

On Friday, April 14, 2000 the International Forum on Globalization (IFG) held a 12-plus hour non-stop Teach-In at the Foundry United Methodist Church in Washington D.C. on the subject of "Beyond Seattle -- Globalization: Focus On The International Monetary Fund And The World Bank." The following is a hypertext transcript of Ralph Nader, last speaker of the event at the end of the panel on "Reports from the Planet: Effects of the IMF, World Bank, and WTO on Environment, Energy, Agriculture, Biodiversity & Culture." He was introduced by Jerry Mander, Director of the IFG. Online recordings of this panel are available at <http://www.radio4all.net/proginfo.php?id=1889>

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## **Challenging Autocratic Governance That Serves The Interests Of Global Corporations**

Ralph Nader Speaking at the IFG IMF/World Bank Teach-In  
Washington D.C.  
APRIL 14, 2000

It is really an honor for me to have the chance to introduce him again as our last speaker tonight. It is a cliche to say he's been my hero. But he has been my hero since before a lot of you were born. Since the 1960's anyway. Let me ask you, can anybody think of any person over the last 30 years who has meant more to as many movements -- the environmental movement, the anti-nuclear movement, the campaign finance reform movement, the democracy movement, the consumer movement? -- Has anyone been more important than Ralph Nader all of these 30 years? I don't think so. The media democracy movement and the anti-globalization movement. As soon as we said globalization, of course, Lori Wallach was already on our board and working with us. He had hired Lori Wallach, and so he was already on the page with this subject while very few other people were. He is always there. It is little wonder that he has been repeatedly rated in national polls as the most respected person in America. I believe that is true. Of course, he is also the author of 14 books, notably the great best-seller *Unsafe At Any Speed*, which was one of the first direct attacks on corporations, on the auto industry in particular, for knowingly permitting unsafe autos on the highway. They were killing people left and right. He did that book at great risk personally as well. Because in those days, corporations may have been even more outlaw-ish than they are today. He was fundamentally responsible for the Freedom of Information Act.<sup>[1]</sup> He's the founder of Public Citizen, surely one of the most effective consumer, environmental health and globalization groups in the country. He has been a leader in so many crucial battles, it is hard to imagine that it is even possible. He is currently President of The Center for Study of Responsive Law and he is the Green Party candidate for President. Please welcome Ralph Nader.

Thank you very much, Jerry, and all the people who work with the International Forum on Globalization. It really does take a *huge* amount of work to arrange these kind of gatherings. We hope that these proceedings for the past 12 hours will be put on the internet so people all over the world can see and hear them.<sup>[2]</sup> Not that we expect any of the major networks or cable companies to be here. They're into other priorities.

I'd also like to thank the panel for their very precise expressions and they've all worked so hard. All of this doesn't get done by a few people but by a lot of people. The few people may get much of the credit, but to those of you who are under 30 or under 25, let me tell that the key here is stamina. It's commitment. It's diligence. It's realizing that throughout the world's history, the reason why the few dominate the many is because the few are *organized* and the many are *not organized*. It is because the few *disorganize* the many.

All of this increasing critique of corporate globalization -- we should always use the adjective -- comes from a long overdue pattern of research to discern the systems of control.

Make no mistake about it. Although the shibboleths of free trade are tossed in front of an often misinformed media, the issue with the IMF and World Trade Organization and World Bank is governance. It's the governance systems for global corporations that we're really dealing with.

The fundamental issue we face is the autocratic systems of governance that undermine democracy, that subordinate human rights and the rights of people for decent standards of living and for decent standards of justice. This is what is at stake here: Challenging international systems of autocratic governance that serve, overwhelmingly, the interests of giant global corporations who dominate and seek to dominate everything in their path.

They want to dominate governments. They want to dominate the workplace. They want to dominate the marketplace. They want to dominate the universities by corporatizing them. They want to dominate the very concept of childhood with their brazen commercial exploitation of small children. They want to dominate the shaping of the environment. They want to control the genes of the natural world. They want to control the human genes. They want to control the seeds. They want to control the future.

We have to make sure that this relentless drive for control by the commercial instinct -- which every major religion in the world has warned us about for two thousand years -- should never be given excessive power. Because in its singular focus and drive and lack of respect for other values, it destroys these other values in a paroxysm of greed that implodes on itself.

This is the church where President Clinton comes to pray almost every Sunday that he is in town. He listens to sermons on spirituality, on religion, on various elaborations of the golden rule: Do unto others what you wish others to do unto you. Then, he gets into his limousine and goes down 16th street of the White House where decisions are made by another golden rule: They who have the gold, rule.

In watching President Clinton coming to this church over the years, I kept asking myself, "What is it that intercepts what he absorbs here by the time he goes down there?" Here, he meets spirituality and communes with it. There, he meets corporations who have turned the White House into a corporate prison. In between, he doesn't meet the people. That's what we're all about. Because that in-between, is the major democracy-gap that *must* be filled by all generations and peoples from all over the world.

In Seattle, I sat on a panel with Undersecretary of Commerce David Aaron.<sup>[3]</sup> Some of you may remember. He was short-changing the dialogue in my judgment. In my frustration, I challenged him to a structured, 5-hour debate and he agreed. On the way out from that auditorium, he *reiterated* his agreement. So I wrote him a letter when I came back and said let's sit down so we can work out the rules, and who is going to debate, over what topics, etc.

Just last week-and-a-half ago, on his *last* day in office, he wrote me a little note saying that he is leaving the Department of Commerce and is joining a firm -- it turns out to be a law firm specializing in global trade. And while he would have loved to engage in the debate, he has to pass it on someone else. There it is. The shuttle at work. The merry-go-round at work between the corporate government and the political government, back to the corporate

government to the political government.

Now, let me put before you briefly some of the major problems affecting the world and ask yourself: to what extent does the IMF, The World Bank, The WTO, and global corporations, who, as David Korten has said, 'seek to rule the world' -- to what extent they either contribute to these problems, worsen them, or even cause them or are indifferent to them?

Poverty is a massive problem in the world. As you know, a couple billion people trying to eke it out on less than the equivalent of a dollar a day. Authoritarian regimes. Environmental destruction. Multiple epidemics of diseases. Horribly inadequate housing. Inadequate food, ranging from malnutrition to starvation -- in terms of inadequate distribution of the available food. The massive military arms trafficking in the world.

Check out these big corporations. These giant food-grain exporters. These giant food-processing companies. Their main attention to world poverty is to see how much fat and sugar they can pump in to third world people.

The tobacco industry. What's their contribution to health? It is to increase the level of cancer and other tobacco-related diseases.

How about the housing industry? They could care less. There's not much money in that.

The pharmaceutical industry. They're great at producing life-style drugs. They love to develop drugs like Viagra and restoring bald-headed men and harmful anti-obesity drugs. But for decades now, even though they are subsidized by taxpayers, they do not do any research in drugs and vaccines for the major global infectious diseases such as tuberculosis and malaria.

In fact, unfortunately, most of the malaria research for anti-malarial drugs is concentrated in this country and it is over in the Pentagon at The Walter Reed Institute of Health with the Army and Navy scientists. They are the ones who are doing this work.

Isn't it interesting regarding this *giant* profitable pharmaceutical industry? They are not interested in drugs and vaccines for alleviating the tremendous world mortality and morbidity rates. Malaria itself takes two million lives a year including one million African children.

We see this with the arms traffic. Who is fueling the arms traffic? The giant military arms producers -- with your tax dollars. In this country \$6 billion of tax subsidies a year for private exports of jets and tanks and ammunition, etc., to countries that aren't exactly governments of, by, and for their people. We see this situation in every area.

Now, when are these companies ever going to lose their credibility? Every major social movement in United States history was opposed by the dominant business firms. Whether it was the abolition of slavery, the trade union movement, the farmer progressive populist movement, even the women's suffrage movement, the environmental consumer movements (the more recent vintage) -- all were opposed by the dominant business community. When are these people in the business community going to lose their credibility?

Corporations are chartered by us. We give them the charter. They don't exist without the charter by state and federal governments. We can condition the charter, suspend the charter, pull the charter for corporate recidivism and other misbehaving corporations and throw them into trusteeships and reorganize them so that they behave. We must remember that.<sup>[4]</sup>

We know how the IMF and World Bank work. It's no mystery. They're funded by taxpayers with very little informed consent. Billions of dollars of U.S. tax dollars for example go into the IMF. This big money-pumping machine as it was called -- the IMF and the World Bank -- extends loans. They have a model of economic development that is grotesque. Not only in its damage as you heard earlier repeatedly: damage to human beings, to environment, to the sustainable wisdom of the ages as it replaces it, etc. But it doesn't have any standards for failure.

What do you about institutions that do not have explicit standards of failure by which they must be judged? Ask the IMF. Let's take the last three years. Here's the last three years very briefly: It's contributed to and worsened financial crises in Asia and elsewhere, and served primarily to bailout the western banks who helped cause the crisis in the first place. The second is, it has wasted billions of our taxpayer dollars and other country's taxpayer dollars, pumping this money into Russia; a tormented land with a tormented people, once governed by criminal communism and now governed by criminal capitalism. Billions of these IMF dollars right down the drain. They disappeared before they were almost deposited into the oligarchies and into the networks.

*Where* is the *accounting system* of the IMF? They're supposed to have auditors and accountants. They have admitted they were taken to the cleaners. But when do they admit more structural failure in their operation? Who made that decision to send all that money over there? They knew what the corruption was like. They knew what the practice was like. They knew it wasn't going to get to the people in Russia. But they went ahead and did it.

Did any of their paychecks down the street here bounce? Of course not. Maybe that's the problem. The IMF has bailed out the big banks while impoverishing the poor. It has continued to push its environmentally destructive export-led development trade.

There are a lot of things we all can do about this, obviously. I want to suggest, especially to the young people here -- and whoever watches this very wonderful long day event -- that, first of all, it is not enough just to be concerned and informed. It is not enough just to be concerned, informed and serious. It is not enough to be concerned, informed, serious with a sense of urgency. You have got to reach out to other people. You have got to organize your acquaintances, relatives, friends, co-workers all over the country.

And stop feeling sorry for your selves. Oh! Those overwhelming odds -- the IMF, the World Bank, the WTO, the corporations, what can we do, oh-me oh-my, que sera sera. When you see what your forebears were up against for two hundred years and the advanced social justice which you benefit from; when you see what our brother from Bolivia has just gone through with his co-workers and friends<sup>[5]</sup> -- how can you feel sorry for yourself? If you do you're a jerk!

Now we need to emphasize the entry of the labor unions into this fight. This is a dramatic

new development. The labor unions have been led for too many years by leaders who see their position as a sinecure and who were much more indentured to corporate power than they should be. Now labor is beginning to rediscover the demonstration, the picket, the rally, locking arms with all the rest of you.

Workers bring great credibility to movements that involve human rights groups and environmental groups and consumer groups and church groups and student groups. They give great credibility because they have all the symbols. The Wall Streeters cannot damage those symbols. They've got all the symbols: they fought in the wars for corporate interests; they built the factories; they sustain the economy. They sweat day-to-day while their CEOs are making 415 times more than the entry-level wage in these companies. Keep that in mind.

The second is, what is wrong with allying ourselves with more conservative interests? Conservative interests who are not corporatists -- they don't like this any better than we do. They don't like where their taxes are going. They don't like the subversion of our local, state and federal sovereignty -- the largest relinquishment in our history -- to the World Trade Organization. They don't like all this corporate welfare aid to dependent corporations -- without even a 5-year cutoff if I might add.

They want their children to breathe cleaner air and drink cleaner water. They don't like to get ripped off by higher pharmaceutical prices or have to go up to Canada to get lower prices. Right Maude? [Barlow]. "Not for long," she says. And in Congress now, there is a strong core of conservatives that are very critical of the IMF.

The other thing that young people need to do more of is read. Read! Yes, *read*. Reading informs. Reading motivates. The *Multinational Monitor* is our contribution to your reading. Rob Weissman is the editor here who puts it out with his cohorts 10 times a year. It's all over the place now.

Also, don't underestimate the vote. There is nothing worse than to see young people who are very, very active -- as Carol Miller told me a few minutes ago -- and then they don't bother to vote, like 'Ahh!' -- it's beneath them. You have got to register.<sup>[6]</sup> Go right across the college campuses and register the vote. Develop a block of informed voters and if you vote and nothing happens, at least it gets you angry. You can be *more* motivated and *more* mobilized.

Now let's look at the IMF and World Bank briefly through the eyes of the people who go to work there everyday. They are paid very well -- tax free. They know what it's like to go around in a limousines. They actually have good cafeterias, if you ever sneak in there. It's good food, all kinds of indigenous foreign cuisine.

They read about the what the World Bank is supposed to be in college. The World Bank is supposed to *fight* poverty. It is supposed to build infrastructure that private investment eschews as not being profitable. Roads and dams and water systems, electrification systems, etc. They say, 'Well that's what it is isn't it? That's what it says in the charter, and in the speeches.' And so they go to work for the IMF as well.

These institutions live by these myths. They live by these myths because on paper they have

abstracted these cumbersome models of economic development quite inaccurately. They have abstracted them saying, 'Electrification projects, dams, water, irrigation -- who can be against this?' Part of it is that there is a deep set ignorance about how economies develop, especially poor economies.

Giant projects funded on the western model do not work in third world countries. Poverty can be alleviated only by *cottage-level* projects. For example, look what happened in our country at its best -- and why don't we project that for models of economic development with proper indigenous inputs, of course. We had land reform -- it's called the Homestead Act of 1863. It broke up the potential for giant plantations as occurred in the south. What people in the third world need is land reform -- fundamental land reform. They need systems that encourage land used to grow food for needy and hungry people. Not to grow cash crops to be exported to the west to earn hard currency to pay debts to foreign banks.

The second is microcredit. The democratization of credit which occurred in our country with credit unions, agricultural credit banks, producer credit banks in the farm area. They don't need these giant loans to oligarchs and governments that misuse them and only entrenches the oligarchs and the dictatorial regimes. They need the democratization of credit. It goes right to people -- \$200, \$300, \$100 like the Grameen Bank has shown<sup>[7]</sup> -- which by the way, was not an IMF idea, was it?

People need technical assistance and not just western science and not corporate science. When are we going to realize the value of indigenous science and technology? It doesn't come in fancy names and publications and fancy journals. It simply is the result of thousands of years of knowledge. Look at the Neem tree in India, for example. Look at the great Egyptian architect, Hassenfatei (sp?) who developed systems for building homes made from the soil underneath the feet of the Egyptian peasants. And whose teachings are spreading around the world. That was not an IMF or World Bank or a consulting firm idea.

How about Nestle? And all the infinite formula that the World Health Organization has said has destroyed the lives of millions of children in the third world. Promoted as Nestle did, *knowing* that it would be so expensive that it had to be mixed with contaminated water leading to horrendous tragedies for little children and infants. What was that kind of contribution? And what did it replace? It replaced mother's milk. That's real western science isn't it?

How about water safety? Where is the IMF and World Bank in the last 30-40 years knowing from their own studies, the huge mortality levels from contaminated water -- especially for small children. Where are they? Why is that such a big deal? It's a big deal because they only think in terms of big projects. They don't think in terms of letting these societies breathe themselves democratically so they can solve their own problems. They don't think of getting off the back of third world people instead of constantly shoring up the authoritarian regimes and the oligarchs who benefit from the corporatization, that is often called privatization of public institutions like water companies.

What about cooperatives? We had cooperatives in our country. They were tremendous, especially in the farm and rural areas. Why aren't we saying that the third world needs help in terms of cooperatives? Only a dab here and a dab there for that kind of institution.

How about public health and infections? Can you imagine? It was James Grant -- any of you heard of James Grant of UNICEF? He passed away a few years ago. He was a Harvard-trained lawyer who in the last few years of his life, went all over the world trying to get regimes to let in public health workers, both indigenous and exogenous, for immunization. It is so easy to save the lives of these children and infants. *Pennies per life! Pennies per life!* Where are they with their *billion dollar loans*, that they don't pay attention to this?

What about public education? What about public school systems in our country? One of the great institutions -- the G.I. Bill of Rights. Why aren't we saying that other countries deserve those kind of assists, as well, to fulfill human possibilities from early age on?

What about giving people in the third world the right to form independent trade unions? In this country, it built the middle class.

How about the rule of law and due process? And the access to free and independent courts which helped us? Why aren't we fostering and why aren't we supporting efforts in those countries, as well?

What about the whole idea of self-reliance and self-sufficiency? We talk about energy independence in our country but we haven't done much on that although it was talked about in the '70s.<sup>[8]</sup> What is this emphasis on the inevitability of global trade? Most countries can be self-sufficient in most of the necessities. They may not have manganese mines. But for heaven's sake look at our country. Why do we have to import British biscuits, French drinking water and Swedish ice cream? We have to challenge the very fundamental premise of trade. There is bad trade: there is trade in tobacco; there is trade in munitions; there is trade in prostitution across boundaries. What is this blanket idea that all trade is good? I favor self-sufficient communities. I favor self-reliant communities to the maximum feasible extent. We should work for that.

The most prosperous economies are those who *build domestic markets*, from *the grassroots up*. Not those who go into debt chattel, debt servitude to foreign banks, and IMFs, and World Banks and develop an export-oriented trade dependency on a boom-and-bust basis where the strings are pulled thousands of miles away by absentee corporate executives and their government allies on the 30th floor of some skyscraper in London, New York or Tokyo.

We have to develop, in other words, a democratic model of self-sufficient, sustainable economic progress. That is what we have to talk about and hurl against the IMF, and the World Bank and the WTO. They either don't have a clue of how democratically-structured economies develop from the community, the neighborhood, the soil, the rural, the cities. Or they don't want to have a clue.

What we have to do is not simply deconstruct their systems of control -- and the often brutal consequences that come from their systems of control -- for which they are not accountable. But we have to demonstrate again and again from our own history and from the history of the best practices in our country of the ways we developed economically, to build a higher standard of living and a higher standard of justice.

Mark Hertsgaard is going around the country with his paperback book, *Earth Odyssey*, after traveling around the world for five-six years. He saw the *enormous* damage to the *poorest people*, the most defenseless people, from environmental ravages. He saw it and documented it and now is trying to get the IMF and World Bank to accept a green deal. While I sympathize with his ability to try to reform these institutions, it is quite clear that internally, they are not capable of regeneration. They are capable of new slogans, of new speeches that display 'Care For The Poor Of The World', but they are not capable of internal regeneration. They have to be withdrawn in terms of the funding from the various contributing countries and shrunken into institutions that finally transform themselves, and give up their original impact, and transform themselves into these kinds of promoters of sustainable economic development. Or just close up completely and start new from scratch.

You can critique the IMF, and the World Bank, and WTO, and that is becoming more and more penetrating and more destabilizing for them. But we've got to work with people in other countries around the world as this coalition has demonstrated, and as you have demonstrated, to show that the alternative is superior in every way. It is superior for people today. It is superior for future generations. It is superior for the free play of non-commercial values that build a great culture and a great democracy.

Remember, every country will do it differently. They have different cultural traditions and different priorities. But there are certain common survival programs in terms of food and housing and health care and education that we must try to foster between nations and between societies. Let us not adopt the dictionary of the oligarchs and of the international organizations. The dictionary is not *privatization*, it is *corporatization*. The distinction between economic growth and economic justice should be made very clear. Economic growth is not necessarily economic progress or justice for the mass majority of the people.

I hope that you have a very "compelling weekend," shall we say. I hope you show your self-restraint as well as your eagerness to communicate throughout the country over the media what you are all here for. I hope you will send your signals to the White House as well as to the Congress. But I hope you'll go back so metabolized that you will multiply your efforts in church basements and union local halls and university auditoriums and through your e-mail, so that *this* time it is not just a surge. It's not just a movement. Not just a demonstration. It is a permanent transformation of the way we use our time and our knowledge and our estimate of our own significance. Estimate of our own significance.

You are in the top percent or two of people around the world in terms of health, education, and the ability to make a difference. That gives you a moral imperative to do so.<sup>[9]</sup> You have even a higher responsibility to do so. We are blessed in this country. We have to make sure we stop the reverse slide that is occurring even here. We have to go back home and develop our own systems of influence, our own compelling networks, whether through the Internet or through person-to-person contact.

Remember, over two thousand years ago, it was the Roman lawyer, Marcus Cicero, who defined freedom for the ages. He defined it this way: "Freedom is participation in power."

Everything else is just the symbolism of the oppressors over the oppressed when they talk about liberty and freedom, etc. Freedom is participation in power.

Thank You.

1. The event was recorded by the Independent Media Center ([www.indymedia.org](http://www.indymedia.org)) and is accessible on the A-Infos Radio Project ([www.radio4all.net](http://www.radio4all.net)) web site. A list containing entry points to all five panels exists on the IFG web site at <http://www.ifg.org/IMFteach-in.html>.
2. See Using The Freedom Of Information Act, A Step-by-Step Guide (<http://www.aclu.org/library/foia.html>), an ACLU Publication, as well as Freedom of Information Act of 1966 and Amendments (5 USC Sec. 552) ([http://www.epic.org/open\\_gov/foia/us\\_foia\\_act.html](http://www.epic.org/open_gov/foia/us_foia_act.html)), from the EPIC Open Government site ([http://www.epic.org/open\\_gov/](http://www.epic.org/open_gov/)).
3. The Public Debate on Globalization and the World Trade Organization (WTO) ([http://www.progressproject.org/Speaker\\_Series/wto\\_debate.html](http://www.progressproject.org/Speaker_Series/wto_debate.html)) provides the archived webcast of the complete event.
4. For of the basics regarding corporate charters and some the history of successful revocations, see TAKING CARE OF BUSINESS: Citizenship and the Charter of Incorporation (<http://www.ratical.org/corporations/TCoBeij.html>) and Asserting Democratic Control Over Corporations: A Call To Lawyers (<http://www.ratical.org/corporations/Call2Lawyers.html#charters>)
5. This was Oscar Olivera in the fifth and final [evening] panel ("Reports from the Planet: Effects of the IMF, World Bank, and WTO on Environment, Energy, Agriculture, Biodiversity & Culture"), who arrived from Bolivia that evening just in time to participate. Although the listing of speakers at both <http://www.ifg.org/IMFteach-in.html> and <http://www.radio4all.net/proginfoph?id=1889> do not mention Oscar's name, he spoke after Lori Wallach and before Vandana Shiva.
6. Register to vote online at BeAVoter.org (<http://www.beavoter.com/register.html>)
7. Microcredit lending institutions like the Grameen Bank provide precisely the sort of assistance people in so much of the world can constructively use and benefit by. See:
  - Grameen -- Banking for the poor ([www.grameen-info.org](http://www.grameen-info.org))
  - The Virtual Library on Microcredit (<http://www.soc.titech.ac.jp/icm/icm.html>)
8. To better appreciate just how misguided it is to expect that the U.S. Department of Energy will ever fulfill a major objective it was charged with -- to support the development of new sources of energy -- see The Politics Of New-Energy Technology (<http://www.ratical.org/ratville/newETP.html>) March 2000 memorandum by Hal Fax, editor of the *Journal of New Energy*.
9. See The Moral Courage to Stand Against Injustice, (<http://www.monitor.net/monitor/nader/rn-courage.html>), Speech of Ralph Nader (St. Francis Church, Sacramento, CA), October 17, 1996