

This is the complete transcript of the talk (and questions-answers) by Noam Chomsky given in Albuquerque's Kiva Auditorium on Saturday, 26 February, 2000. Catalina Reyes of Gata 'Burque Journalism Audio Production (P.O. Box 25822, Albuquerque, NM 87125-0822; 505/243-8625; fax 505/243-8630; email gatabrq@hotmail.com) was the engineer. We are grateful for her permission to represent the recording here in text form. Noam Chomsky, a world-class linguist and progressive intellectual, has been professor of Linguistics and Philosophy at MIT since 1955. His best-known work is *Manufacturing Consent*, a critique of mass media and global information monopolies. A member of the Interhemispheric Resource Center's Board of Directors, he marks the IRC's 20th anniversary by speaking about economic and political globalization. He was introduced by Deb Preusch, Co-founder and Executive Director of the IRC.

Taking Control of Our Lives: Freedom, Sovereignty, and Other Endangered Species

Noam Chomsky
Speaking in Santa Fe, New Mexico
February 26, 2000

When we started planning this event last summer, the first question we had to ask ourselves was, "How many people in New Mexico would be interested in hearing Noam Chomsky speak?" We were sure among our circle of friends that he was very well known. But obviously, our circle of friends is much larger than even we could imagine. We're so pleased each and every one of you are here to celebrate our 20th anniversary with us.

It's my great honor to welcome a member of the IRC's Board of Directors. He is a world-class scholar recognized for contributions to linguistics and foreign policy. He is a long-time social activist involved in key issues of our era from the Vietnam War to the War in Kosovo. He is one of the most important intellectuals of our time. He is a global citizen, a friend to those struggling for justice from the Middle East to New Mexico. It is my great pleasure to introduce Noam Chomsky.

Thank you. It's no exaggeration to say that the effort to take control of our lives is a dominant theme of world history with a crescendo in the last several centuries of dramatic changes in human relations and world order. The topic is far too large to try to discuss here. I'll have to cut it down sharply. First, I'll keep only to current manifestations and some of the roots with an eye towards what might lie ahead. Also, I'll keep to the global arena, which is by no means, the only domain in which these issues arise.

In the past year, the global issues have been framed largely in terms of the notion of sovereignty; that is the right of political entities to follow their own course, which may be benign or may be ugly, and to do so, free from external interference. In the real world, that means interference by highly concentrated power with its major center in the United States.

These concentrated global powers are called by various terms, depending on which aspect of sovereignty and freedom one has in mind. Sometimes it's called the Washington Consensus or the Wall Street-Treasury Complex or NATO or the International Economic Bureaucracy (World Trade Organization, World Bank, and IMF), or G7 (the rich western industrial countries), or G3, or, more accurately, usually, *G1*.

From a more fundamental perspective, though it takes longer to say, we could describe it as, An array of mega-corporations, often linked to one another by strategic alliances,

administering a global economy which is in fact a kind of a corporate mercantilism tending toward oligopoly in most sectors, heavily *reliant* on state *power* to socialize risk and *cost* and to subdue recalcitrant elements.

In the past year, the issues of sovereignty have risen in two domains. One has to do with the sovereign rights to be secure from military intervention. Here the questions arise in a world order based on sovereign states. Second, the matter of sovereign rights in the face of socio-economic intervention. Here the questions arise in a world that's dominated by multinational corporations, especially financial institutions in recent years, and the whole framework that has been constructed to serve their interests. Those are, for example, the issues that arose dramatically in Seattle last November.

The first category, military intervention, was a very lively topic last year. Two cases gained particular significance, attention, prominence: East Timor and Kosovo in the opposite order which is an interesting fact because that reverses both the timing and the significance. There is a *lot* to say about these matters and a lot of new information about them I would like to discuss but reluctantly I'm going to drop that topic. If you'd like to bring it up later in questions, fine, I'll be happy to talk about it. It's a big, important, and instructive topic, but time's short.

So let me turn to the second topic and that's the one I'll keep to (still cutting things down) -- the questions of sovereignty, freedom, human rights; the kind of questions that arise in the socio-economic arena. That's the subpart of this whole topic I want to keep to.

First a general comment: sovereignty is no value in itself. It's only of value insofar as it relates to freedom and rights, either enhancing them or diminishing them. I want to take for granted something that may seem obvious, but is actually controversial -- namely that, in speaking of freedom and rights, we have in mind human beings; that is, persons of flesh and blood. Not abstract political and legal constructions like corporations or states or capital. If these entities have any rights at all, which is questionable, they should be derivative from the rights of people. That's the core of classical liberal doctrine. It's also the guiding principal for popular struggles for centuries. But it's *very* strongly opposed. It's opposed by official doctrine. It's opposed by sectors of wealth and privilege. That's true both in the political and the socio-economic realms. I'll ask you to keep that question on the shelf for a minute, and say a couple of words of background.

In the *political* realm, the familiar slogan is "popular sovereignty in a government of, by, and for the people." But the *operative* framework is quite different. The operative framework is that the people are considered a dangerous enemy. They have to be controlled for their own good.

These issues go back *centuries*, back to the earliest modern democratic revolutions in 17th century England and in the North American colonies a century later. In *both* cases, the Democrats were defeated -- not completely and certainly not permanently by any means.

In 17th century England, much of the population did not want to be ruled by either king or parliament. Recall that those were the two contestants in the standard version of the civil war. But like most civil wars a good part of the population wanted neither of them. As their

pamphlets put it, they wanted to be governed "by countrymen like ourselves that know our wants," not by "knights and gentlemen [that] make us laws, that are chosen for fear and do but oppress us, and do not know the people's sores."

These same ideas animated the rebellious farmers of the colonies a century later. But the constitutional system was designed quite differently. It was designed to *block* that heresy. The goal was, "to protect the minority of the opulent from the majority" and to ensure that "the country is governed by those who own it." Those are the words of the leading framer, James Madison, and the president of the Continental Congress and first Chief Justice of the Supreme Court, John Jay. Their conception prevailed but the conflicts continued. They continually take new forms. They are alive right now. However, elite doctrine remains essentially unchanged.

Fast forwarding to the 20th century -- I'll keep here to the sort of liberal progressive side of the spectrum; it's harsher on the other side. The population are regarded as "ignorant and meddling outsiders" whose role is to be "spectators," not "participants," apart from periodic opportunities to choose among the representatives of private power. These are what are called elections. In elections, public opinion is considered essentially irrelevant *if it conflicts* with the demands of the minority of the opulent who own the country. We're seeing that right now in fact.

One striking example (there are many) has to do with the international economic order -- what are called trade agreements. The general population, as polls make very clear, is *strongly opposed* to most of what's going on but the *issues* don't arise. It's not an issue in the elections because the centers of power, the minority of the opulent, are unified in support of instituting a particular kind of socio-economic order. So therefore, the issue doesn't arise. The things that are discussed are things that they don't much care about. Like questions of character or questions of reform which they know that aren't going to be implemented. So that's what discussed. Not what people care about. And that's pretty typical and it makes sense on the assumption that the role of the public as the ignorant and meddling outsiders is just to be spectators.

If the general public, as it often does, seeks to *organize* and *enter* the political arena to participate, to press its own concerns, that's a problem. It's not democracy. It's what's called a "crisis of democracy" that has to be *overcome*. Again I'm quoting. These are all quotes from the liberal, progressive side of the modern spectrum, but the principals are quite widely held.

The past 25 years have been one of those regular periods when a *major campaign* has been conducted to try to overcome the perceived "crisis of democracy" and to reduce the public to their proper role of apathetic and passive and obedient spectators. That's the political realm.

In the socio-economic realm, there is something similar. There has been a parallel of closely-related conflicts for a long, long time. In the early days of the industrial revolution in the United States -- in New England, 150 years ago -- there *was* a very *lively*, independent labor press run by young women from the farms, or artisans in the towns. They *condemned* the "degradation and subordination" of the newly-emerging industrial system which compelled people to rent themselves to survive.

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It's worth remembering (and hard to remember perhaps), that wage labor was considered not very different from chattel slavery at that time. Not only by the workers in the mills but right through much of the mainstream. For example Abraham Lincoln, or the Republican Party, even editorials in the *New York Times* (that they might like to forget).

Working people opposed what they called "monarchical principles" in the industrial system and they demanded that those who work in the mills should own them -- the spirit of Republicanism. They denounced what they called the "new spirit of the age: Gain wealth, forgetting all but self." A demeaning and degrading vision of human life that has to be driven into people's minds by *immense* effort, which in fact has been going on over centuries.

In the 20th century, the literature of the public relations industry provides a very rich and instructive store of instruction on how to instill the "new spirit of the age" by creating artificial wants or by "regimenting the public mind just as an army regiments the bodies of its soldiers," and inducing a "philosophy of futility" and lack of purpose in life by concentrating human attention on "the more superficial things that comprise much of fashionable consumption." If that can be done then people will accept the meaningless and subordinate lives that are appropriate for them and they'll forget subversive ideas about taking control of their *own* lives.

This is *major social engineering* project. It's been going on for centuries. But it became *intense* and *enormous* in the last century. There are a lot of ways of doing it. Some are the kind that I just indicated which are too familiar to illustrate. Others are to undermine security. Here too there are a number of ways.

One way of undermining security is the threat of job transfer. One of the major consequences and, assuming rationality, one has to assume one of the major purposes of the mislabeled "trade agreements" (stress "mislabeled," because they're not about free trade; they have strong anti-market elements of a variety of kinds, and they are certainly not *agreements*, at least if people matter, since people are mostly opposed), one consequence of these arrangements is to facilitate the threat -- it doesn't have to be reality, but sometimes it is, but just the *threat* -- of job transfer, which is a good way of inducing discipline by undermining security.

Another device, pardon the technical jargon, is to promote what is called "labor market flexibility." Let me quote the World Bank, who put the matter pretty plainly. They said,

"Increasing labor market flexibility -- despite the bad name it has acquired as a euphemism for pushing wages down and workers out" (which is exactly what it is) "is essential in all the regions of the world. . . . The most important reforms involve lifting constraints on labor mobility and wage flexibility, as well as breaking the ties between social services and labor contracts."

That means cutting the benefits and the rights that have been won in generations of bitter struggle. When they talk about lifting constraints on wage flexibility they mean flexibility *down*, not flexibility *up*. The talk about labor mobility doesn't mean the right of people to move anywhere they want (as has been required by free market theory ever since Adam Smith), but rather the right to fire employees at will. And under the current investor-based version of globalization, capital and corporations must be free to move but not people because their rights are secondary, incidental.

These "essential reforms," as the World Bank calls them, are imposed on much of the world as conditionalities for ratification by the World Bank and the IMF. They're introduced into the rich, industrial countries by other means and they have been effective. Alan Greenspan testified before Congress that, what he called "greater worker insecurity" was an important factor in what's called the "fairy-tale economy." It keeps inflation down because workers are afraid to ask for wages and benefits. They are insecure. That shows up pretty clearly in the statistical record.

In the past 25 years, this period of roll-back, of the crisis of democracy, wages have

stagnated or *declined* for the majority of the workforce, for non-supervisory workers, and working hours have increased *very sharply* -- they have become the highest in the industrial world. This is noticed, of course, by the business press which describes it as, "a welcome development of transcendent importance" with working people compelled to abandon their "luxurious lifestyles" while corporate profits are "dazzling and stupendous" (*Wall Street Journal, Business Week, and Fortune*).

In the dependencies less delicate measures are available. One of them is the so-called "debt crisis" which is largely traceable to World Bank/IMF policy programs of the 1970s, and to the fact that the third world rich are, for the most part, exempt from social obligations. That's *dramatically* true in Latin America, and one of its major problems.

The "debt crisis" is something but we should be careful to notice what it is. It's not a simple economic fact by any means. To a large extent, it's an ideological construct. What's called the "debt" *could be* largely overcome in a number of very elementary ways.

One way to overcome it would be by resorting to the capitalist principal that borrowers have to pay and lenders take the risk. So for example, if you lend me money and I send it to my bank in Zurich and buy a Mercedes and you come back and ask me for the money, I'm not supposed to be allowed to say, "I'm sorry, I don't have it. Take it from my neighbor." And if you don't want to take the risk of the loan, you're not supposed to be able to say "My neighbor will have to pay for it."

However that is the way it works in the international arena. That's what the "debt crisis" is. The debt is *not* to be paid by the people who borrowed it: military dictators, their cronies, the rich and privileged in highly authoritarian societies that we've supported. They don't have to pay.

So take Indonesia, where the current debt is about 140 percent of Gross Domestic Product (GDP). The money was *taken* by the military dictatorship and their friends and probably held by a couple hundred people at the outside. But it has to be *paid* by the population under harsh austerity measures. And the lenders are mostly protected from risk. They get what amounts to free risk insurance by various devices of socializing costs, transferring them to Northern taxpayers. That's one of the functions of the IMF.

Similarly in Latin America. The *huge* Latin American debt is not all *that much different* from capital flight from Latin America. Which suggests a simple way to deal with the debt, or a large part of it, *if* anyone were to believe in the capitalist principle, which is, of course, unacceptable. It puts the burden on the wrong people -- on the minority of the opulent.

There are also other ways of eliminating the debt, and they are recognized. They also reveal the extent to which it *is* an ideological construct. One other method, apart from the capitalist principle, is a principle of international law that was introduced by the United States when it, what's called in the history books, "liberated" Cuba, meaning *conquered* Cuba to prevent it from liberating itself from Spain in 1898.

Having done that the United States cancelled Cuba's *debt* to Spain on the perfectly reasonable ground that the debt was imposed without the consent of the population. It was

imposed under coercive conditions. That principle then entered international law, largely at U.S. initiative. It's called the principle of odious debt. An odious debt is invalid. It doesn't have to be paid.

It's been recognized for example, by the U.S. Executive Director of the IMF, that if that principle were available to the *victims*, not just to the rich, the third world debt would mostly *dissolve*, because it is invalid. It's odious debt.

But that is not to be. The odious debt is a very *powerful* weapon of *control* and it can't be abandoned. For about *half* of the world's population right now, thanks to this method, national economic policy is effectively run by bureaucrats in Washington. Another *half* of the population of the world -- not the same half, but overlapping -- is subject to unilateral sanctions by the United States which is a form of economic *coercion* that again, undermines sovereignty severely and has been condemned repeatedly, just recently again by the United Nations, as unacceptable. But it makes no difference.

All of this is called "trade rights." It has nothing to do with trade. It has to do with monopolistic pricing practices enforced by protectionist measures that are introduced into what are called free trade agreements. The measures are designed to ensure corporate rights. They also have the effect of reducing growth and innovation, naturally. And they are only *part* of the *array* of regulations, introduced into these agreements, which are an attempt to prevent development and growth. They are not economically motivated. What is at stake is investor rights and not *trade*. And trade, of course, has no *value* in itself. It is of value if it increases human welfare, otherwise not.

Within the rich countries, there are *other* means of achieving similar results. I'll come back to that. But before doing so, just a *word* about what we should never allow ourselves to forget. And that is the devices that are used in the dependencies can be *very brutal*.

There was a Jesuit-organized conference in San Salvador a couple of years ago which considered the state terrorist project of the 1980s and it's continuation since, by the socio-economic policies imposed by the victors. The conference took special note of what it called the residual "culture of terror" which lasts after the actual terror declines and has the effect of "domesticating the expectations of the majority" who abandon any *thought* of "alternatives to the demands of the powerful." They have learned the lesson that There Is No Alternative -- TINA, as it's called; Maggie Thatcher's cruel phrase. The idea is that there is *no alternative*. That's now the familiar slogan of the corporate version of globalization.

In the dependencies, the great achievement of the terrorist operations has been to destroy the hopes that had been raised in Latin America and Central America in the 1970s, inspired by

popular organizing throughout the region and the "preferential option for the poor" of the church which was severely *punished* for that deviation from good behavior. Again, an awful lot to say about that and I hate to drop it, but time is short.

Sometimes the lessons about what happened are drawn rather accurately in measured tones. Right now there is a torrent of self-adulation about our success in inspiring a wave of democracy in our Latin American dependencies. The matter is put a little differently and more accurately in an important scholarly review -- the *major* scholarly review -- by the leading specialist on the topic, Thomas Carrothers, who, as he says, writes with an "insider's perspective" since he served in the State Department "democracy enhancement programs" of the Reagan Administration (as they were called).

He believes that Washington had good intentions but he recognizes that in practice, the Reagan Administration sought to maintain "the basic order of . . . quite undemocratic societies" and to avoid "populist-based change," and like its predecessors, adopted "pro-democracy policies as a means of relieving pressure for more radical change, but inevitably sought only limited, top-down forms of democratic change that did not risk upsetting the traditional structures of power with which the United States had long been allied." Almost accurate. It would be more accurate to say "the traditional structures of power with which the traditional structures of power within the United States had long been allied." That's accurate.

Carrothers himself is dissatisfied with the outcome but describes what he calls the "liberal critique" as fundamentally flawed. This critique leaves the old debates "unresolved," because of "its perennial weak spot." The perennial weak spot is that it offers no alternative to the policy of restoring the traditional structures of power. In this case by murderous terror that left a couple hundred thousand corpses in the 1980s and millions of refugees, maimed and orphaned in the devastated societies. So again, TINA -- There Is No Alternative.

The same dilemma was recognized at the other end, the opposite end of the political spectrum, by President Carter's main Latin American specialist, Robert Pastor, who is quite far to the dove-ish, progressive end of the admissible spectrum. He explains in an interesting book why the Carter Administration *had* to support the murderous and corrupt Samoza regime right to the bitter end. Then, when even the traditional structures of power turned against the dictator, the U.S. (Carter Administration) had to try to maintain the National Guard that it had established and trained and that was then attacking the population "with the brutality a nation usually reserves for its enemy," as he puts it.

This was all done with benign intent under the TINA principal -- no alternative. Here's the reason. "The United States did not want to control Nicaragua or the other nations of the region, but it also did not want developments to get out of control. It wanted Nicaraguans to act independently *except*" (his emphasis) "when doing so would affect U.S. interests adversely." So in other words, Latin Americans should be *free*, free to act in accord with our wishes. We want them to be able to choose their own course freely, unless they make choices that we don't want. In which case, we have to restore the traditional structures of power -- by violence, if necessary. That's the more liberal and progressive side of spectrum. (If you can tell the difference.)

There are voices that are outside the spectrum -- I don't want to deny that. For example, there is the idea that "people should have the right to share in the decisions, which often profoundly modify their way of life," not have their hopes "cruelly dashed" by violence, by foreign power in a global order in which "political and financial power is concentrated" while financial markets "fluctuate erratically" with devastating consequences for the poor, "elections can be manipulated," and "the negative aspects on others are considered completely irrelevant" by the powerful. Those are quotes from the radical extremist in the Vatican whose annual New Year's message could scarcely be mentioned in the national press. It is certainly an alternative that is not on the agenda.

Why is there such broad agreement that Latin Americans (in fact the world) *cannot* be allowed to exercise sovereignty? That is, to take control of their lives? It is the global analog to the fear of democracy within. Actually, that question has been frequently addressed in very instructive ways, primarily in the internal record which we have (quite a free country -- we have a rich record of declassified documents, and they are very interesting). The theme that runs through all of them is strikingly illustrated in one of the most influential cases, a hemispheric conference that the United States called in February 1945 in order to impose what was called the Economic Charter for the Americas that was one of the cornerstones of the postwar world still firmly in place. The charter called for an end to "economic nationalism (meaning sovereignty) in all its forms." Latin Americans, it said, would have to avoid what was called "excessive" industrial development that would compete with U.S. interests, though they could have "complimentary development." So Brazil could produce low-cost steel that the U.S. corporations were not interested in. Crucially, it was necessary "to protect our resources," as George Kennan put it, even if that required "police states," he continued.

But Washington faced a problem in imposing the charter. That was clearly explained internally in the State Department at the time in this way: Latin Americans were making the wrong choices. They were calling for "policies designed to bring about a broader distribution of wealth and to raise the standard of living of the masses," and they were "convinced that the first beneficiaries of a country's resources should be the people of that country," not U.S. investors. That is unacceptable, so sovereignty cannot be allowed. They can have freedom, but freedom to make the *right* choices.

That message has been regularly and forcefully reaffirmed in case after case up to the present. I'll just mention a couple of examples. Guatemala had a brief interlude of democracy. It was ended, as you know, by a U.S. military coup. For the *public*, this was presented as defense against the Russians. A little bit exotic, but that was the story. *Internally*, the thrust was different and the threat was seen more realistically. Here is the way it was seen:

"The social and economic programs of the elected government met the aspirations" of labor and the peasantry, and "inspired the loyalty and conformed to the self-interest of most politically-conscious Guatemalans." Worse still the government of Guatemala had "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."

So therefore, a military solution was necessary. It has been going on for 40 years and it's left the same culture of terror as in Central American neighbors.

In general the primary principle and related treaties of the World Trade Organization is that sovereignty and democratic rights *have to be* subordinated to the rights of *investors*. In practice that means the rights of the huge, immortal persons; the private tyrannies to which people must be subordinated.

The same was true in Cuba, another currently live case. When the United States made the decision, secretly, to overthrow the government of Cuba in 1960, the reasoning was very similar. It was explained by historian Arthur Schlesinger, who summarized to President Kennedy the study of a Latin American mission in a secret report to the incoming president. The Cuban threat (according to the mission) was "the spread of the Castro idea of taking matters into one's own hands." That's a disease that might infect the rest of Latin America, Schlesinger explained, where "the poor and underprivileged," which means almost everyone, "stimulated by the example of the Cuban Revolution, are now demanding opportunities for a decent living." So something has to be done and you know what *was* done. What about "the Soviet connection"? That was actually mentioned in the report in this way: "Meanwhile, the Soviet Union hovers in the wings, flourishing large development loans and presenting itself as the model for achieving modernization in a single generation."

Well, that's the threat -- the threat of taking their lives in their own hands. And it had to be destroyed by terrorism and economic strangulation, which is still continuing. All of that is *totally independent* of the cold war, as surely is obvious by now, even without the secret record. The same concerns in the post-cold war period led to the quick undermining of Haiti's brief experiment in democracy by Presidents Bush and Clinton, continuing an earlier record.

The same concerns lie in the background of the trade agreements -- NAFTA, for example. At the time of NAFTA (you will recall), the propaganda was that it was going to be a wonderful boom to working people in all three countries -- Canada, United States, and Mexico. Well that was quietly abandoned shortly after when the facts were in. What was *obvious* all *along* was in fact, finally, publicly conceded -- *publicly*. The goal was to "lock Mexico into the reforms" of the 1980s -- reforms which has sharply reduced wages and enriched a small sector and foreign investors.

The background concerns were articulated at a Latin American strategy development conference in Washington, a workshop in 1990. It warned that "a 'democracy opening' in Mexico could bring into office a government more interested in challenging the United States on economic and nationalist grounds." Notice that's the same threat as in 1945 and since. Overcome, in this case, by locking Mexico into treaty obligations. These same reasons consistently lie behind a half a century of torture and terror, not only in the Western Hemisphere. They are also at the core of the investor rights agreements that are being

imposed under the specific form of globalization that's designed by the state-corporate power nexus.

Now let's go back to what I asked you to put on the shelf, the point of departure: the contested issue of freedom and rights, hence sovereignty insofar as it's to be valued. Do they inhere in persons of flesh and blood? Or only in small sectors of wealth and privilege? Or even in abstract constructions, like corporations or capital or states? In the past century, the idea that such entities have special rights, over and above persons, has been *very strongly* advocated. The most prominent examples are Bolshevism, fascism, and private corporatism, which is a form of privatized tyranny. Two of these systems have collapsed. The third is alive and flourishing under the banner, TINA -- There Is No Alternative to the emerging system of state corporate mercantilism disguised with various mantras like globalization and free trade.

A century ago, during the early stages of the corporatization of America, discussion about these matters was quite frank. Conservatives, a century ago, denounced the procedure describing corporatization as a "return to feudalism" and "a form of communism." Which is not an entirely inappropriate analogy. There were similar intellectual origins and neo-Hegelian ideas about the rights of organic entities, along with the belief in the need to have a centralized administration of chaotic systems -- like the markets, which were totally out of control.

It's worth bearing in mind, that in today's so-called "free-trade economy," a *very large* component of cross-border transactions (which are called trade, misleadingly), probably about 70 percent of them, are actually *within* centrally managed institutions, within corporations and corporate alliances, if we include outsourcing and other devices of administration. This is quite apart from all other kinds of radical market distortions.

The conservative critique -- notice that I am using the term "conservative" in a traditional sense; such conservatives scarcely exist any more -- the conservative critique was echoed at the liberal/progressive end of the spectrum early in the 20th century, most notably perhaps by John Dewey, America's leading social philosopher, whose work focused largely on democracy. He argued that the democratic forms have little substance when "the life of the country" -- production, commerce, media -- is ruled by private tyrannies in a system that he called "industrial feudalism" in which working people are subordinated to managerial control and politics becomes "the shadow cast by big business over society."

Notice that he was articulating ideas that were common coin among working people many years earlier, as I mentioned. And the same was true of his call for the elimination of the replacement of industrial feudalism by self-managed industrial democracy.

Interestingly, progressive intellectuals, who *favored* the process of corporatization, agreed more or less with this description. Woodrow Wilson, for example, wrote that, "most men are servants of corporations," which now account for the "greater part of the business of the country" in a "very different America from the old. . . . no longer a scene of individual enterprise, individual opportunity and individual achievement," but a new America in which "small groups of men in control of great corporations wield a power and control over the wealth and business opportunities of the country," becoming "rivals of the government

itself," and undermining popular sovereignty, exercised through the democratic political system.

Notice this was written in *support* of the process. He described the process as maybe unfortunate, but necessary, agreeing with the business world. Particularly after the destructive market failures of the proceeding years had *convinced* the business world and progressive intellectuals that markets simply had to be administered and that financial transactions had to be regulated.

Very similar questions are very much *alive* in the international arena today. The talk about reforming financial architecture and that sort of thing. A century ago, right about that time, corporations were granted the rights of persons by radical judicial activism, an extreme violation of classical liberal principles.^[1] They were also freed from earlier obligations to keep to specific activities for which they were chartered.^[2] Furthermore, in an important move, the courts shifted power *upwards*, from the stockholders in a partnership to the central management, which was identified with the immortal corporate person.

Those of you who are familiar with the history of communism will recognize that this is *very similar* to the process that was taking place at the time -- very quickly predicted in fact by left critics, left Marxist and anarchist critics of Bolshevism; people like Rosa Luxembourge, who warned, early on, that the centralizing ideology would shift power from working people to the party to the central committee and then to the maximal leader, as happened *very quickly* after the conquest of state power in 1917 which *at once* destroyed every residue of socialist forms and principles. The propagandists on both sides prefer a different story for self-serving reasons. But I think that's the accurate one.

In recent years, corporations have been granted rights that go *far beyond* those of persons. So under the World Trade Organization rules, corporations can demand what's called the right of "national treatment." That means that, for instance, General Motors, if it's operating in Mexico, can demand to be treated like a Mexican firm. That is only a right of the immortal persons. It is not a right of flesh-and-blood persons. Thus a Mexican can't come to New York and demand national treatment and do very well. But corporations can.

Other rules require that the rights of investors, lenders, and speculators must prevail over the rights of mere flesh-and-blood people generally, undermining popular sovereignty and diminishing democratic rights. Corporations, as I'm sure you know, even have the right to bring suits, to bring actions against sovereign states. And they are interesting cases.

For example, Guatemala a couple of years ago sought to reduce infant mortality by regulating the marketing of infant formula by multinationals. The measures that Guatemala proposed were in conformity with World Health Organization guidelines and they kept to international codes. But the Gerber Corporation claimed expropriation and the threat of a World Trade Organization complaint sufficed for Guatemala to withdraw, fearing retaliatory sanctions by the United States.

Actually the first such complaint under the new World Trade Organization rules was brought against the United States by Venezuela and Brazil who complained that EPA regulations on petroleum violated their rights as petroleum exporters. Washington backed down that time

also *allegedly* in fear of sanctions but I'm skeptical about that interpretation. I don't think the U.S. fears trade sanctions from Venezuela and Brazil. More likely, the Clinton Administration simply saw no compelling reason to defend the environment and protect health.

[I]n a lot of ways, the conflict between popular sovereignty and private power was illuminated more sharply a couple months *after* Seattle, just a few weeks ago in Montreal, where an ambiguous settlement was reached on the so-called "bio-safety protocol." There the issue was very clearly drawn. . . .

Notice what's at stake here. The question that's at stake is whether people have the right to refuse to be experimental subjects. So, to personalize it, suppose the biology department at the university were to walk in and tell you, "You folks *have* to be experimental subjects in an experiment we're carrying out where we're going to stick electrodes in your brain and see what happens. And you can refuse. But only if you provide scientific evidence that it is going to harm you." Usually you can't provide scientific evidence.

The question is: Do you have a *right* to refuse? Under World Trade Organization rules, you don't. You *have* to be experimental subjects. It's a form of what Edward Herman, a co-author of mine who's an economist, has called "producer sovereignty." The producer reigns; consumers have to somehow defend themselves. That works domestically, too, as he pointed out. It's not the responsibility of, say, chemical and pesticide industries, to *demonstrate*, to *prove* that what they are putting into the environment is *safe*. It's the responsibility of the *public* to *prove scientifically* that it's *unsafe*. They have to do this through under-funded public agencies that are susceptible to industry influence through lobbying and other pressures.

These issues are arising *very dramatically* and in fact, obscenely right now. *Tens of millions* of people around the world are *dying* from treatable diseases because of the protectionist elements written into the World Trade Organization rules that grant private mega-corporations monopoly-pricing rights. So Thailand and South Africa, for example, which have pharmaceutical industries, *can* produce life-saving drugs at a *fraction* of the cost of the monopolistic pricing. But they are afraid to do so under threat of trade sanctions. In fact, in 1998, the United States even threatened the World Health Organization that it would withdraw funding if the World Health Organization even *monitored* the effects of trade conditions on health. These are very *real threats*; I'm talking about today, like this week's international press.

All of this is called "trade rights." It has nothing to do with trade. It has to do with monopolistic pricing practices enforced by protectionist measures that are introduced into what are called free trade agreements. The measures are designed to ensure corporate rights. They also have the effect of reducing growth and innovation, naturally. And they are only *part* of the *array* of regulations, introduced into these agreements, which are an attempt to prevent development and growth. They are not economically motivated. What is at stake is investor rights and not *trade*. And trade, of course, has no *value* in itself. It is of value if it increases human welfare, otherwise not.

In general the primary principle and related treaties of the World Trade Organization is that sovereignty and democratic rights *have to be* subordinated to the rights of *investors*. In practice that means the rights of the huge, immortal persons; the private tyrannies to which people must be subordinated.

These are *among* the issues that led to the remarkable events in Seattle. But in a lot of ways, the conflict between popular sovereignty and private power was illuminated more sharply a couple months *after* Seattle, just a few weeks ago in Montreal, where an ambiguous settlement was reached on the so-called "bio-safety protocol."^[3]

There the issue was very clearly drawn. I'll quote the *New York Times*: "A compromise was reached after intense negotiations that often pitted the United States against almost everyone else" over what's called "the precautionary principle." What's that? Quoting the chief negotiator for the European Union who described it this way: "Countries must have the freedom, the sovereign right, to take precautionary measures with regard to genetically altered seed, microbes, animals, crops that they fear might be harmful." The United States, however, insisted on World Trade Organization rules. Those rules are that an import can be banned only on the basis of scientific evidence.^[4]

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That was the issue at Montreal and a kind of an ambiguous settlement was reached. Notice, to be clear, there was *no issue* of principle. You can see that by just looking at the line-up. The United States was on one side and it was joined in fact by some other countries with a

stake in biotechnology and hi-tech agro-export. On the other side was everybody else -- those who didn't expect to *profit* by the experiment. That was the line-up and that tells you exactly how much principle was involved. For similar reasons, the European Union favors high tariffs on agricultural products, just as the United States did 40 years ago but no longer and not because the principles have changed; just because power has changed.

[The 1940s] was a time of *overwhelming* popular support for social welfare programs and radical democratic measures. And primarily for those reasons -- this is *very explicit* incidentally, not inference -- the Bretton Woods system of the mid-forties regulated exchange rates. The idea was to cut down wasteful and harmful speculation and it *permitted* countries to restrict capitol flow. And the reasons were *well* understood and clearly articulated. Free capital flow creates what's sometimes called a "virtual parliament" of global capital, which can exercise veto power over government policies that it considers irrational. That means things like labor rights or educational programs or health or efforts to stimulate the economy. Or in fact *anything* that might help people and not profits (and therefore is irrational in the technical sense).

There is an *overriding principle*. The principle is that the powerful and the privileged *have* to be able to do what they want (of course, pleading high motives). The corollary is that sovereignty and democratic *rights of people* must *go*. In this case -- and that's what makes it so dramatic -- their reluctance to be experimental subjects when U.S.-based corporations can profit by the experiment. The U.S. appeal to the World Trade Organization rules is *very natural* since they *codified* that principle; that's the point.

These issues, although they are *very real* and affecting a huge number of people in the world, are actually secondary to *other* modalities to reduce sovereignty in favor of private power. Most important, I think, surely, was the dismantling of the Bretton Woods system in the early 1970s by the United States and Britain and others. That system was designed by the U.S. and Britain in the 1940s.

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The Bretton Woods system more-or-less functioned for about 25 years. That's what many economists called the "golden age" of modern capitalism; modern state capitalism, more accurately. That was a period -- roughly up until about 1970 -- of quite historically *unprecedented* rapid growth of the economy, of trade, of productivity, capital investment, extension of welfare state measures, a golden age. That was reversed in the early seventies. The Bretton Woods system was dismantled with liberalization of financial markets and floating exchange rates.

The period since has often been described as a "leaden age," accurately. There was a *huge* explosion of very short-term speculative capital completely *overwhelming* the productive economy. There was quite marked deterioration in just about *every* respect: considerably slower economic growth, slower growth of productivity of capital investment, much higher interest rates (which slow down growth), greater market volatility and financial crises. All of these things have *very* severe human effects, even in the rich countries where the lenders tend to be bailed out: stagnating or declining wages, much longer working hours, particularly striking in the United States, cutback of services.

Just to give one example in today's great economy that everyone's talking about, the median income (half above, half below) for families has gotten back now to what it was in 1989 which is *well below* what it was in the 1970s. It has also been a period of the dismantling of social democratic measures that had considerably improved human welfare. And in general the newly-imposed international order provided much greater veto power for the "virtual parliament" of private capital of investors leading to significant decline of democracy and sovereign rights (as intended), and a significant deterioration in social health.

While those effects are felt in the rich societies, they are a *catastrophe* in the poorer societies. These issues cut across societies. It is not a matter of this society got richer and that one got poorer. The more significant measures are sectors of the global population. So, for example, using recent World Bank analyses, if you take the top *five* percent of the world's population and compare their income wealth to the bottom five percent, that ratio was 78:1 in 1988 and 114:1 in 1993 (that's the last period for which figures were available), and undoubtedly higher now. The same figures, the *top one percent* of the world's population has the same income as the bottom 57 percent -- two-and-a-half billion people.

For the rich countries, the point was made very clearly (to quote a well-known economist) by Barry Eichengreen, in his highly regarded history of the international monetary system. Listen to it carefully. He has the point correct. Like others, he pointed out (many people have pointed this out) that the current phase of globalization is rather similar to the pre-World War I period by rough measures. However, there are differences.

And here they are. The main one: At that time, global policy, government policy, had not yet been "politicized" by "universal male suffrage and the rise of trade unionism and parliamentary labor parties." Therefore the severe human costs of financial rectitude that are imposed by the virtual parliament could be transferred to the general population. But that luxury was no longer available in the more democratic Bretton Woods era in 1945, so that "limits on capital mobility substituted for limits on democracy as a source of insulation from market pressures."

There is a corollary to that. It is quite natural that the dismantling of the post-war economic order should be accompanied by a significant attack on substantive democracy, freedom and popular sovereignty and human rights, under the slogan, TINA, There Is No Alternative. It's kind of a farcical, mimicry of vulgar Marxism. The slogan, needless-to-say, is self-serving fraud. The particular socio-economic order that's being imposed is the result of human decisions and human institutions. The decisions can be *modified*. The institutions can be *changed*. If necessary they can be dismantled and *replaced* just as honest and courageous people have been doing throughout the course of history.

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IRC Board Member Charlie Clements read out written questions from from the audience. First, he acknowledged and thanked Ken Forens (sp?), who presented sign-language during the talk saying, "I have always found listening to Dr. Chomsky like taking a drink of water from a fire hydrant so I can't imagine how it was for people reading the sign presentation." He went on to speak briefly about the IRC while the questions were being gathered.

"There are two main publications that you might want to participate in. One is called Foreign Policy *In Focus* which comes out periodically and the subjects are what we tend to read about all the time but probably don't have a lot of clarity on. One week we had Human Rights and U.S. Foreign Policy; here's another one on so-called 'Humanitarian Intervention' is what we call what we did in Kosovo; here's one on Population and Environment; here's one on AIDS and Developing Countries: Democratizing Access to Essential Medicines which Dr. Chomsky referred to; there was one on Star Wars Revisited: Still Dangerous, Costly, and Unworkable, the World Trade Organization and Sustainable Development. There are one page briefs followed by a page with problems of current U.S. foreign policy, what a new foreign policy might look like, a progressive foreign policy, and on the back there is a number of references to go to for more information on these subjects. These come out about every two weeks.

"In addition to that, IRC publishes *borderlines* which talks about our role as a state in the borderlands. This comes out less frequently. Water Conflict in the Borderlands was a recent one; Native Communities in the Borderlands on both sides of the border; the scope and limits of Environmental Law. These are very informative if you really want to understand our place in the borderlands of the states of both Mexico and the United States."

Question: You note that sovereignty is under attack but I wonder how we can both protest democracy at a local level and national level, while at the same time promoting the need for effective international norms and institutions.

Noam: When you're part of any system, whatever it is -- a family, a country, a world -- if you want to be part of it, you're making a compromise. You're giving up a certain degree of freedom of action because of the gains that come to you, or to others (not just to you), from solidarity and participation. And the same is true of sovereignty. Like I said, national sovereignty, in itself, is of no value. It's of value insofar as it contributes to human welfare -- to human rights, to freedom, and so on. In *this world* participation in an international community, which is a constructive and a healthy one, is good for *everybody*. Not just us, but everyone else.

So I don't see any contradiction between maintaining, or trying to maintain, our control of our own polity -- that is, in fact, trying to *create* control over it, because we don't have much control over the way decisions are made within our own community, state, nation, etc. -- and making the decision, our own decision, to *subordinate* some of those choices to international institutions which could express a *broader* notion of solidarity and cooperation. These are the kinds of choices you make if you decide to live in a family, and any bigger unit.

Q: President Clinton recently said the U.S. has the right on humanitarian grounds to intervene, with force, in any country which it deems is abusing the human rights of its citizens. Do you agree with President Clinton's statement?

Noam: It has interesting consequences. So, for example, I presume the U.S. Air Force has the capacity to bomb Washington. That would certainly follow. And plenty of other places.

I said I wouldn't go into this, but take, say, East Timor. There was never any intervention in East Timor, contrary to what you read. There was no intervention because there was no issue of sovereignty. Indonesian rights in East Timor were granted *solely* by the United States. It was an invasion. Indonesia invaded in 1975 with U.S. authorization. The Security Council ordered them out. (Actually the U.S. voted for that, but undermined the Security Council resolution and, in fact, the Ambassador said so, and explained why.)

Then came 25 years of *huge* massacres. Maybe a third of the population was wiped out with U.S. diplomatic and military support. In early 1999, the atrocities started escalating again. In the early months of the year there were *thousands* of people killed by the Indonesian military and their paramilitary forces. This wasn't much reported here, but it wasn't very secret.

This went on up to the point where, in September last year, 750,000 people -- that's 85 percent of the population -- were driven out of their homes, brutally driven out, most of the country destroyed. A couple hundred thousand were driven into Indonesian territory. 150,000 are still *there* in Indonesian concentration camps. The U.S. did nothing. The U.S. position was, "It's their responsibility and we don't want to take it away from them." That was the position *right through*.

Finally, in mid-September, Clinton was compelled -- under domestic pressure and pretty heavy international pressure, primarily from Australia -- to tell the Indonesian generals that

the game was over. That's essentially what happened. He said, "Look, that's enough." Immediately they left. That tells you *exactly* how much latent power was always there.

It wasn't necessary to bomb Washington to stop this atrocity, or to bomb Jakarta, or to impose sanctions. It was enough to withdraw participation and tell them it's finished. They left. *After* they left, the UN peacekeeping force entered, and the United States wants it to be reduced and refuses to fund it and so on and so forth and, of course, is doing nothing about those who *right now* are rotting in concentration camps. That's not intervention and it's not humanitarian intervention.

And there are many cases like that. *If we want to do good in the world, the best place to start* is with the famous Hippocratic principle: first, do no harm. The first thing to do is to stop carrying out atrocities, and we're not doing that. While Clinton is talking about the *right* of humanitarian intervention, which he has never once exercised and -- I want to cut down the criticism of Clinton, nor has anyone else -- it's *unlikely* that in all of history you can find a *genuine* case of humanitarian intervention. Try. It's *very* hard. I mean intervention that was carried out with a humanitarian purpose. Occasionally they have humanitarian effects, which are incidental. And of course, just about every intervention is *declared* to be humanitarian -- Hitler, Mussolini, everybody. But *real ones, real* humanitarian intent, that's *extremely hard to find*. There may not be any examples. So Clinton's not unusual. But there are *many* ways in which we can act to improve things in the world.

For example, the easiest way is by not participating in escalating atrocities. And we're doing it *right now*. I'm not talking about the past, not *last* year. Next year. So, one of Clinton's main projects for *next year* is a *huge increase* in military aid to Colombia. Colombia has the worst human rights record in the hemisphere and has had it for the last ten years, mostly because human rights violations in our other client states declined so it went up. It's also been the leading recipient of U.S. military aid and training during that decade, going on right under Clinton. Now it's going to go up even further.

Notice that Colombia has now replaced Turkey at the *top* of the recipients of U.S. military aid. Actually there's another category, Israel and Egypt, but that's a separate category for totally other reasons. But among the countries that get military aid, Turkey was top until this year, now Colombia has moved to the top. The reason is that Turkey was carrying out a *murderous, brutal*, counterinsurgency program and ethnic cleansing operation (notice this is *within* NATO, it's not across the borders) which led to about 2-3 million refugees, 3,500 towns destroyed -- that's about seven times Kosovo -- tens of thousands of people killed. How were they doing it? Well, with *U.S. military aid* that the Clinton administration was *pouring in*. As the atrocities escalated the aid escalated. A lot of it illegal because it was banned by Congress. So it had to be done in devious ways, like jet planes and so on. Why has that declined? Because they pretty much suppressed the indigenous population that they were attacking, so therefore the aid has declined.

Now it's shifting over to Colombia where they still have that problem. About 70 percent -- 80 percent of the atrocities, several thousand killed a year, are attributed (even by the State Department) to the paramilitaries who are *tightly linked* with the military. The aid is going to exactly those people. It's being directed for a counterinsurgency war, it's going to attack peasants. It's *avoiding* the areas of paramilitary control, even though everybody knows that

the paramilitaries are *up to their neck* in narco-trafficking, just as the military is. All of this is under the cover of a drug war, which *nobody* takes seriously who knows anything about either Colombia or drugs. OK, that's going to escalate atrocities. That's very likely going to escalate what is already the worst level of human rights violations in the hemisphere and it's going to get even higher.

OK, you want to stop. Again, before talking about the academic issue of humanitarian intervention (of which there are no known examples), you can start by not escalating atrocities as you have been doing in the past. So instead of continuing to escalate atrocities, say, in Turkey, and I could give a long list of others, *don't do it in Colombia*, and plenty of other places. So there's a lot that can be done. It's not that there's nothing that can be done. But you have to be serious about it.

The Internet was handed over to private power only in 1995. It was a *gift*, a huge gift from the public (which didn't know a thing about it) to private power. That certainly didn't have to happen. In fact, an interesting question is *how* it happened, and nobody's been able to figure that out yet. There's no record that anybody can discern of what the decision-making process was by which you guys, the public, handed over to Bill Gates (and others) this tremendous development. It's by no means the only thing. Most of the dynamic economy is sort of similar; this is a dramatic case of it.

Q: Without having looked at the questions, I know that there are many people in the audience that would like to have your impressions of what happened in Seattle, in terms of its prognosis for social activism.

Noam: Seattle was very significant, I think. For one thing, those people didn't just show up spontaneously. They were there because of *very* serious, extensive, long-term, educational, and organizing activities. And they show what can be achieved by that, and that's the *only thing* that can achieve *anything*. That's the first lesson that ought to be drawn from it. Educational and organizing activities can have a *real* effect. A very constructive effect.

The other striking fact about Seattle, *very* striking, was the range of the diversity of the constituencies that were involved. They ranged from people speaking for indigenous people of the third world, third world peasant and labor groups, U.S. labor, environmentalists (in the United States and abroad), in fact a *very wide range* of activists -- people who, in the past, haven't had very much to say to one another, or have even been antagonistic. But here they found common ground, and *important* common ground, in opposing a *major attack* on popular sovereignty and human rights and freedom that's going on under the rubric of these investor rights agreements.

Well, what's the prognosis? Like everything else, it depends what you make of it. There's no

way to predict those things. These are things you try to *do* something about, not make predictions about. The predictions are *idle*. The actions that can be undertaken are very *real*. It's going to come up again. The *Boston Globe*, my local newspaper, had a little item the other day that said, "Anarchists Planning to Attack IMF Meeting." Well, OK, the anarchists are those people, you know who they were, but that's the way it must look from the centers of power. There's something right about it. If you're trying to undermine authority and subordination and domination, then you're in the highest principles of anarchism. So it's not totally false. But whether the "anarchists" will succeed in compelling the IMF and the World Bank to reverse course or modify them substantially and to move the international order in totally different directions, those are questions of choice, not prediction.

Q: Kosovo: what are the interests driving intervention? What do you foresee for the people of the region?

Before he answers that question, the book that he's autographed, you've heard the expression, "Read the book." The book he's autographed out front is called, *The New Military Humanism: Lessons from Kosovo*, is Dr. Chomsky's latest book.

Noam: That one was written last July and, since then, a *lot* of documentation has come out from impeccable sources, like the State Department, and NATO, and so on, which affirms, to an extent that actually surprises me, the rather tentative conclusions there. I've written more recent stuff about it, if you're interested. We can start by saying what the intervention was *not* motivated by. It was *not motivated* by humanitarian concern; I think that is *overwhelmingly* obvious at this point.

There is now a rich mine of documentation from sources of the kind I've just mentioned which demonstrate that, up until the bombing, Kosovo was a pretty ugly place. In fact, not unlike Colombia, though probably not as bad. But nothing special was happening in the period before the bombing. The place was teeming with monitors, European monitors, the international human rights organizations, the ICRC, the UNHCR, etc., and their reports are available, to a large extent, and they're pretty clear. In the last two-month reporting period before the bombing, they estimate more than one violent death a day, which is bad (on both sides, incidentally, these are distributed -- Serbs, Albanians, some of the Albanians being killed by Albanians). Ugly, but not changing; and, in fact, nothing special happening.

The bombing was then undertaken with the expectation that it was going to sharply escalate atrocities. We now have a record of *where* it escalated atrocities from the Organization for Security and Cooperation in Europe (OSCE), who gave a detailed documentation of what happened afterwards. Their conclusion is that the atrocities took place *as anticipated*, primarily in areas of guerilla activity and potential invasion routes. Ugly and horrible and war crimes and everything else, but not all that surprising when you bomb some country and you plan and you threaten to invade them. That was the *anticipated* consequence of the bombing.

It's been kind of *inverted* now in the rendition, so what you read is that they were carrying out ethnic cleansing so we had to bomb to stop ethnic cleansing. Just take a look at the record; it's *exactly* the other way around. The ethnic cleansing *followed* the bombing, and it was the anticipated consequence of it, and for ugly, but intelligible reasons. You might ask

yourself what would be happening here, let's say, if a guerilla army based in Mexico were killing policemen, civil servants, civilians, so on and so forth, with supplies coming in from Mexico, in an effort to try to recover for Mexico the territory that was stolen from it not all that long ago. How would you react around here? How would the United States react? You don't have to bother saying.

What the commander, General Clark, said at the *time* turns out to be very accurate. As the bombing started, NATO Commander Wesley Clark informed the press that it was "entirely predictable" that atrocities would sharply increase. We now *know* how sharply they increased because we know what they were before and what they were afterwards. A couple of weeks later he informed the press again that the purpose of the bombing never had anything to do with ethnic cleansing; that was not a concern of the political leadership or of the military command that was implementing it. Now in retrospect, that's pretty much what is the case. So I think we can wipe out that argument, that it was humanitarian in intent (perhaps for the first time in history) -- it wasn't. So what was it? That's the question.

Well, here we go from fact, which you can verify, to speculation, which you can only just guess, because we don't have internal documents. So if you want my speculation, it's about what I had in that book. I think there's now more evidence for it, but it's still speculation because we don't have documents of internal planning. If you take a look back at that time, you'll notice that two arguments were given for the bombing. The first argument was that we had to stop ethnic cleansing. That can't possibly be right -- just take a look at the factual record. The second argument that was given is more plausible, in my view, and that is that it was necessary to maintain the credibility of NATO. Well, I think that's plausible, but you have to translate it. Like most things in political rhetoric, you've got to do a little work on it.

When the U.S. and Britain talk about the credibility of NATO, what do they have in mind? I mean, are they worried about the credibility of Norway? The credibility of Italy? Belgium? I don't think so. They're worried about the credibility of the United States and its attack dog, which is what England has become. It basically is a highly militarized state that is sent out to attack people. So the U.S. and its attack dog, it's their credibility that's at stake. With whom? It's a wide audience. For one thing, with Europe. Part of the reason, I suspect, for shifting the arena of confrontation from diplomacy to violence is that that's where the U.S. and Britain reign supreme. If you can bring NATO in, it's a U.S., secondarily British, operation. If it's a matter of diplomacy, the United States doesn't hold any cards any stronger than Germany or France or anyone else.

There's been a significant conflict between Europe and the United States over the emerging shape of the world. They don't agree on everything. They disagree on things. Putting NATO in the forefront is a way of putting the United States in the forefront. The United States doesn't dominate Europe, but it *does* dominate NATO. If Europe were to move towards a security system from, say the Atlantic to the Urals, the way France and some in Germany have proposed, that's going to marginalize the United States in European affairs. If Europe stays under NATO control, the U.S. is going to run it. That's NATO expansion and everything else. So *part* of the credibility that was involved, I think, was credibility of U.S. power, *vis-a-vis* Europe.

Norman Solomon, who's a media critic you may know, made the interesting observation that before . . . 1995, it was described usually as an information superhighway. Since 1995 it's been described mostly as e-commerce, home marketing service. That's not accidental.

When it was under public control, the goal was (or at least thought to be) an information superhighway, something people could participate in. Now it's a technique of subordination. It's being converted into a device of exactly the kind that I was describing from the advertising industry (going back decades), a device to degrade and control people. To create wants -- to impose a philosophy of futility, to focus your attention on the superficial aspects of life, like fashionable consumption -- and to marginalize people (keep them from the dangerous activity of interacting with one another), and to satisfy created wants.

Will it *be* that? That's kind of like the question about Seattle. It depends on whether people let it happen. That's a terrain of struggle right now. The Internet has been *very effective* in organizing. It's had a *very valuable, subversive* effect -- like Seattle, for instance. A lot of the organizing was through Internet. Or East Timor -- I've been working on East Timor for years, ever since the mid-seventies; almost got no where. The effects were pretty limited until the early nineties when Charlie Scheiner came along and organized ETAN (the East Timor Action Network) largely through the Internet. Within a *very short time* there was a pretty active and effective lobbying efforts and educational and organizing efforts, which made a *big difference*. That's the kind of thing you can do with it. . . .

Well, that's *just what* the major corporations want to *stop*. They want to *stop that kind of freedom*. And that's *just what the public* ought to be calling for and trying to *maintain*. That's a *big battle* that's going to go on in the next couple of years. It's like everything else, you can't predict the outcome -- it's the kind of thing you try to *do* something about rather than try to predict. So the future of the Internet is very much up for grabs, I think.

But then it's *much* broader than that. Serbia, like it or hate it, it's the one part of Europe which has not subordinated itself to the U.S. picture of what things should look like, and it's got to go. And if it turns out to be disobeying orders, as it was doing, then all the more reason why it's got to go. Here, credibility in another sense enters. If you want to understand *that* form of credibility, just go to your favorite Mafia don and ask him what credibility means. If a local storekeeper doesn't pay protection money, you don't just send somebody to collect the money, you make an example of him because you have to establish credibility.

You send in goons and beat him to a pulp, or something like that. That establishes credibility. Then others understand they'd better listen.

That's credibility, and if you look through the record, that's the kind of credibility that has to be established *all* the time. Not just by the Mafia don, but by the global Mafia don as well. Whoever it may be, and in the last half-century it's been mostly the United States -- and now, dramatically.

I think that's the sense in which credibility had to be established. You have to show who's boss. You have to "domesticate aspirations," as the Jesuits in San Salvador learned, the surviving ones. Because aspirations contrary to the wishes of the powerful will not be tolerated and efforts to pursue them will lead to very severe consequences. My *guess* is that *that* range of considerations is probably what underlies planning in this case, as in many others. But, let me say again, that's speculation. Until the documentary record may come out, long after I'm gone, we're not going to have any clear evidence about this, I expect.

Q: Dr. Chomsky, there have been several questions about the Internet, and if you might comment on your thoughts about its impact on wealth distribution, capital mobility, and its potential to alter the status quo.

Noam: Remember, first, something that is important to bear in mind: like just about every dynamic aspect of the economy, the Internet is a product of the state sector; that is, it was created at public expense. It was within the vast state sector of the economy for around thirty years. First the Pentagon, then the National Science Foundation, that's where the ideas came, the development, the research, meaning the public paid for it. Maybe the public didn't know. But the public paid for it. And that went on until *very* recently.

The Internet was handed over to private power only in 1995. It was a *gift*, a huge gift from the public (which didn't know a thing about it) to private power. That certainly didn't have to happen. In fact, an interesting question is *how* it happened, and nobody's been able to figure that out yet. There's no record that anybody can discern of what the decision-making process was by which you guys, the public, handed over to Bill Gates (and others) this tremendous development. It's by no means the only thing. Most of the dynamic economy is sort of similar; this is a dramatic case of it.

Norman Solomon, who's a media critic you may know, made the interesting observation that before and after 1995 the Internet was differently described in the media. Before 1995, it was described usually as an information superhighway. Since 1995 it's been described mostly as e-commerce, home marketing service. That's not accidental.

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Q: Dr Chomsky, could you comment on the implications, the extent of, and the consequences of corporate participation in the U.S. system of higher education?

Noam: That's a very real issue. There has been a general assault in the last 25 years on solidarity, democracy, social welfare, *anything* that interferes with private power. And there are many targets. One of the targets is *undoubtedly* the educational system. In fact, a couple of years ago already, the big investment firms, like Lehman Brothers, and so on, were sending around brochures to their clients saying, "Look, we've taken over the health system; we're taking over the prison system; the next big target is the educational system. So we can privatize the educational system, make a lot of money out of it."

Also, notice that privatizing it *undermines* the danger -- there's a kind of ethic that has to be undermined, namely the idea that you *care* about somebody else. A public education system is based on the principle that you *care* whether the kid down the street gets an education. And *that's* got to be stopped.

This is *very much* like what the workers in the mills in Lowell, Massachusetts were worrying about 150 years ago. They were trying to *stop* the idea of what they called the new spirit of the age: "Gain wealth, forgetting all but self." We want to *stop* that. That's not what we're like. We're human beings. We care about other people. We want to do things together. We care about whether the kid down the street gets an education. We care about whether somebody else has a road, even if I don't use it. We care about whether there is child slave labor in Thailand. We care about whether some elderly person gets food. That's social security. We care whether somebody else gets food. There's a *huge effort* to try to undermine *all* of that. To try to *privatize* aspirations so then you're *totally* controlled. Privatize aspirations, you're completely controlled. Private power goes its own way, everyone else has to subordinate themselves to it.

Well that's part of the basis for the attack on the public education system, and it goes right up to the universities. In the universities there's a move towards corporatization and that has very clear effects. You see it at MIT, you see it everywhere. It means that you want to create, just like industry, you want to create a more flexible work force. That means undermine security. It means have cheap temporary labor, like graduate students, who don't have to be paid much and who can be thrown out -- they're temps. OK, they're going to be around for a couple of years, then you toss them out and have some more temps.

It affects research, strikingly. I'm sure you see it here, but at a research institution like where I am, MIT, you see it pretty clearly. As funding shifts from public entities, including, incidentally, the Pentagon, in fact, primarily the Pentagon, which has *long understood* that its domestic role is to be a cover for transferring public funds into private profit. When funding goes from the Pentagon and the National Science Foundation and others into corporate funding, there's a definite shift.

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A corporation, say, some pharmaceutical corporation, is not particularly likely to *want* to *fund* research which is going to help *everybody*. There's exceptions, but, by and large, it's not going to want to fund, say basic biology, which may be a public good that anybody can use 10 or 20 years from now. It's going to want to fund things that *it* can make profit from and, furthermore, do it in the short term. There's a *striking* tendency, and a perfectly natural one, for corporate funding to institute more secrecy and short-term applied projects to which

the corporation has proprietary control on publication and use. Well you know, technically corporate funding can't demand secrecy, but that's only technically. In fact they can, like the threat of not re-funding imposes secrecy.

There are actually cases like this, some of them so dramatic they've made the *Wall Street Journal*. There was an article in the *Wall Street Journal* last summer, you may have seen, about MIT, my place. What had happened was that a student in a computer science class had refused to answer a question on an exam. When he was asked why, by the professor, he said that he knew the answer but he was under a secrecy condition from a *different* professor not to answer it, and the reason was, in the research he was doing for this *other* professor, they had sort of worked out the answer to this; but they wanted to keep it secret. Because they wanted to make money, or something. Well, you know, this is so scandalous that even the *Wall Street Journal* was scandalized.

But that's the kind of thing you can expect as there's a move towards corporatization. After all, corporations are not benevolent societies. As Milton Friedman correctly says, not in these words, "The board of directors of a corporation actually has a *legal obligation* to be a *monster*," an ethical *monster*. Their legal obligation is to maximize profits for the shareholders, the stockholders. They're not supposed to do nice things. If they are, it's probably *illegal*, unless it's intended to mollify people, or improve market share, or something. That's the way it *works*.

You don't expect corporations to be benevolent any more than you expect dictatorships to be benevolent. Maybe you can force them to be benevolent, but it's the tyrannical *structure* that's the problem, and as the universities move towards corporatization you expect all of these effects.

And *one* of the effects, in a way, I think the most important, is the *undermining* of the conception of solidarity and cooperation. I think that lies at the heart of the attack on the public school system, the attack on social security, the effort to block any form of national health care, which has been going on for *years*. And, in fact, across the board, and it's understandable. If you want to "regiment the minds of men just as an army regiments their bodies," you've got to undermine these subversive notions of mutual support, solidarity, sympathy, caring for other people, and so on and so forth.

The attack on public education is one example. Incidentally I don't know how it's working here, but in Massachusetts, where I see it directly, there's a comparable attack on the *state* colleges, which are there for working class people, people who come back to college after they're half-way in their career, mothers who come back, people from the urban ghettos, and so on and so forth. That's what the state college system has been and they're under *serious* attack by an interesting method. The method has been to raise the entrance standards for the state colleges without improving the schools. So when you don't improve the schools but you raise the entrance standards for the people who are trying to go on, it's obvious what happens. You get lower enrollments. And when you get lower enrollments, you've got to cut staff. Because remember, we have to be efficient, like corporations. So you cut staff, and you cut services, and then you can admit even fewer people, and there's kind of a natural cycle, and you can see where it ends up. It ends up with people either not going to college or figuring out some way to spend \$30,000 a year at a *private* college. And you know what *that*

means. All of these are part of the general effort, I think, to create a socio-economic order which is under the control of private concentrated power. It shows up all over the place.

Q: Dr. Chomsky, could you comment on socially responsible investing? Is it a viable option for positive change, or is it a way to depoliticize people?

Noam: I don't think it's a bad thing to do. It's like asking dictators to be more benevolent. Which is often a *good* thing to do. If you have a dictator, it's better if they're benevolent than if they torture people. Like a slaveowner -- it's better to have a *nice* slaveowner than a *murderous* slaveowner. I think those are *good things to do*. I think it makes a *lot* of sense to take illegitimate institutions and try to make them function less harmfully to people. Whether it depoliticizes you or not depends on whether you decide to mislead yourself. That's a choice. It can depoliticize you if you *think* you're doing something different. But if you see that this is in fact what you're doing, then this is a good thing to do.

Q: What are the motivations of the U.S. push for sustainable development in the developing world?

Noam: It's the first time I ever heard of it. Does the U.S. have a *push* for sustainable development? As far as I know, the U.S. push is for *unsustainable nondevelopment*, almost the opposite. Take a look at the programs that are part of the World Trade Organization rules. Like TRIPs and TRIMs (for those of you who know this stuff) Trade-Related Intellectual Property and Trade-Related Investment Measures. *Both* of those are designed to *impede* development and *impede* growth. So the intellectual property rights are just protection of monopolistic pricing and control, guaranteeing that corporations, in fact, by now, mega-corporations, have the right to charge monopolistic prices. Guaranteeing, say, that pharmaceutical production drugs will be priced at a level at which most of the world can't afford them, even people here. For example drugs in the U.S. are *much more expensive* than the same drugs as close as *Canada*, even more expensive than say, Europe. And for the third world this just *dooms* tens of millions of people to death.

As I said, other countries *can* produce the drugs. Under the earlier patent regimes, what you had was process patents. I don't even know if those are legitimate, but process patents meant that if some pharmaceutical company figured out a way to produce a drug, somebody smarter could figure out a better way to produce it because *all* that was patented was the process. So if the Brazilian pharmaceutical industry figured out a way to make it cheaper and better, fine, they could do it. It wouldn't violate patents. The World Trade Organization regime insists on *product* patents, so you *can't* figure out a smarter process. Notice that *impedes* growth and development and it is intended to. It's intended to *cut back* innovation, growth and development and to maintain extremely high profits.

Well, the pharmaceutical corporations and others claim they need this for research and development. But have a close look; it's been looked at. A *very substantial* part of the research and development is paid for by the public *anyway*. In a *narrow* sense, it's on the order of 40 to 50 percent. But that's an *underestimate*, because it doesn't count the basic biology and the basic science, which is *all* publicly funded. So if you get a *realistic* amount, it's a *very high* percentage that's publicly paid anyway. Well, suppose that went to 100 percent. Then *all* the motivation for monopolistic pricing would be *gone*, and there'd be a

huge welfare benefit to it. There's no justifiable economic motive for this. There's some economic motive, profit. But it is an effort to impede growth and development.

What about Trade-Related Investment Measures? What do *they* do? It's a little more subtle than TRIPs. In the case of TRIPs it's straightforward. It's straight protectionism for the benefit of the rich and powerful, publicly-subsidized corporations. TRIMs, the Trade-Related Investment Measures are a little more subtle. What they require is that a country *cannot* impose conditions on what an investor decides to do. Like if an investor, let's say General Motors, decides to carry out outsourcing, to have parts made in some other country with non-union labor, cheap labor, and then send them back to General Motors.

In the successful developing countries in Asia, one of the ways they developed is by *blocking* that sort of thing, by *insisting* that if there was foreign investment, it had to be done in a way which was *productive* for the *receiving* country. So there had to be technology transfer, or you had to invest in places they wanted you to invest in, or some proportion of the investment had to be for export of *finished* goods that made money. Lots of devices like that. That's part of the way in which the East Asian economic miracle took place. Incidentally, it's the way that all the *other* developing countries developed too, including the United States, with technology transfer from England and so on and so forth. Those things are *blocked* by the Trade-Related Investment Measures. *Superficially* they sound like they are increasing free trade, but what they are in *fact increasing* is the capacity of huge corporations to carry out central management of cross-border transactions, because that's what outsourcing and intrafirm transfers are -- centrally managed. It's not trade in any meaningful sense. And they *again* undermine growth and development.

In fact, looking across the board, what's being instituted is a regime which will *prevent* the kind of development that *has* taken place in the industrial countries that *today* are rich. If you go back from England to the United States, to Germany, to France, Japan, Korea -- *every* one of these countries developed by *violating* the principles that are now being built into the World Trade Organization, and *radically* violating them.

These are methods of undermining growth and development and ensuring concentration of power. The issue of *sustainable* development doesn't even arise. That's another question altogether. Sustainable development means, for example, paying attention to what are called externalities, the things businesses don't look at.

So take, say, trade. Trade is supposed to *increase* wealth or something. Maybe it does, maybe it doesn't, but you don't know what it does until you count in the *costs* of trade. Including costs which are not counted. Like, for example the cost of pollution. When something moves from here to there it's creating pollution. It's called an externality; you don't count it. There's resource depletion. Like you deplete the resources of agricultural production. There are military costs. For example, the price of oil is kept within a certain band, not too high, not too low, by a *substantial* part of the Pentagon. A very substantial part of the Pentagon is directed toward the Middle East oil producers, not because the United States likes desert training or something, but because that's where the oil is. You want to make sure it doesn't get too high, doesn't get too low, but stays where you want it. There hasn't been much investigation of this, but one investigation by a consultant for the U.S. energy department estimated that Pentagon expenses *alone* amount to maybe a 30 percent

subsidy to the price of oil, something maybe in that range.

You don't expect corporations to be benevolent any more than you expect dictatorships to be benevolent. Maybe you can force them to be benevolent, but it's the tyrannical *structure* that's the problem, and as the universities move towards corporatization you expect all of these effects.

And *one* of the effects, in a way, I think the most important, is the *undermining* of the conception of solidarity and cooperation. I think that lies at the heart of the attack on the public school system, the attack on social security, the effort to block any form of national health care, which has been going on for *years*. And, in fact, across the board, and it's understandable. If you want to "regiment the minds of men just as an army regiments their bodies," you've got to undermine these subversive notions of mutual support, solidarity, sympathy, caring for other people, and so on and so forth.

Well, you look across the board, there's *lots* of things like this. One of the costs of trade is that it drives people out of their *livelihoods*. When you export subsidized U.S. agricultural products to Mexico, it drives *millions* of peasants out of *farming*. That's a *cost*. In fact, it's a *multiple* cost, because those millions of people not only suffer but they are driven into the cities where they lower *wages*, so other people suffer -- including, incidentally, American workers, who now are competing with even lower paid wages. These are costs. If you take them into account, you get a *totally* different picture of economic interactions *entirely*.

Incidentally, that's *also* true just of something like Gross Domestic Product. Take a look at the *measures* of Gross Domestic Product -- they're *highly* ideological. For example, one of the ways to increase the Gross Domestic Product in the United States is (to do what, in fact, it's doing) to not repair roads. If you don't repair roads and you have a lot of potholes all over the place, that means when cars drive, they get smashed up. That means you've got to buy a new car. Or you have to go to mechanic and get him to fix it, and so on. *All of that* increases the Gross Domestic Product. You make people *sicker* by polluting the atmosphere. *That* increases the Gross Domestic Product because they have to go to the hospital and they have to pay doctors and they have to have drugs, and so on. In fact, what *increases* the Gross Domestic Product is *not* a measure of welfare in any *meaningful* sense.

There have been efforts to construct other measures, which do take account of these things, and they give you *very* different stories. I'll just give you one source to look at, if you're interested. The United States is one of the few industrial countries that does not publish regular "social indicators" -- measures of social welfare, like child abuse, mortality, all kinds of things. Most countries do it. Every year they have a social indicator measure. The United States doesn't, so it's hard to get a measure of the social health of the country. But there *have* been efforts to do it.

There's one *major* project at Fordham University, a Jesuit university in New York. For years they've been trying to construct a social health measure for the United States. They just came out with the last volume a couple months ago. It's interesting stuff. According to their analyses of the kinds of measures of the sort I mentioned, up until about 1975, that is, through the "golden age," as it's called, social health went up, more or less, with the economy. It kind of tracked the economy. As that got better, social health got better. From 1975 they've diverged. The economy has continued to grow, even though more slowly than before, but social health has declined. And it's continuing to decline. In fact, they conclude that the United States is in a recession. A serious recession from the point of view of measures that matter. That's when you're beginning to look at questions like *sustainable* development, *meaningful* development. But that requires a completely different perspective on all of these issues of economy and consequences, and so on. One that *definitely* should be undertaken. And *those* are the issues that arise when people are talking about sustainable development. But the U.S. certainly has no such program. It should. But it doesn't.

Q: We had wanted tonight to be a celebration of activism, and I think that this turnout is a good indication that it is just that. Many people have traveled a long ways to come here. I wanted to acknowledge that there are about 60 students and faculty from the United World College. They're students from around the world. They'll have traveled about 250 miles tonight by the time they go and come back to their school. There were a lot of questions about what the individual can do and what society can do to respond positively and productively to the kind of monopolization of power that we're seeing.

But rather than ask that question, Dr. Chomsky continues on a schedule like this week after week, year after year. He was booked 18 months in advance when we tried to first ask him to join us for this celebration. This is actually the 21st year of IRC; we're celebrating the 20th anniversary late because we wanted to celebrate it with Dr. Chomsky. But I would like to close by asking him what is it that sustains him, and what is it that gives him hope, and what is it that inspires him to keep on going like he has been doing for so many years.

Noam: That's easy. It's groups like IRC who do the real work. The *really* important work is done by people who are at it day-after-day, whatever the activity is (and there are plenty of them), most of them unknown. You look over past history; the people who have *really* changed the world in a decent direction, nobody knows their names. Take, say, the civil rights movement in the United States. How many of you know the names of the people who actually were at the forefront, like SNCC workers? Nobody knows their names. A few, maybe. That kind of dedication, energy, activism, everywhere -- if anybody has an opportunity to participate in it now and then, it's a gift.

Footnotes

1. This was the 1886 Supreme Court decision, *Santa Clara County v. Southern Pacific Railroad Company* [118 U.S. 394] in which the 5-4 opinion ruled that a private corporation was a "natural person" under the US Constitution, sheltered by the 14th Amendment, which requires due process in the criminal prosecution of "persons." A copy of this decision is available at <http://www.ratical.org/corporations/SCvSPR1886.html>
2. For more on the history of corporate charters granted by U.S. state power, as opposed to those granted by the divine right of European kings, see "TAKING CARE OF BUSINESS: Citizenship and the Charter of Incorporation," by Richard Grossman and Frank Adams, 1993 and "Asserting Democratic Control Over Corporations: A Call To Lawyers," by Richard Grossman and Ward Morehouse, Fall 1995.
3. See the Cartagena Protocol on Biosafety, Biosafety Home Page, a sector of the Convention on Biological Diversity website (<http://www.biodiv.org/>), for more information.
4. See "The Precautionary Principle," *Rachel's Environment & Health Weekly*, 2/19/98, and "Use and Abuse of The Precautionary Principle," ISIS submission to US Advisory Committee on International Economic Policy (ACIEP) Biotech. Working Group, July 13, 2000