under devastating attack, with hundreds of thousands slaughtered, that protest became more than marginally significant. In contrast, as soon as the Reagan administration hinted that they intended to intervene directly in Central America, spontaneous protest erupted at a scale sufficient to compel the state terrorists to turn to other means.

Leaders may crow about the end of the "Vietnam syndrome," but they know better. A National Security Policy Review of the Bush administration, leaked at the moment of the ground attack in the Gulf, noted that, "In cases where the US confronts much weaker enemies" -- the only ones that the true statesman will agree to fight -- "our challenge will be not simply to defeat them, but to defeat them decisively and rapidly." Any other outcome would be "embarrassing" and might "undercut political support," understood to be very thin.

By now, classical intervention is not even considered an option. The means are limited to clandestine terror, kept secret from the domestic population, or "decisive and rapid" demolition of "much weaker enemies" -- after huge propaganda campaigns depicting them as monsters of indescribable power.

Much the same is true across the board. Take 1992. If the Columbus quincentenary had been in 1962, it would have been a celebration of the liberation of the continent. In 1992, that response no longer has a

monopoly, a fact that has aroused much hysteria among the cultural managers who are used to near-totalitarian control. They now rant about the "fascist excesses" of those who urge respect for other people and other cultures.

In other areas too, there's more openness and understanding, more skepticism and questioning of authority. Of course, the latter tendencies are double-edged. They may lead to independent thought, popular organizing and pressures for much-needed institutional change. Or they may provide a mass base of frightened people for new authoritarian leaders. These possible outcomes are not a matter for speculation, but for action, with stakes that are very large.

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## What you can do

In any country, there's some group that has the real power. It's not a big secret where power is in the United States. It basically lies in the hands of the people who determine investment decisions -- what's produced, what's distributed. They staff the government, by and large, choose the planners, and set the general conditions for the doctrinal system.

One of the things they want is a passive, quiescent population. So one of the things that you can do to make life uncomfortable for them is *not* be passive and quiescent. There are lots of ways of doing that. Even just asking questions can have an important effect.

Demonstrations, writing letters and voting can all be meaningful -- it depends on the situation. But the main point is -- it's got to be sustained and organized.

If you go to one demonstration and then go home, that's something, but the people in power can live with that. What they can't live with is sustained pressure that keeps building, organizations that keep doing things, people that keep learning lessons from the last time and doing it better the next time.

Any system of power, even a fascist dictatorship, is responsive to public dissidence. It's certainly true in a country like this, where -- fortunately -- the state doesn't have a lot of force to coerce people. During the Vietnam War, direct resistance to the war was quite significant, and it was a cost that the government had to pay.

If elections are just something in which some portion of the population goes and pushes a button every couple of years, they don't matter. But if the citizens organize to press a position, and pressure their representatives about it, elections can matter.

Members of the House of Representatives can be influenced much more easily than senators, and senators somewhat more easily than the president, who is usually immune. When you get to that level, policy is decided almost totally by the wealthy and powerful people who own and manage the country.

But you can organize on a scale that will influence representatives. You can get them to come to your homes to be yelled at by a group of neighbors, or you can sit in at their offices -- whatever works in the circumstances. It can make a difference -- often an important one.

You can also do your own research. Don't just rely on the conventional history books and political science texts -- go back to specialists' monographs and to original sources: national security memoranda and similar documents. Most good libraries have reference departments where you can find them.

It does require a bit of effort. Most of the material is junk, and you have to read a ton of stuff before you find anything good. There are guides that give you hints about where to look, and sometimes you'll find references in secondary sources that look intriguing. Often they're misinterpreted, but they suggest places to search.

It's no big mystery, and it's not intellectually difficult. It involves some work, but anybody can do it as a spare-time job. And the results of that research can change people's minds. Real research is always a collective activity, and its results can make a large contribution to changing consciousness, increasing insight and understanding, and leading to constructive action.

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## The struggle continues

The struggle for freedom is never over. The people of the Third World need our sympathetic understanding and, much more than that, they need our help. We can provide them with a margin of survival by internal disruption in the United States. Whether they can succeed against the kind of brutality we impose on them depends in large part on what happens here.

The courage they show is quite amazing. I've personally had the privilege -- and it is a privilege -- of catching a glimpse of that courage at first hand in Southeast Asia, in Central America and on the occupied West Bank. It's a very moving and inspiring experience, and invariably brings to my mind some contemptuous remarks of Rousseau's on Europeans who have abandoned freedom and justice for the peace and repose "they enjoy in their chains." He goes on to say:

When I see multitudes of entirely naked savages scorn European voluptuousness and endure hunger, fire, the sword and death to preserve only their independence, I feel that it does not behoove slaves to reason about freedom.

People who think that these are mere words understand very little about the world.

And that's just a part of the task that lies before us. There's a growing Third World at home. There are systems of illegitimate authority in every corner of the social, political, economic and cultural worlds. For the first time in human history, we have to face the problem of protecting an environment that can sustain a decent human existence. We don't know that honest and dedicated effort will be enough to solve or even mitigate such problems as these. We can be quite confident, however, that the lack of such efforts will spell disaster.

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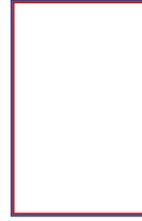
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