

# **A World Without War**

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I hope you won't mind if I set the stage with a few truisms. It is hardly exciting news that we live in a world of conflict and confrontation. There are lots of dimensions and complexities, but in recent years, lines have been drawn fairly sharply. To oversimplify, but not too much, one of the participants in the conflict is concentrated power centers, state and private, closely interlinked. The other is the general population, worldwide. In old-fashioned terms, it would have been called "class war."

Concentrated power pursues the war relentlessly, and very self-consciously. Government documents and publications of the business world reveal that they are mostly vulgar Marxists, with values reversed of course. They are also frightened -- back to 17th century England in fact. They realize that the system of domination is fragile, that it relies on disciplining the population by one or another means. There is a desperate search for such means: in recent years, Communism, crime, drugs, terrorism, and others. Pretexts change, policies remain rather stable. Sometimes the shift of pretext along with continuity of policy is dramatic and takes real effort to miss: immediately after the collapse of the USSR, for example. They naturally grasp every opportunity to press their agenda forward: 9-11 is a typical case. Crises make it possible to exploit fear and concern to demand that the adversary be submissive, obedient, silent, distracted, while the powerful use the window of opportunity to pursue their own favored programs with even greater intensity. These programs vary, depending on the society: in the more brutal states, escalation of repression and terror; in societies where the population has won more freedom, measures to impose discipline while shifting wealth and power even more to their own hands. It is easy to list examples around the world in the past few months.

Their victims should certainly resist the predictable exploitation of crisis, and should focus their own efforts, no less relentlessly, on the primary issues that remain much as they were before: among them, increasing militarism, destruction of the environment, and a far-reaching assault against democracy and freedom, the core of "neoliberal" programs.

The ongoing conflict is symbolized right now by the World Social Forum here and the World Economic Forum in New York. The WEF -- to quote the national US press -- is a gathering of "movers and shakers," the "rich and famous," "wizards from around the world," "government leaders and corporate executives, ministers of state and of God, politicians and pundits" who are going to "think deep thoughts" and address "the big problems confronting humankind." A few examples are given, for example, "how do you inject moral values into what we do?" Or a panel entitled "Tell Me What you Eat," led by the "reigning prince of the New York gastronomic scene," whose elegant restaurants will be "mobbed by forum participants." There is also mention of an "anti-forum" in Brazil where 50,000 people are expected. These are "the freaks who assemble to protest the

meetings of the World Trade Organization." One can learn more about the freaks from a photo of a scruffy-looking guy, with face concealed, writing "world killers" on a wall.

At their "carnival," as it is described, the freaks are throwing stones, writing graffiti, dancing and singing about a variety of boring topics that are unmentionable, at least in the US: investment, trade, financial architecture, human rights, democracy, sustainable development, Brazilian-African relations, GATS, and other marginal issues. They are not "thinking deep thoughts" about "big problems"; that is left to the wizards of Davos in New York.

The infantile rhetoric, I presume, is a sign of well-deserved insecurity.

The freaks at the "anti-forum" here are defined as being "opposed to globalization," a propaganda weapon we should reject with scorn. "Globalization" just means international integration. No sane person is "anti-globalization." That should be particularly obvious for the labor movement and the left; the term "international" is not exactly unknown in their history. In fact, the WSF is the most exciting and promising realization of the hopes of the left and popular movements from their modern origins for a true international, which will pursue a program of globalization concerned with the needs and interests of people, rather than of illegitimate concentrations of power. These, of course, want to appropriate the term "globalization," to restrict it to their peculiar version of international integration, concerned with their own interests, those of people being incidental. With this ridiculous terminology in place, those who seek a sane and just form of globalization can be labelled "anti-globalization," derided as primitivists who want to return to the stone age, to harm the poor, and other terms of abuse with which we are familiar.

The wizards of Davos modestly call themselves the "international community," but I personally prefer the term used by the world's leading business journal, the Financial Times: "the masters of the universe." Since the masters profess to be admirers of Adam Smith, we might expect them to abide by his account of their behavior, though he only called them "the masters of mankind" -- that was before the space age.

Smith was referring to the "principal architects of policy" of his day, the merchants and manufacturers of England, who made sure that their own interests are "most peculiarly attended to" however "grievous" the impact on others, including the people of England. At home and abroad, they pursue "the vile maxim of the masters of mankind": "all for ourselves and nothing for other people." It should hardly surprise us that today's masters honor the same "vile maxim." At least they try, though they are sometimes impeded by the freaks -- the "great beast," to borrow a term used by the Founding Fathers of American democracy to refer to the unruly population that did not comprehend that the primary goal of government is "to protect the minority of the opulent from the majority," as the leading Framer of the Constitution explained in the debates of the Constitutional Convention.

I'll return to these matters, but first a few words about the immediate topic of this session, which is closely related: "a world without war." We cannot say much about human affairs with any confidence, but sometimes it is possible. We can, for example, be fairly confident that either there will be a world without war or there won't be a world -- at least, a world inhabited by creatures other than bacteria and beetles, with some scattering of others. The reason is familiar: humans have developed means of destroying themselves, and much else, and have come dangerously close to using them for half a century. Furthermore, the leaders of the civilized world are now dedicated to enhancing these dangers to survival, in full awareness of what they are doing, at least if they read the reports of their own intelligence agencies and respected strategic analysts, including many who strongly favor the race to destruction. Still more ominous, the plans are developed and implemented on grounds that are rational within the dominant framework of ideology and values, which ranks survival well below "hegemony," the goal pursued by advocates of these programs, as they frankly insist.

Wars over water, energy and other resources are not unlikely in the future, with consequences that could be devastating. For the most part, however, wars have had to do with the imposition of the system of nation-states, an unnatural social formation that typically has to be instituted by violence. That's a primary reason why Europe was the most savage and brutal part of the world for many centuries, meanwhile conquering most of the world. European efforts to impose state systems in conquered territories are the source of most conflicts underway right now, after the collapse of the formal colonial system. Europe's own favorite sport of mutual slaughter had to be called off in 1945, when it was realized that the next time the game was played would be the last. Another prediction that we can make with fair confidence is that there won't be a war among great powers; the reason is that if the prediction turns out to be wrong, there will be no one around to care to tell us.

Furthermore, popular activism within the rich and powerful societies has had a civilizing effect. The "movers and shakers" can no longer undertake the kinds of long-term aggression that were options before, as when the US attacked South Vietnam 40 years ago, smashing much of it to pieces before significant popular protest developed. Among the many civilizing effects of the ferment of the 1960s was broad opposition to large-scale aggression and massacre, reframed in the ideological system as unwillingness to accept casualties among the armed forces ("the Vietnam syndrome"). That is why the Reaganites had to resort to international terrorism instead of invading Central America directly, on the Kennedy-Johnson model, in their war to defeat liberation theology, as the School of the Americas describes the achievement with pride. The same changes explain the intelligence review of the incoming Bush-I administration in 1989, warning that in conflicts against "much weaker enemies" -- the only kind it makes sense to confront -- the US must "defeat them decisively and rapidly," or the campaign will lose "political support," understood to be thin. Wars since have kept to that pattern, and the scale of protest and dissent have steadily increased. So there are changes, of a mixed nature.

When pretexts vanish, new ones have to be concocted to control the great beast while traditional policies are continued, adapted to new circumstances. That was already

becoming clear 20 years ago. It was hard not to recognize that the Soviet enemy was facing internal problems and might not be a credible threat much longer. That is part of the reason why the Reagan administration, 20 years ago, declared that the "war on terror" would be the focus of US foreign policy, particularly in Central America and the Middle East, the main source of the plague spread by "depraved opponents of civilization itself" in a "return to barbarism in the modern age," as Administration moderate George Shultz explained, also warning that the solution is violence, avoiding "utopian, legalistic means like outside mediation, the World Court, and the United Nations." We need not tarry on how the war was waged in those two regions, and elsewhere, by the extraordinary network of proxy states and mercenaries -- an "axis of evil," to borrow a more up-to-date term.

It is of some interest that in the months since the war was re-declared, with much the same rhetoric, after 9-11, all of this has been entirely effaced, even the fact that the US was condemned for international terrorism by the World Court and Security Council (vetoed) and responded by sharply escalating the terrorist attack it was ordered to terminate; or the fact that the very people who are directing the military and diplomatic components of the re-declared war on terror were leading figures in implementing terrorist atrocities in Central America and the Middle East during the first phase of the war. Silence about these matters is a real tribute to the discipline and obedience of the educated classes in the free and democratic societies.

It's a fair guess that the "war on terror" will again serve as a pretext for intervention and atrocities in coming years, not just by the US; Chechnya is only one of a number of examples. In Latin America, there is no need to linger on what that portends; certainly not in Brazil, the first target of the wave of repression that swept Latin America after the Kennedy administration, in a decision of historic importance, shifted the mission of the Latin American military from "hemispheric defense" to "internal security" -- a euphemism for state terror directed against the domestic population. That still continues, on a huge scale, particularly in Colombia, well in the lead for human rights violations in the hemisphere in the 1990s and by far the leading recipient of US arms and military training, in accord with a consistent pattern documented even in mainstream scholarship.

The "war on terror" has, of course, been the focus of a huge literature, during the first phase in the '80s and since it was re-declared in the past few months. One interesting feature of the flood of commentary, then and now, is that we are not told what "terror" is. What we hear, rather, is that this is a vexing and complex question. That is curious: there are straightforward definitions in official US documents. A simple one takes terror to be the "calculated use of violence or threat of violence to attain goals that are political, religious, or ideological in nature..." That seems appropriate enough, but it cannot be used, for two good reasons. One is that it also defines official policy, called "counterinsurgency" or "low-intensity conflict." Another is that it yields all the wrong answers, facts too obvious to review though suppressed with remarkable efficiency.

The problem of finding a definition of "terror" that will exclude the most prominent cases is indeed vexing and complex. But fortunately, there is an easy solution: define "terror"

as terror that they carry out against us. A review of the scholarly literature on terror, the media, and intellectual journals will show that this usage is close to exceptionless, and that any departure from it elicits impressive tantrums. Furthermore, the practice is probably universal: the generals in South America were protecting the population from "terror directed from outside," just as the Japanese were in Manchuria and the Nazis in occupied Europe. If there is an exception, I haven't found it.

Let's return to "globalization," and the linkage between it and the threat of war, perhaps terminal war.

The version of "globalization" designed by the masters of the universe has very broad elite support, not surprisingly, as do the so-called "free trade agreements" -- what the Wall Street Journal, more honestly, has called "free investment agreements." Very little is reported about these issues, and crucial information is simply suppressed; for example, after a decade, the position of the US labor movement on NAFTA, and the conforming conclusions of Congress's own Research Bureau (the Office of Technology Assessment, OTA), have yet to be reported outside of dissident sources. And the issues are off the agenda in electoral politics. There are good reasons. The masters know well that the public will be opposed if information becomes available. They are fairly open when addressing one another, however. Thus a few years ago, under enormous public pressure, Congress rejected the "fast track" legislation that grants the President authority to enact international economic arrangements with Congress permitted to vote "Yes" (or, theoretically, "No) with no discussion, and the public uninformed. Like other sectors of elite opinion, the WSJ was distraught over the failure to undermine democracy. But it explained the problem: opponents of these Stalinist-style measures have an "ultimate weapon," the general population, which must therefore be kept in the dark. That is very important, particularly in the more democratic society, where dissidents can't simply be jailed or assassinated, as in the leading recipients of US military aid, such as El Salvador, Turkey, and Colombia, to list the recent and current world champions (Israel-Egypt aside).

One might ask why public opposition to "globalization" has been so high for many years. That seems strange, in an era when it has led to unprecedented prosperity, so we are constantly informed, particularly in the U.S., with its "fairy tale economy." Through the 1990s, the US has enjoyed "the greatest economic boom in America's history -- and the world's," Anthony Lewis wrote in the New York Times a year ago, repeating the standard refrain from the left end of the admissible spectrum. It is conceded that there are flaws: some have been left behind in the economic miracle, and we good-hearted folk must do something about that. The flaws reflect a profound and troubling dilemma: the rapid growth and prosperity brought by "globalization" has as a concomitant growing inequality, as some lack the skills to enjoy the wondrous gifts and opportunities.

The picture is so conventional that it may be hard to realize how little resemblance it has to reality, facts that have been well-known right through the miracle. Until the brief late '90s boomlet (which scarcely compensated for earlier stagnation or decline for most people), per capita growth in the "roaring '90s" was about the same as the rest of the

industrial world, much lower than in the first 25 post-war years before so-called "globalization," and vastly lower than the war years, the greatest economic boom in American history, under a semi-command economy. How then can the conventional picture be so radically different from uncontroversial facts? The answer is simplicity itself. For a small sector of the society, the '90s really were a grand economic boom. That sector happens to include those who tell others the joyous news. And they cannot be accused of dishonesty. They have no reason to doubt what they are saying. They read it all the time in the journals for which they write, and it accords with their personal experience: it is true of the people they meet in editorial offices, faculty clubs, elite conferences like the one the wizards are now attending, and the elegant restaurants where they dine. It's only the world that is different.

Let's have a quick look at the record over a longer stretch. International economic integration -- one facet of "globalization," in a neutral sense of the term -- increased rapidly before World War I, stagnated or declined during the interwar years, and resumed after World War II, now reaching levels of a century ago by gross measures; the fine structure is more complex. By some measures, globalization was greater before World War I: one illustration is "free circulation of labor," the foundation of free trade for Adam Smith, though not his contemporary admirers. By other measures, globalization is far greater now: one dramatic example -- not the only one -- is the flow of short-term speculative capital, far beyond any precedent. The distinction reflects some central features of the version of globalization preferred by the masters of the universe: to an extent even beyond the norm, capital has priority, people are incidental.

The Mexican border is an interesting example. It is artificial, the result of conquest, like most borders, and has been porous in both directions for a variety of socioeconomic reasons. It was militarized after NAFTA by Clinton in order to block the "free circulation of labor." That was necessary because of the anticipated effects of NAFTA in Mexico: an "economic miracle," which would be a disaster for much of the population, who would seek to escape. In the same years, the flow of capital, already very free, was expedited further, along with what is called "trade," about 2/3 of which is now centrally-managed within private tyrannies, up from half before NAFTA. That is "trade" only by doctrinal decision. The effects of NAFTA on actual trade have not been examined, to my knowledge.

A more technical measure of globalization is convergence to a global market, with a single price and wage. That plainly has not happened. With respect to incomes at least, the opposite is more likely true. Though much depends on exactly how it is measured, there is good reason to believe that inequality has increased within and across countries. That is expected to continue. US intelligence agencies, with the participation of specialists from the academic professions and the private sector, recently released a report on expectations for 2015. They expect "globalization" to proceed on course: "Its evolution will be rocky, marked by chronic financial volatility and a widening economic divide." That means less convergence, less globalization in the technical sense, but more globalization in the doctrinally preferred sense. Financial volatility implies still slower growth and more crises and poverty.

It is at this point that a clear connection is established between "globalization" in the sense of the masters of the universe and the increasing likelihood of war. Military planners adopt the same projections, and have explained, forthrightly, that these expectations lie behind the vast expansion of military power. Even pre-Sept. 11, US military expenditures surpassed those of allies and adversaries combined. The terror attacks have been exploited to increase the funding sharply, delighting key elements of the private economy. The most ominous program is militarization of space, also being expanded under the pretext of "fighting terror."

The reasoning behind these programs is explained publicly in Clinton-era documents. A prime reason is the growing gap between the "haves" and the "have-nots," which is expected to continue, contrary to economic theory but consistent with reality. The "have-nots" -- the "great beast" of the world -- may become disruptive, and must be controlled, in the interests of what is called "stability" in technical jargon, meaning subordination to the dictates of the masters. That requires means of violence, and having "assumed, out of self-interest, responsibility for the welfare of the world capitalist system," the US must be far in the lead; I'm quoting diplomatic historian Gerald Haines, also the senior historian of the CIA, describing US planning in the 1940s in a scholarly study. Overwhelming dominance in conventional forces and weapons of mass destruction is not sufficient. It is necessary to move on to the new frontier: militarization of space, undermining the Outer Space Treaty of 1967, so far observed. Recognizing the intent, the UN General Assembly has reaffirmed the Treaty several times; the US has refused to join, in virtual isolation. And Washington has blocked negotiations at the UN Conference on Disarmament for the past year over this issue -- all scarcely reported, for the usual reasons. It is not wise to allow citizens to know of plans that may bring to an end biology's only experiment with "higher intelligence."

As widely observed, these programs benefit military industry, but we should bear in mind that the term is misleading. Throughout modern history, but with a dramatic increase after World War II, the military system has been used as a device to socialize cost and risk while privatizing profit. The "new economy" is to a substantial extent an outgrowth of the dynamic and innovative state sector of the US economy. The main reason why public spending in biological sciences has been rapidly increasing is that intelligent right-wingers understand that the cutting edge of the economy relies on these public initiatives. A huge increase is scheduled under the pretext of "bioterror," just as the public was deluded into paying for the new economy under the pretext that the Russians are coming -- or after they collapsed, by the threat of the "technological sophistication" of third world countries as the Party Line shifted in 1990, instantly, without missing a beat and with scarcely a word of comment. That's also a reason why national security exemptions have to be part of international economic agreements: it doesn't help Haiti, but it allows the US economy to grow under the traditional principle of harsh market discipline for the poor and a nanny state for the rich -- what's called "neoliberalism," though it is not a very good term: the doctrine is centuries old, and would scandalize classical liberals.

One might argue that these public expenditures were often worthwhile. Perhaps, perhaps not. But it is clear that the masters were afraid to allow democratic choice. All of this is concealed from the general public, though the participants understand it very well.

Plans to cross the last frontier of violence by militarization of space are disguised as "missile defense," but anyone who pays attention to history knows that when we hear the word "defense," we should think "offense." The present case is no exception. The goal is quite frankly stated: to ensure "global dominance," "hegemony." Official documents stress prominently that the goal is "to protect US interests and investments," and control the "have-nots." Today that requires domination of space, just as in earlier times the most powerful states created armies and navies "to protect and enhance their commercial interests." It is recognized that these new initiatives, in which the US is far in the lead, pose a serious threat to survival. And it is also understood that they could be prevented by international treaties. But as I've already mentioned, hegemony is a higher value than survival, a moral calculus that has prevailed among the powerful throughout history. What has changed is that the stakes are much higher, awesomely so.

The relevant point here is that the expected success of "globalization" in the doctrinal sense is a primary reason given for the programs of using space for offensive weapons of instant mass destruction.

Let us return to "globalization," and "the greatest economic boom in America's history -- and the world's" in the 1990s.

Since World War II, the international economy has passed through two phases: the Bretton Woods phase to the early '70s, and the period since, with the dismantling of the Bretton Woods system of regulated exchange rates and controls on capital movement. It is the second phase that is called "globalization," associated with the neoliberal policies of the "Washington consensus." The two phases are quite different. The first is often called the "golden age" of (state) capitalism. The second phase has been accompanied by marked deterioration in standard macroeconomic measures: rate of growth of the economy, productivity, capital investment, even world trade; much higher interest rates (harming economies); vast accumulation of unproductive reserves to protect currencies; increased financial volatility; and other harmful consequences. There were exceptions, notably the East Asian countries that did not follow the rules: they did not worship the "religion" that "markets know best," as Joseph Stiglitz wrote in a World Bank research publication shortly before he was appointed chief economist, later removed (and winning the Nobel prize). In contrast, the worst results were found where the rules were rigorously applied, as in Latin America, facts widely acknowledged, among others, by Jose' Antonio Ocampo, director of the Economic Commission for Latin America and the Caribbean (ECLAC), in an address before the American Economic Association a year ago. The "promised land is a mirage," he observed; growth in the 1990s was far below that of the three decades of "state-led development" in Phase I. He too noted that the correlation between following the rules and economic outcomes holds worldwide.



Let us return, then, to the profound and troubling dilemma: the rapid growth and great prosperity brought by globalization has brought inequality because some lack skills. There is no dilemma, because the rapid growth and prosperity are a myth.

Many international economists regard liberalization of capital as a substantial factor in the poorer outcomes of phase II. But the economy is a complex affair, so poorly understood that one has to be cautious about causal connections. But one consequence of liberalization of capital is rather clear: it undercuts democracy. That was understood by the framers of Bretton Woods: one reason why the agreements were founded on regulation of capital was to allow governments to carry out social democratic policies, which had enormous popular support. Free capital movement creates what has been called a "virtual Senate" with "veto power" over government decisions, sharply restricting policy options. Governments face a "dual constituency": voters, and speculators, who "conduct moment-by-moment referendums" on government policies (quoting technical studies of the financial system). Even in the rich countries, the private constituency prevails.

Other components of investor-rights "globalization" have similar consequences. Socioeconomic decisions are increasingly shifted to unaccountable concentrations of power, an essential feature of neoliberal "reforms" (a term of propaganda, not description). Extension of the attack on democracy is presumably being planned, without public discussion, in the negotiations for a General Agreement on Trade in Services (GATS). The term "services," as you know, refers to just about anything that might fall within the arena of democratic choice: health, education, welfare, postal and other communications, water and other resources, etc. There is no meaningful sense in which transferring such services to private hands is "trade," but the term has been so deprived of meaning that it might as well be extended to this travesty as well.

The huge public protests in Quebec last April at the Summit of the Americas, set in motion by the freaks in Porto Alegre a year ago, were in part directed against the attempt to impose the GATS principles in secret within the planned Free Trade Area of the Americas (FTAA). Those protests brought together a very broad constituency, North and South, all strongly opposed to what is apparently being planned by trade ministers and corporate executives behind closed doors.

The protests did receive coverage, of the usual kind: the freaks are throwing rocks and disrupting the wizards thinking about the big problems. The invisibility of their actual concerns is quite remarkable. For example, NYT economics correspondent Anthony DePalma writes that the GATS agreement "has generated none of the public controversy that has swirled about [WTO] attempts to promote merchandise trade," even after Seattle. In fact, it has been a prime concern for years. As in other cases, this is not deceit. DePalma's knowledge about the freaks is surely limited to what passes through the media filter, and it is an iron law of journalism that the serious concerns of activists must be rigidly barred, in favor of someone throwing a rock, perhaps a police provocateur.

The importance of protecting the public from information was revealed dramatically at the April Summit. Every editorial office in the US had on its desk two important studies, timed for release just before the Summit. One was from Human Rights Watch, the second from the Economic Policy Institute in Washington; neither organization is exactly obscure. Both studies investigated in depth the effects of NAFTA, which was hailed at the Summit as a grand triumph and a model for the FTAA, with headlines trumpeting its praises by George Bush and other leaders, all accepted as Gospel Truth. Both studies were suppressed with near-total unanimity. It's easy to see why. HRW analyzed the effects of NAFTA on labor rights, which, it found, were harmed in all three participating countries. The EPI report was more comprehensive: it consisted of detailed analyses of the effects of NAFTA on working people, written by specialists on the three countries. The conclusion is that this is one of the rare agreements that has harmed the majority of the population in all of the participating countries.

The effects on Mexico were particularly severe, and particularly significant for the South. Wages had declined sharply with the imposition of neoliberal programs in the 1980s. That continued after NAFTA, with a 24% decline in incomes for salaried workers, and 40% for the self-employed, an effect magnified by the rapid increase in unsalaried workers. Though foreign investment grew, total investment declined, as the economy was transferred to the hands of foreign multinationals. The minimum wage lost 50% of its purchasing power. Manufacturing declined, and development stagnated or may have reversed. A small sector became extremely wealthy, and foreign investors prospered.

These studies confirm what had been reported in the business press and academic studies. The \_WSJ\_ reported that although the Mexican economy was growing rapidly in the late '90s after a sharp post-NAFTA decline, consumers suffered a 40% drop in purchasing power, the number of people living in extreme poverty grew twice as fast as the population, and even those working in foreign-owned assembly plants lost purchasing power. Similar conclusions were drawn in a study of the Latin American section of the Woodrow Wilson Center, which also found that economic power had greatly concentrated as small Mexican companies cannot obtain financing, traditional farming sheds workers, and labor-intensive sectors (agriculture, light industry) cannot compete internationally with what is called "free enterprise" in the doctrinal system. Agriculture suffered for the usual reasons: peasant farmers cannot compete with highly-subsidized US agribusiness, with effects familiar throughout the world.

Most of this was predicted by critics of NAFTA, including the suppressed OTA and labor movement studies. Critics were wrong in one respect, however Most anticipated a sharp increase in the urban-rural ratio, as hundreds of thousands of peasants were driven off the land. That didn't happen. The reason, it seems, is that conditions deteriorated so badly in the cities that there was a huge flight from them as well to the US. Those who survive the crossing -- many do not -- work for very low wages, with no benefits, under awful conditions. The effect is to destroy lives and communities in Mexico and to improve the US economy, where "consumption of the urban middle class continues to be subsidized by the impoverishment of farm laborers both in the United States and Mexico," the Woodrow Wilson Center study points out.

These are among the costs of NAFTA, and neoliberal globalization generally, that economists generally choose not to measure. But even by the highly ideological standard measures, the costs have been severe.

None of this was allowed to sully the celebration of NAFTA and the FTAA at the Summit. Unless they are connected to activist organizations, most people know about these matters only from their own lives. And carefully protected from reality by the Free Press, many regard themselves as somehow failures, unable to take part in the celebration of the greatest economic boom in history.

Data from the richest country in the world are enlightening, but I'll skip the details. The picture generalizes, with some variation of course, and exceptions of the kind already noted. The picture is much worse when we depart from standard economic measures. One cost is the threat to survival implicit in the reasoning of military planners, already described. There are many others. To take one, the ILO reported a rising "worldwide epidemic" of serious mental health disorders, often linked to stress in the workplace, with very substantial fiscal costs in the industrial countries. A large factor, they conclude, is "globalization," which brings "evaporation of job security," pressure on workers, and a higher workload, particularly in the US. Is this a cost of "globalization"? From one point of view, it is one of its most attractive features. When he lauded US economic performance as "extraordinary," Alan Greenspan stressed particularly the heightened sense of job insecurity, which leads to subdued costs for employers. The World Bank agrees. It recognizes that "labor market flexibility" has acquired "a bad name...as a euphemism for pushing wages down and workers out," but nevertheless, "it 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."

In brief, pushing workers out, pushing wages down, undermining benefits are all crucial contributions to economic health, according to prevailing ideology.

Unregulated trade has further benefits for corporations. Much, probably most, "trade" is centrally-managed through a variety of devices: intrafirm transfers, strategic alliances, outsourcing, and others. Broad trading areas benefit corporations by making them less answerable to local and national communities. This enhances the effects of neoliberal programs, which regularly have reduced labor share of income. In the US, the '90s were the first postwar period when division of income shifted strongly to owners of capital, away from labor. Trade has a wide range of unmeasured costs: subsidizing energy, resource depletion, and other externalities not counted. It also brings advantages, though here too some caution is necessary. The most widely hailed is that trade increases specialization -- which reduces choices, including the choice to modify comparative advantage, otherwise known as "development." Choice and development are values in themselves: undermining them is a substantial cost. If the American colonies had been compelled to accept the WTO regime 200 years ago, New England would be pursuing its comparative advantage in exporting fish, surely not producing textiles, which survived

only by exorbitant tariffs to bar British products (mirroring Britain's treatment of India). The same was true of steel and other industries, right to the present, particularly in the highly protectionist Reagan years -- even putting aside the state sector of the economy. There is a great deal to say about all of this. Much of the story is masked in selective modes of economic measurement, though it is well known to economic historians and historians of technology.

As everyone here is aware, the rules of the game are likely to enhance deleterious effects for the poor. The rules of the WTO bar the mechanisms used by every rich country to reach its current state of development, while also providing unprecedented levels of protectionism for the rich, including a patent regime that bars innovation and growth in novel ways, and allows corporate entities to amass huge profits by monopolistic pricing of products often developed with substantial public contribution.

Under contemporary versions of traditional mechanisms, half the people in the world are effectively in receivership, their economic policies managed by experts in Washington. But even in the rich countries democracy is under attack by virtue of the shift of decision-making power from governments, which may be partially responsive to the public, to private tyrannies, which have no such defects. Cynical slogans such as "trust the people" or "minimize the state" do not, under current circumstances, call for increasing popular control. They shift decisions from governments to other hands, but not "the people": rather, the management of collectivist legal entities, largely unaccountable to the public, and effectively totalitarian in internal structure, much as conservatives charged a century ago when opposing "the corporatization of America."

Latin American specialists and polling organizations have observed for some years that extension of formal democracy in Latin America has been accompanied by increasing disillusionment about democracy, "alarming trends," which continue, analysts have observed, noting the link between "declining economic fortunes" and "lack of faith" in democratic institutions (Financial Times). As Atilio Boron pointed out some years ago, the new wave of democratization in Latin America coincided with neoliberal economic "reforms," which undermine effective democracy, a phenomenon that extends worldwide, in various forms.

To the US as well. There has been much public clamor about the "stolen election" of November 2000, and surprise that the public does not seem to care. Likely reasons are suggested by public opinion studies, which reveal that on the eve of the election, 3/4 of the population regarded the process as largely a farce: a game played by financial contributors, party leaders, and the Public Relations industry, which crafted candidates to say "almost anything to get themselves elected" so that one could believe little they said even when it was intelligible. On most issues, citizens could not identify the stands of the candidates, not because they are stupid or not trying, but because of the conscious efforts of the PR industry. A Harvard University project that monitors political attitudes found that the "feeling of powerlessness has reached an alarming high," with more than half saying that people like them have little or no influence on what government does, a sharp rise through the neoliberal period.

Issues on which the public differs from elites (economic, political, intellectual) are pretty much off the agenda, notably questions of economic policy. The business world, not surprisingly, is overwhelmingly in favor of corporate-led "globalization," the "free investment agreements" called "free trade agreements," NAFTA and the FTAA, GATS, and other devices that concentrate wealth and power in hands unaccountable to the public. Also not surprisingly, the great beast is generally opposed, almost instinctively, even without knowing crucial facts from which they are carefully shielded. It follows that such issues are not appropriate for political campaigns, and did not arise in the mainstream for the November 2000 elections. One would have been hard-pressed, for example, to find discussion of the upcoming Summit of the Americas and the FTAA, and other topics that involve issues of prime concern for the public. Voters were directed to what the PR industry calls "personal qualities," not "issues." Among the half the population that votes, heavily skewed towards the wealthy, those who recognize their class interests to be at stake vote for those interests: overwhelmingly, for the more reactionary of the two business parties. But the general public splits its vote in other ways, leading to a statistical tie. Among working people, noneconomic issues such as gun ownership and "religiosity" were primary factors, so that people often voted against their own primary interests -- apparently assuming that they had little choice.

What remains of democracy is to be construed as the right to choose among commodities. Business leaders have long explained the need to impose on the population a "philosophy of futility" and "lack of purpose in life," to "concentrate human attention on the more superficial things that comprise much of fashionable consumption." Deluged by such propaganda from infancy, people may then accept their meaningless and subordinate lives and forget ridiculous ideas about managing their own affairs. They may abandon their fate to the wizards, and in the political realm, to the self-described "intelligent minorities" who serve and administer power.

>From this perspective, conventional in elite opinion particularly through the last century, the November 2000 elections do not reveal a flaw of US democracy, but rather its triumph. And generalizing, it is fair to hail the triumph of democracy throughout the hemisphere, and elsewhere, even though the populations somehow do not see it that way.

The struggle to impose that regime takes many forms, but never ends, and never will as long as high concentrations of effective decision-making power remain in place. It is only reasonable to expect the masters to exploit any opportunity that comes along -- at the moment, the fear and anguish of the population in the face of terrorist attacks, a serious matter for the West now that, with new technologies available, it has lost its virtual monopoly of violence, retaining only a huge preponderance.

But there is no need to accept these rules, and those who are concerned with the fate of the world and its people will surely follow a very different course. The popular struggles against investor-rights "globalization," mostly in the South, have influenced the rhetoric, and to some extent the practices, of the masters of the universe, who are concerned and defensive. These popular movements are unprecedented in scale, in range of

constituency, and in international solidarity; the meetings here are a critically important illustration. The future to a large extent lies in their hands. It is hard to overestimate what is at stake.