

Science FOR Democratic Action

AN IEER PUBLICATION



ALAN MATTHEWS HTTP://ALANMATTHEWS.COM/LONDON

Statue of Gandhi in Tavistock Square, London. Winston Churchill thought it was “nauseating to see Mr. Gandhi...parlay on equal terms with the representative of the Emperor-King [the British Viceroy in New Delhi].” Many Britishers did not agree then and, as the many visitors to Gandhi’s statue attest, do not agree now.

The Structure of Global Apartheid and the Struggle for Global Democracy

BY ARJUN MAKHIJANI¹

We’re giving the forces of evil, the forces of the antichrist, room in our government. That’s the ANC [African National Congress].

— Dominee (Reverend) Pieter Nel, an Afrikaner minister, 1992

MR. PRESIDENT, the times call for candor. The Philippines are ours forever, ‘territory belonging to the

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SPECIAL ISSUE

The usual fare in *Science for Democratic Action* is nuclear weapons, environment, climate, energy, water. This is a special issue on the structure of the global economy and society. There are many links. A few hundred people have more wealth in our world than the poorest two billion. It takes the threat of and frequent use of violence from local to global to sustain such inequalities. Nuclear weapons, oil, and world wars have been part of that equation. The bombing of Pearl Harbor was partly a clash between the determination of the Japanese imperialists to get to Indonesian oil and that of the United States to stop them. Two months before the 1954 CIA-sponsored coup in Guatemala, the U.S. government alerted nuclear bombers and sent them to Nicaragua.

Imperialism is coming back into fashion, once more in the name of freedom. But the ideas of freedom that typify the views of, say, Winston Churchill and other imperialists are quite different from those of Tom Paine, Mahatma Gandhi, and Martin Luther King, Jr. It is the latter whose inspiration we urgently need to set the world on a course for global democracy and peace, especially after the violent tragedy of September 11, 2001 and the wars that have followed.

I present this analysis to SDA readers with less assurance than is normal for me that all its parts are on the mark. Lisa Ledwidge, IEER’s Outreach Director, and I invite responses and comments. We will publish selected responses (possibly excerpted for length) so as to promote a conversation.

I am grateful to the CS Fund for the generous grant for IEER’s project on the global economy, of which this special issue is a part. Sriram Gopal did a fantastic job of researching the data on population and food and wages and producing the graphs in the centerfold. Lois Chalmers, as always, was the keeper of bibliographic integrity. I dedicate this issue to my friend and mentor, the late W.H. Ferry, who greatly encouraged me to write about these topics.

— Arjun Makhijani

DEMOCRACY

FROM PAGE 1

United States,' as the Constitution calls them. And just beyond the Philippines are China's illimitable markets.... We will not renounce our part in the mission of our race, trustee, under God, of the civilization of the world. And we will move forward to our work with gratitude for a task worthy of our strength and thanksgiving to Almighty God that He has marked us as His chosen people, henceforth to lead in the regeneration of the world.

...

The Declaration [of Independence] applies only to people capable of self-government. How dare any man prostitute this expression of the very elect of self-governing peoples to a race of Malay children of barbarism, schooled in Spanish methods and ideas? And you who say the Declaration applies to all men, how dare you deny its application to the American Indian? And if you deny it to the Indian at home, how dare you grant it to the Malay abroad?

— Senator Albert J. Beveridge,
in the U.S. Senate, January 9, 1900

The dozen years since the sunset of the U.S.-Soviet clash have seen the hopes of millions of people for a new dawn of freedom and equality across the world dashed because of a process of globalization that has put the interests of corporations and capital ahead of those of people. Inequalities within and between countries are immense; a few hundred people now have more wealth than the poorest two billion. It is a telling part of the rules of the World Trade Organization, created in 1995, that a country may protect its military industries under the rubric of national security but may not protect its water supplies under the rubric of the essentials of life.

In response to darkening prospects, new forms of solidarity are emerging worldwide and transnationally. People are rising up to protect their water resources, as they did in Bolivia against Bechtel Corporation, whose sales are twice Bolivia's Gross Domestic Product. Bechtel filed a lawsuit against Bolivia after Bolivia cancelled a water privatization contract. But Bolivia has found interesting company. On July 1, 2002, the Board of Supervisors of the City of San Francisco, where Bechtel has its headquarters, passed a resolution in solidarity with the people of

It is a telling part of the rules of the World Trade Organization that a country may protect its military industries under the rubric of national security but may not protect its water supplies under the rubric of the essentials of life.

Bolivia, and asked Bechtel to drop its lawsuit.² Slowly and hesitantly, a struggle for global democracy and survival, and in opposition to militarist, corporate-dominated globalization, is emerging.

Global inequalities, and the repression they require for their maintenance, have been increasingly compared to South African

SCIENCE FOR DEMOCRATIC ACTION

Science for Democratic Action is published four times a year by the Institute for Energy and Environmental Research:

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Credits for This Issue

Funding: C.S. Fund
Production: Cutting Edge Design
Photos: Allan Matthews, Mike Davis collection

Editor: Lisa Ledwidge

Thanks also to the *SDA* readers who have become donors to IEER. Your support is deeply appreciated.

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apartheid operating on a global scale – that is, to global apartheid. As Richard Falk has pointed out in his analysis of globalization, the facts are so compelling that the analogy has suggested itself even to establishment thinkers:

Thomas Schelling, long notable as a war thinker who influenced the outlook of the United States strategic community during the formative

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U.S. Monetary Imperialism and the War on Iraq

BY ARJUN MAKHIJANI

“No war for oil” was one of the more common slogans of the anti-war movement in the months before the Bush administration launched its war on Iraq on March 20, 2003. Oil is a many-faceted thing, however, and one aspect of it — the oil pricing policy of the Organization of Petroleum Exporting Countries (OPEC) — has not had much exposure to the light of public discussion, though it can be found in the interstices of cyberspace, if one looks hard enough.

Military dominance is not enough to establish imperialist control and economic dominance. A monetary and financial system that goes with military control is necessary for that. In fact, the degree and geographic extent of the acceptance of the money of an imperialist state are a good indication of how far its writ extends.¹ Not too many people outside the Soviet Union particularly wanted to hold rubles, so the economic power of the Soviet Union was weak even over Eastern Europe, which it controlled militarily and politically. That was one of the central differences between the Soviet Union and the United States at the end of World War II.

Despite all appearances, and despite the overwhelming military might of the United States, the position of the U.S. dollar in the world is precarious. Trying to preserve the monetary basis of unchallenged U.S. imperialism may have been one of the central reasons for the United States to want to conquer Iraq and to dominate its oilfields. To understand the basis for that statement, a brief history of the evolution post-World War II monetary order is essential.

In 1945 all major powers, victors and vanquished alike, except the United States were in various states of destruction and debt. They were exhausted by war and in need of external assistance to rebuild. Britain and France were also under pressure from independence movements in the colonies. Only the United States came out of the war richer and stronger. It possessed a monopoly of nuclear weapons. It was the world's largest creditor and had half the world's economic output. It exported both oil and capital. It had three-quarters of all the central bank gold in the world.

Looking to the post-war world, the major capitalist powers among the Allies agreed, during a 1944 conference at Bretton Woods, New Hampshire, to a U.S. plan to make the U.S. dollar the anchor of the world's post-war monetary system. The basis of this plan was that U.S. dollars would be, literally, as good as gold. The United States promised to exchange them at a fixed rate of \$35 per ounce of gold. The promise was based on a large store of gold at Fort Knox, Kentucky, and the immense financial strength of the United States. In return, the United States got the right to print the

global reserve money. The world was willing to hold dollars because they represented gold at a constant price and because they were issued by the world's wealthiest and most powerful country.

As Western Europe rose from the ashes of war, with U.S. capital and a copious supply of nearly free Middle Eastern oil (relative to final price) in the two decades after 1945, the currencies of European countries regained local stability. At about the same time, in 1964, the U.S. Congress passed the Gulf of Tonkin resolution that led to a large-scale war in Vietnam. President Johnson's “guns and butter” policy during that war set off serious global inflation — because inflation in the U.S. currency also created inflation in global prices. This undermined confidence in the dollar and Europeans began to turn in their dollars for gold at faster rates.

It soon became unsustainable. Between 1971 and early 1973 President Nixon completely de-linked the dollar from gold, abandoning the promise of convertibility made in 1944, and inaugurating the present era of floating currency exchange rates. Then came the October 1973 Arab-Israeli war, the Arab oil embargo, and the steep rise in oil prices. This coupled energy insecurities to financial ones.

Despite its de-linking from gold, the dollar continued to reign as the supreme global currency for a number of reasons, including the unequalled size of the U.S. economy and the lack of an alternative global currency. But the readiness of the world to hold dollars in increasing amounts also had another reason, which is a principal source of the U.S. monetary vulnerability in the Persian Gulf today. OPEC, whose leaders were Iran, Saudi Arabia and Venezuela, decided to maintain its policy of pricing oil in U.S. dollars. That, in effect, made the oil under the sands of the Persian Gulf countries, which have two-thirds of the world's proven oil reserves, the new Fort Knox of the dollar.

So long as there was no currency to challenge it, and the oil-dollar link was maintained, most global trade would be in dollars. Countries and corporations would tend to hold most of their foreign currency reserves in dollars. Simply put, the United States could incur debt in its own currency, dollars, and import goods. For most other countries, matters were far more complex. For instance, Brazilian holders of their own currency, reals, or Indian holders of rupees had no effective purchasing power in the Persian Gulf, if their countries did not export something and earn U.S. dollars, or, alternatively, borrow them.

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U.S. MONETARY IMPERIALISM

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The Shah of Iran was the United States' chosen guardian of this new Fort Knox; he proved to be a shaky one. With no possibility of countering the Shah's repression of dissent but in the mosques, the Iranian people angrily overthrew the Shah in 1979, in an Islamic revolution directed as much against the United States as against him. Oil prices soared to \$40 a barrel. Gold rose in parallel to more than \$800 per troy ounce. The dollar sank to post-war lows against West European currencies. Only draconian increases in interest rates imposed by Federal Reserve chairman Paul Volcker, President Carter's emergency appointee to that post, saved the dollar.

The price was high. Unemployment and inflation rose in the United States, sending the sum of the two — picturesquely dubbed as the “misery index” by then-presidential candidate Ronald Reagan — to post-war highs. Abroad, interest payments on many foreign debts increased in step with U.S. interest rates, precipitating a debt crisis across the developing world, starting with Mexico in 1982, which could have caused the collapse of major U.S. banks. Excessive borrowing, partly caused by global inflation, was another contributory factor.

A full-blown debt crisis began in 1982, with a near-default by Mexico, an oil exporter. Only a wave of restructurings dictated by the International Monetary Fund (IMF), in close coordination with the U.S. Treasury Department saved the exposed multinational banks.² But mechanical application of IMF “prescriptions” has left the working people of many debt-ridden countries much worse off — with high unemployment, lower real wages, and tattered social safety nets. Third World debt has increased almost five fold (in current dollars) since 1982.

The problems of the dollar were obscured by a number of factors in the 1980s and 1990s. Falling oil prices, the collapse of the Soviet Union, the apparent establishment of unchallenged U.S. military supremacy, the willingness of foreigners to invest large sums of money in the United States, the unfolding of the Oslo peace process in Israel/Palestine and spectacular increases in stock prices in the 1990s put the United States on top of the world. But the vulnerabilities were accumulating nonetheless. They are now acute, and, in many ways, the situation is more precarious than in 1979:

1. Economic power is much more diffuse than at the end of World War II. The U.S. share of global product is about 25 percent, half the share it had in 1945.
2. The United States imports about 60 percent of its oil requirements, up from 30 to 40 percent during the 1970s.
3. The U.S. current account deficit (i.e., on trade in goods and services, which I abbreviate here as simply trade deficit) is now immense — well over

\$400 billion in 2002. It is running at an annual rate of about \$500 billion in 2003. In the 1970s, the United States ran both deficits and surpluses, both generally less than about \$20 billion per year. Consistent trade deficits for more than two decades have turned the United States from the largest creditor to the largest debtor country in the world. To gain some perspective on an annual trade deficit rate of \$500 billion, this is about equal to the entire annual Gross Domestic Product of India at current exchange rates. In a falling stock market, foreigners are less inclined to finance the huge trade deficits that are part of the continuing U.S. economic binge. The prospects for large inflows of European money to finance the U.S. trade deficit are murky, at best. Foreign investment has been declining, and so has the U.S. dollar. U.S. foreign debt is growing fast.

4. The one long-term bright spot from the 1990s, U.S. budget surpluses that emerged late in that decade, has now disappeared in a sea of red ink. Gross U.S. federal debt is now over \$6 trillion, or about 60 percent of GDP, compared to fewer than one trillion dollars and about 33 percent of GDP in 1980. The tax cuts that are in the works in 2003 will very likely compound this problem. A considerable amount of U.S. debt is held by foreigners.
5. Perhaps most important, the euro has now emerged as a credible alternative, and hence a possible competitor, to the dollar. Initial questions about its stability, when it was introduced as a unit of account in 1999 and quickly lost ground to the dollar, have dissipated. The euro rose in value by about 20 percent relative to the dollar in 2002. It was first issued as a currency that people could use in everyday transactions on January 1, 2002. The euro-zone is comparable in economic size to the United States. And while Germany and France, the largest economies in the euro-zone, have had low economic growth, both tend to run current account surpluses so that they do not need capital imports to sustain domestic consumption.

Petroleum resource issues must be seen in the context of this weaker relative U.S. economic position. U.S. physical control over Persian Gulf oil resources, which had been re-established somewhat after the 1991 Gulf War, began eroding significantly in the mid-1990s. The long-term presence of U.S. forces in Saudi Arabia, with the world's largest petroleum reserves, had been challenged violently by Osama bin Laden's al Qaeda. There were two attacks on U.S. forces stationed in Saudi Arabia in the mid-1990s. These occurred in the context of rising popular Saudi antagonism to their presence. The Saudi government refused to collaborate fully with the United States in the investigation of the attacks on U.S.

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soldiers in Saudi Arabia. Low oil prices created domestic political weakness for the Saudi government, which is widely viewed as corrupt. Yet, the U.S. military presence in Saudi Arabia is dependent on that unpopular government, which espouses Islamic fundamentalism.

The terrorist attacks on the U.S. embassies in Kenya and Tanzania in 1998 raised the insecurity of the U.S. presence in Saudi Arabia to new levels. Saudi Arabia continued funding and supporting the Taliban, which was sheltering Osama bin Laden, who, like Saddam Hussein, was a U.S. ally in the 1980s. Also in the year 1998, the introduction of the euro became a certainty.

The U.S. seems to have decided on the ousting of Saddam Hussein in 1998 independent of the results of the disarmament of Iraq that the United Nations inspectors were achieving. By that time, the physical infrastructure of the Iraqi nuclear weapons program had been destroyed by inspections. But the Clinton administration's response was to say that Saddam Hussein was a dictator and that the United States should work with the Iraqi opposition to get rid of him. Iraq reduced its cooperation with inspectors in the latter half of 1998. The U.S. and Britain escalated their threats of war. Caught in the escalating crisis, the UN inspectors left Iraq in November 1998. The United States and Britain started bombing Iraq in December, claiming they needed no new Security Council authorization to do so.

Disarmament of Iraq was an implausible war aim. As of this writing (late April 2003), U.S. occupation forces had not found any nuclear, chemical or biological weapons. They are refusing to let United Nations inspectors back into Iraq. It is also clear that whatever disarmament of Iraq remained to be accomplished could likely have been accomplished peacefully, possibly with some assistance from a sufficient UN police contingent to protect the inspectors and assist them to get entry to places, in case they were denied.

Moreover, the 1991–1998 as well as the 2002–2003 inspections showed their efficacy at accomplishing disarmament. By contrast, the bombing of vast sections of Iraq since 1998 and four years without inspections created more questions and uncertainties about Iraqi stocks of weapons of mass destruction and no disarmament relating to them. The 2003 war on Iraq has raised the possibility that the war may have precipitated some Iraqi officials to move weapons of mass destruction to other countries. In sum, the U.S. linking of war, regime change, and disarmament of Iraq is not persuasive, to say the least. Indeed, during the debate in the United Nations Security Council in 2003, it was demonstrated that a part of the alleged U.S.-British case for war was based on fabrications and misrepresentations.³

Three other links of the U.S. regime change policy to other goals are more plausible. The U.S. determina-

tion to occupy Iraq may have three main goals related to the control of oil:

1. To control physically the country with the second largest oil reserves in the world — 112.5 billion barrels of proven reserves, and 220 billion barrels in all of probable and possible reserves — in view of the increasing opposition to the U.S. military presence in Saudi Arabia.⁴
2. To establish a long-term military presence in the Persian Gulf region so as to control the principal external source of oil supplies for Western Europe and China (which became an oil importer in the 1990s). This would fit into the U.S. goal of preventing either of them from emerging as global rivals, first suggested in a Pentagon draft document under the first President Bush, when Dick Cheney was Secretary of Defense.⁵
3. To ensure, by physical occupation of the second largest oil reserves in the world and by a military presence in the Persian Gulf region that could enable rapid occupation of Saudi oil fields, that the price of oil would remain denominated in dollars. In other words, one U.S. goal may be to become a central player in OPEC by controlling Iraq either directly or through a regime that is pliant on the question of oil pricing policy, whatever its other political attributes might be.

The possibility that oil prices might begin to be denominated in euros was demonstrated by Saddam Hussein in the fall of 2000. At that time, he demanded and got permission from the United Nations to be paid for oil in euros. But his grandstanding about the euro had no large practical economic effect because Iraq was not in a position to change OPEC oil pricing policy. But OPEC collectively, Iran, and Russia have all considered pricing oil in euros.

The U.S. occupation of Iraq may provide a temporary reprieve for the dollar because the United States can exercise pressure on OPEC for continued pricing of oil in dollars. That may enable the United States to continue printing money, running up trade deficits, and foreign debts to some extent.

The United States can also restore Iraq's oil export capacity, force a privatization of Iraqi oil production and reserves, and dictate the pace of Iraqi and Kuwaiti oil production. It could stimulate the U.S. economy by forcing oil prices downward pressure on oil prices in 2004, a time of elections in the United States. Yet, while that would provide vast profits to U.S. oil companies and may be a politically convenient short-term economic lever, the underlying economic problems will likely continue to fester as the United States gets more mired in debt and dependent on trade deficits and capital imports to maintain its level of domestic consumption.

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U.S. MONETARY IMPERIALISM

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Even with control of Iraqi oil, the dollar's future will depend to a considerable extent on decisions outside the arena of Persian Gulf oil. Flows of capital into the United States to finance the U.S. trade and a part of the budget deficits depend on confidence in the value of the dollar, which has been going down relative to the euro. Decisions by Russia, Iran, and Venezuela to denominate some or all of their oil in euros may also cause a dollar sell-off. These factors could precipitate a downward spiral in which more people and institutions dump dollars for euros, gold, or other assets causing further declines in the value of the dollar and more sales of dollars. It would likely take a sharp increase in interest rates or taxes (or both) in the United States to reverse such a trend. The economic slump that would precipitate could well be more severe than the one in the early 1980s.

A continuation of U.S. policies to prevent the emergence of the euro as a global rival may also require continued exercise of military muscle through threats, wars, occupations, setting up of client regimes, and vast military expenditures. The consequences such this course could be devastating for the world, including the United States. It is dependent on everyone obeying the dictates of the United States on most crucial issues ("either you're with us or you're against us"). But in a world bristling with nuclear materials and nuclear weapons, nuclear proliferation may be a more likely outcome than capitulation in at least some cases.

The naming of Iran as part of the "axis of evil" and the war on Iraq has likely strengthened the pro-nuclear-weapons lobby in Iran. A similar strengthening of the pro-nuclear lobby in India occurred when the United States sent a nuclear-armed aircraft carrier to the Bay of Bengal in a "tilt" toward Pakistan during the Pakistan-India-Bangladesh war in 1971. There are increasing indications that Japan is more seriously considering acquiring nuclear weapons.⁶ Given the overwhelming superiority of the United States in non-nuclear military strength and the present tendency to make war and ask questions later, other countries would be more likely to seek nuclear weapons.⁷

Neither a lone triumphant imperial dollar nor a confrontation between the dollar and the euro for global monetary domination pose is desirable. Both pose serious dangers for the world. Global trade and investment can be carried on with monetary instruments that are much more equitable. For instance, the exchange rates of currencies can be set on the basis of their underlying value — that is, on the average productivity of their workers as reflected in their purchasing power for locally made goods and services.⁸ Such a system would be fairer to workers and put less pressure on migration for economic reasons.

SUGGESTED READING

1. Pierre Vilar, *History of Gold and Money 1450-1920*. London: Verso, 1990 reprint. This is the best single book I know of for understanding the connections between imperialism, global money, and gold.
2. For understandable briefing papers on globalization and other economic issues, see the website of the Center for Popular Economics, <http://www.populareconomics.org/> as well as the website of 50 Years is Enough, <http://www.50years.org/>
3. For the IMF's own theories of the balance of payments question see *The Monetary Approach to the Balance of Payments*. Washington, D.C.: International Monetary Fund, 1977.
4. Arjun Makhijani, *From Global Capitalism to Economic Justice*. New York: Apex Press, 1992, reprinted in 1996. Second edition forthcoming 2003. Chapters 3 and 11 contain discussions of monetary imperialism and what to do about it. Appendix A, a 1986 paper by Arjun Makhijani and Robert S. Browne entitled "Restructuring the International Monetary System" (published then in the *World Policy Journal*) contains a critique of the IMF's approach to balance of payments and a discussion of more equitable global monetary arrangements.

Of course, the establishment of a direction for monetary equity that would encourage fair trade will take an immense struggle because the immense profits that multinational corporations derive from cheap labor and resources would be threatened. But it is also necessary to set forth the monetary arrangements that can accompany a more just world in the same manner as the specifics of fair trade or nuclear disarmament have been widely discussed.

A new global monetary conference, a second Bretton Woods, at which governments and people can discuss how the monetary and financial affairs of the world can be more equitably organized, is now a necessity not only for economic justice but also for peace. The alternative is a dollar imposed on the world by the diplomacy of "shock and awe."

1. Pierre Vilar, *A History of Gold and Money, 1450-1920*, translated by Judith White. (London: Verso, 1990 reprint)
2. The IMF and World Bank headquarters was conveniently located in Washington, D.C., a few blocks away from the U.S. Treasury Department, just so such coordination could take place easily.
3. The evidence on this issue is summarized in Raymond Whitaker, "Revealed: How the Road to War Was Paved with Lies: Intelligence agencies accuse Bush and Blair of distorting and fabricating evidence in rush to war," *The Independent*, April 27, 2003, on the web at <http://news.independent.co.uk/world/politics/story.jsp?story=400805>
4. Michael Klare, "Oiling the Wheels of War," *The Nation*, October 7, 2002. For oil data see the website of the Energy Information Administration at <http://www.eia.doe.gov/emeu/cabs/iraqfull.html>.
5. "Excerpts from the Pentagon's Plan: 'Prevent the Re-Emergence of a New Rival'," *New York Times*, March 8, 1992.
6. Dan Plesch, "Without the UN Safety Net, Even Japan May Go Nuclear," *The Guardian*, April 28, 2003.
7. Greg Easterbrook, "American Power Moves Beyond the Mere Super," *New York Times*, Week in Review Section, April 27, 2003, p. 1.
8. For details see Arjun Makhijani, *From Global Capitalism to Economic Justice*. New York: Apex Press, 1992.

DEMOCRACY

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period of the cold war, poses for himself the question about what model of authority at a state level might 'an incipient world state resemble.'

Schelling's answer, which he himself found "stunning and depressing," was that a world state under present conditions would look like South Africa under apartheid. But the political units of the world system are states, which have dominant nationalities, whose place in the world scheme is analogous to that of the Whites in South African apartheid. In this system, borders are the instruments of segregation. The struggle for democracy in a global society, then, is in essential ways the global equivalent of a struggle for civil rights and for desegregation.

The period since the Berlin Wall fell has seen the intensification of corporate-dominated economic globalization, including the creation of a new supranational body, the World Trade Organization, to complement the World Bank and the International Monetary Fund (IMF). These developments have entrenched the domination of multinational capital over people. There have been increasing restrictions on the mobility of the vast majority of people in the world. Anti-immigrant sentiment has risen and draconian laws against immigrants, documented or not, have been passed, even as the Western powers demand that Third World countries open up to Western capital and commodities. The walls within the European Union have come down as *part of the same process* by which walls against the majority of the people of the Third World have become higher and more bloody.

This dynamic is characteristic of the apartheid idea of freedom, an exclusionary freedom reserved for a select few. The Afrikaner votaries of apartheid exemplified by Dominee Nel, the European-Americans who under the rubric of Manifest Destiny claimed a God-given right to occupy the continental United States and conquer, confine, expel, or kill those in the way (Native Americans and Mexicans), and Senator Beveridge's views that extended those ideas across the oceans — these are all illustrations of the ideological school that freedom is divisible and exclusionary. To them, the supposed lack of any one of a number of things is enough to justify conquest, expropriation, exploitation, and even genocide — fitness, civilization, modernity, Christianity, supposed deficiency in intelligence due the size of brains or craniums (an argument also applied to women in the last half of the nineteenth century), the possession of too much of something (such as melanin), or too little (such as technology). In other words, this concept of freedom is based on inequality for which a variety of earthly and divine sanctions have been invented. It creates choice, prosperity and mobility for some, at the cost of limiting or reducing it for

others, generally with some rationalizing and moralistic cover. We might call this the apartheid school of freedom. Another feature of this school is that the select few often claim that the prerogative of exclusionary freedom is actually for the benefit of the subjugated — bringing democracy, technology, modernity (often tellingly symbolized not by science or rationality, but by McDonald's and Coca-Cola) achieved at great cost to the select few ("the White Man's burden," "foreign aid," and so on).

The core argument is as old as slavery, across cultures and civilizations. Aristotle supported and rationalized slavery. So did Saint Augustine, who endorsed the prerogatives of the slave master to own, dominate, and punish slaves as part of Christian doctrine. In his monumental work, *Concerning the City of God Against the Pagans*, one of the founding philosophical-theological works of institutional Christianity, he argued that a person who was a slave was being punished for his prior sins as part of a divine plan. He must therefore submit to the slave-master, the *paterfamilias*, who, as part of the same plan, had the *duty* to mete out punishment to the slave during worldly existence. God would take care of everyone equally, according to their merits (including obedience), after death.³ This doctrine is remarkably similar to the one that has been (and is) used across cultures and through the ages to subjugate women to the fathers of their households. Another analogy is found in the subjugation of *Dalits* in India, the so-called "Untouchables" in the Hindu hierarchy, consigned to the lowest rung of economic and social existence by the upper castes.

The core of any form of apartheid, whether local or global, is the assertion of power by the privileged, under the guise of superiority, for the overall purpose of securing unequal economic benefits, often with the accompanying rationalization that it is, after all, for the benefit of those who are being dominated. Such privilege cannot long be maintained without the threat and use of violence, intimidation, and fear that creates exclusion by race, caste, nationality, or gender. Since the United States now leads the perpetuation of global apartheid, it is important to consider the specificity of the U.S. historical background to it. (Not that any other power using any other religion or ideology would do better. There is ample evidence, past and present, that it would not.)

Manifest Destiny

It was during Andrew Jackson's time that the fervor for land-grabbing in the name of God, Christianity, and civilization, soon to be known as "Manifest Destiny," reached fever pitch, giving a broader, militarist and messianic expression to U.S. nationalism that is much in evidence today. Indeed, the use of the term "nation" to

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describe the United States became popular among northerners during the heyday of Manifest Destiny as the code-word for the Whites only westward expansion at the expense of Native Americans. In the same period “federalism” came to be a code-word for southerners’ assertion of their slave-owning property prerogatives at the expense of African-Americans. Jacksonian democracy extended suffrage to White men regardless of property, but did so on trails covered with tears, broken treaties, and blood.

It was a time when European settlers were terrorized by the idea of violence by Native Americans, just as southern slave-owners, mindful of the Haitian revolution, were terrorized by the idea of a slave revolt. And both these kinds of violence did occur, sometimes with terrible ferocity against innocents. Nat Turner’s small army of rebellious slaves, longing to be free, not only killed male slave-owners, but also women and children, on the night that they decided would be the start of their war of independence. Native Americans not only fought soldiers in valiant wars of resistance to Euro-

The confluence of Victorian imperialism and the weather produced immense death and famine from Brazil to India to China.

pean conquest; from time to time they also visited terrible acts of violence upon settlers and their families.

It is not a rationalization of such violence, but rather an assertion of historical truth, to note that it was rooted in and was a reaction to the violence and injustice of slavery and genocide initiated and sustained by an invading and oppressive system that denied the humanity of slaves and Native Americans. Here are three examples of privation and terror experienced by slaves from the life of perhaps the best known of Nat Turner’s African-American contemporaries, Frederick Douglass:

1. About parents:

I never saw my mother, to know her as such, more than four or five times in my life; and each of these times was very short in duration, and at night.... Death soon ended what little we could have while she lived, and with it her hardships and suffering. She died when I was about seven years old, on one of my master’s farms, near Lee’s Mill [in Maryland]. I was not allowed to be present during her illness, at her death, or burial....

Called thus suddenly away, she left me without the slightest intimation of who my father was. The whisper that my master was my father, may or may

not be true; and, true or false, it is of but little consequence to my purpose whilst the fact remains, in all its glaring odiousness, that slaveholders have ordained, and by law established, that the children of slave women shall in all cases follow the condition of their mothers; and this is done too obviously to administer to their own lusts, and make a gratification of their wicked desires profitable as well as pleasurable; for by this cunning arrangement, the slaveholder, in cases not a few, sustains to his slaves the double relation of master and father.

2. About an aunt:

Before he commenced whipping Aunt Hester, he took her into the kitchen, and stripped her from neck to waist, leaving her neck, shoulders, and back, entirely naked. He then told her to cross her hands, calling her at the same time a d—d b—h. After crossing her hands, he tied them with a strong rope, and led her to a stool under a large hook in the joist, put in for the purpose. He made her get upon the stool, and tied her hands to the hook. She now stood fair for his infernal purpose. Her arms were stretched up at their full length, so that she stood upon the ends of her toes. He then said to her, “Now, you d—d b—h, I’ll learn you how to disobey my orders!” and after rolling up his sleeves, he commenced to lay on the heavy cowskin, and soon the warm, red blood (amid heart-rending shrieks from her, and horrid oaths from him) came dripping to the floor. I was so terrified and horror-stricken at the sight, that I hid myself in a closet, and dared not venture out till long after the bloody transaction was over....

3. About work:

I lived with Mr. Covey one year. During the first six months, of that year, scarce a week passed without his whipping me. I was seldom free from a sore back. My awkwardness was almost always his excuse for whipping me....

Mr. Covey’slife was devoted to planning and perpetrating the grossest deceptions. Everything he possessed in the shape of learning or religion, he made conform to his disposition to deceive. He seemed to think himself equal to deceiving the Almighty. He would make a short prayer in the morning, and a long prayer at night; and, strange as it may seem, few men would at times appear more devotional than he....

If at any one time of my life more than another, I was made to drink the bitterest dregs of slavery,

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that time was during the first six months of my stay with Mr. Covey. We were worked in all weathers. It was never too hot or too cold; it could never rain, blow, hail, or snow, too hard for us to work in the field. Work, work, work, was scarcely more the order of the day than of the night. The longest days were too short for him, and the shortest nights too long for him. I was somewhat unmanageable when I first went there, but a few months of this discipline tamed me. Mr. Covey succeeded in breaking me. I was broken in body, soul, and spirit....

Slavery and near-slavery continued into the twentieth century, in Stalin’s Soviet Union, in Hitler’s Germany, and in global capitalism, where it is still rife. It enters the world economy in a variety of ways, from silk to sex. For example, a million children are forced into the international sex trade each year; many of them are “bought and sold like chattel” in what is a multi-billion dollar global business.

These historical and current vignettes of global capitalism are reflected in the aggregate data on the structure of global economy and society as global apartheid. Table 1 shows the economic and social indicators from a time when apartheid in South Africa was still in its heyday — the mid-1970s.

The Historical Dynamic

The static data from a single year or decade do not show the whole historical dynamic, of course. That is a much larger enterprise, the elements of which have been coming into clearer view now that the fog created by the U.S.-Soviet confrontation is lifting. For instance, Mike Davis, in his book *Late Victorian Holocausts*, provides considerable evidence of how the confluence of Victorian imperialism and the weather produced immense death and famine from Brazil to India to China. (The photographs on page 11 reveal the grave nature of the situation in India.) In the same period, the last half

of the nineteenth century, food supply in Western Europe and in the extensions of Europe, mainly into North America, was improving, wages were rising, and the differences in the daily conditions of living among the working people of the West. That food came from the lands to which Europe exported its surplus populations, from colonies like India, and, in the case of Germany, from a Russia in a severe debt crisis, with the Czar selling food to pay for weapons, for imperial adventures, and for luxuries for the tiny elite.

Under such circumstances the population of Western Europe and its extensions expanded rapidly, at first without a concomitant increase in wages. (See Figure 1 on page 10.) After the French revolution and the invention of the steam engine, imperialism and technology combined to enable the massive export of poverty and a historic re-organization of the world’s labor to include trade in bulk commodities. From mid-nineteenth century onwards, there was a systematic destruction of the local economies in the Third World and their re-orientation to serve the requirements of the West, a pattern that continues to this day.

The only partial break in these trends came with the increasing demands for independence in the Third World in a variety of methods from violent revolutions to Gandhian non-violence. It was in that period that the population of the Third World began to increase in a manner similar to that of Europe from 1500 onwards. Population dynamics when seen through the lens of the development of capitalism rather than of the whole world lumped together, as many environmentalists have tended to do, yields a different picture. The vast increase in Western population and the lands that they occupied between 1500 and 1900 was accompanied by the development of technology and culture of limitless consumption for everyone, based essentially on the ideas of limitless consumption for the kings and pharaohs of the past. In the period from the onset of imperialism, about 1500, to the onset of the struggles for freedom

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TABLE 1: COMPARISON OF THE CAPITALIST ECONOMY WITH SOUTH AFRICA, 1975-1980

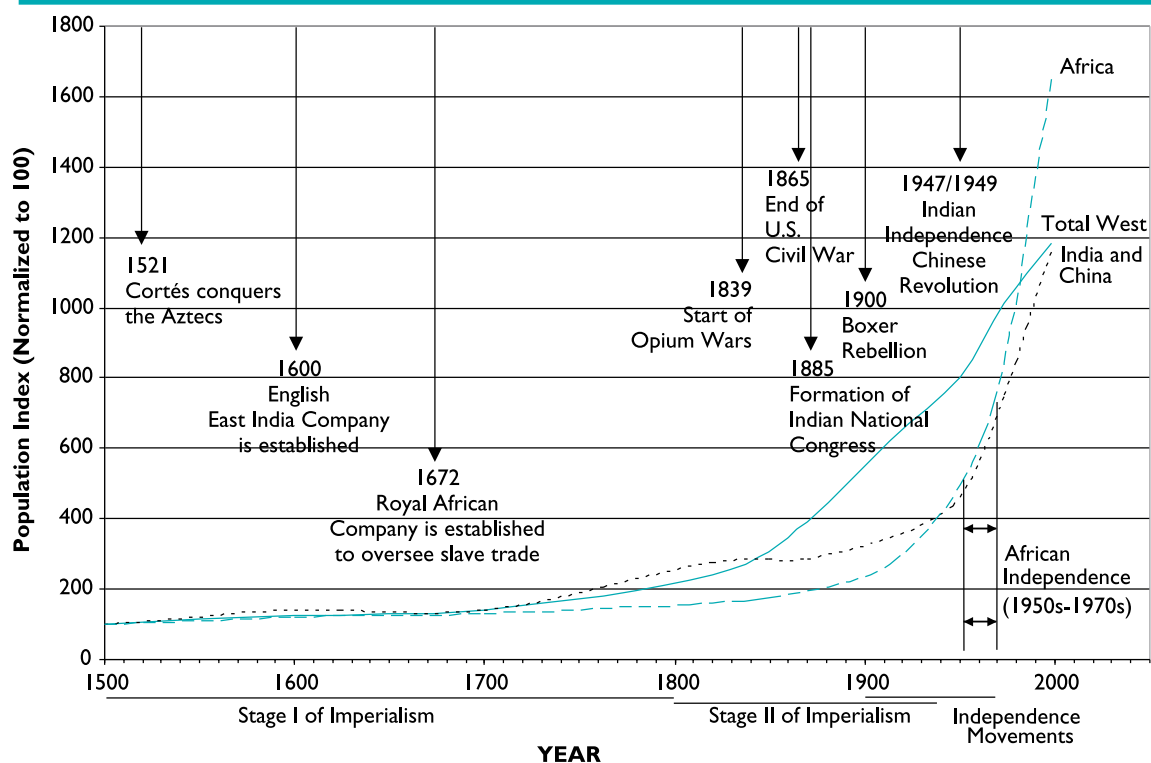
	Capitalist			South Africa		
	OECD*	Third World	Total	White	Non-white	Total
Life Expectancy (in years)	75	55	60	70	55	60
Infant Mortality per 1,000 births	15	110	85	20	120	100
Maternal Mortality per 100,000 Live Births	10	600	450	N/A	N/A	N/A
Daily Supply of Food Calories per Person	3,100	2,100	2,400	N/A	N/A	2,600

* OECD countries include Western, Northern and Southern Europe (except Yugoslavia, Albania and Turkey), Japan, Australia, and New Zealand. These countries are often designated “the West.”

All figures are approximate and rounded. N/A = not available.

Source: Taken from Arjun Makhijani, *From Global Capitalism to Economic Justice*, New York: Apex Press, 1996 reprint, page 33.

FIGURE 1: HISTORICAL POPULATION INDICES OF SELECTED REGIONS, 1500–1998



Based on data presented in *The World Economy: A Millennial Perspective*, Table B10. Maddison, 2001. Total West includes W. Europe, the United States, and other western offshoots outside of Latin America. Population indices are normalized to 100. For example, if in a given year the index is 200, the population of that region has doubled since the year 1500. For 1950 and after, “India and China” includes the population of Pakistan/Bangladesh.

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(early nineteenth century) the population of the West grew about twice as much as that of India, China, and Africa. (See Figure 1.) That growth was accompanied by an ecosystem-destroying economic system that is at the core of the unsustainable and ecologically disastrous path the world is on today. In other words, the connection of population and environment needs to be recast in the technical and economic historical context of imperialism and of independence movements.

Figures 1 to 3 (pages 10, 12 and 13) show historical population indices, grain imports to the UK, and wage comparisons — essential aspects of the development of global apartheid. From the fifteenth century to the end of the nineteenth century, the mobility by large numbers of people was either of Europeans, as when they migrated to the Western Hemisphere, or under their control, as exemplified by the slave trade and the transport of indentured workers. The rise of independence movements, more integrated global culture at the elite level, and rising wages in the West that gave rise to imperatives for import of cheap labor, led to movements of people from the Third World to the West. As these numbers began to grow, the controls on the

movement of the poor grew with them, until the modern system of passports and visas and restrictions on the mobility of the poor have grown into vast, militarized bureaucracies enforcing borders in a manner not much different from slave-owners using the power of the state to capture fugitives.

Abolishing borders

Maria Jimenez, Board Member of the National Network for Immigrant and Refugee Rights, has noted the role of national borders in the global economy in a manner that evokes the policed restrictions on slaves. The following observations are from an unpublished paper she shared with me:

Erecting borders for international labor makes it difficult for large numbers of workers to leave areas considered “favorable” for the establishment and expansion of transitional production units such as the assembly plants....Sustaining regulatory schemes that guarantee control and the inequality of mobility is essential for this strategy of high profits and low wages. For that reason, the use of armed force, border policing agencies, including the military, and

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institutional violence are [a] necessary aspect of the global economic structure to enforce compliance with immigration and border control policies. In fact, the combination of global economic development, military integration, and the denial of rights of displaced populations, domestically and internationally, reproduce a de facto system of slavery for marginalized economic and social sectors, particularly the international migrants.

It is, therefore, not only Stalinist borders that were designed to repress people by keeping them in. The borders of global apartheid, designed to keep the poor out of the regions where the wealth of the world has been accumulated, are also effective in keeping people in the low wage areas to which global capitalism has confined them. This reality is most starkly in view along the U.S. border with Mexico. In maintaining these exclusionary and confining borders, the cooperation of the political and business elites across the borders of states is essential, though some intralite tensions do result, as for instance between the governments of Mexico and the United States. In these areas, the United States and other Western countries that have cherished democracies at home have routinely and systematically sponsored client regimes that can rival among the bloodiest in human history.

Today, the United States is using borders as a tool in the “War on Terror.” But, whether by design or not, the U.S. government’s conduct of that war fits in with Manifest Destiny ideology. The fact that the terrorists who committed the mass murders of September 11, 2001 were visitors to the United States under various false pretenses has been used to create a perpetual war and a vast “homeland security” bureaucracy. It has tended to create an indiscriminate taint on the foreign-born including students, immigrants, Arabs (of all religions), and Muslims. It is a dangerous approach which implicitly, at least, fails to recognize that a home-grown, European-American terrorist like Timothy

PHOTOS COURTESY MIKE DAVIS

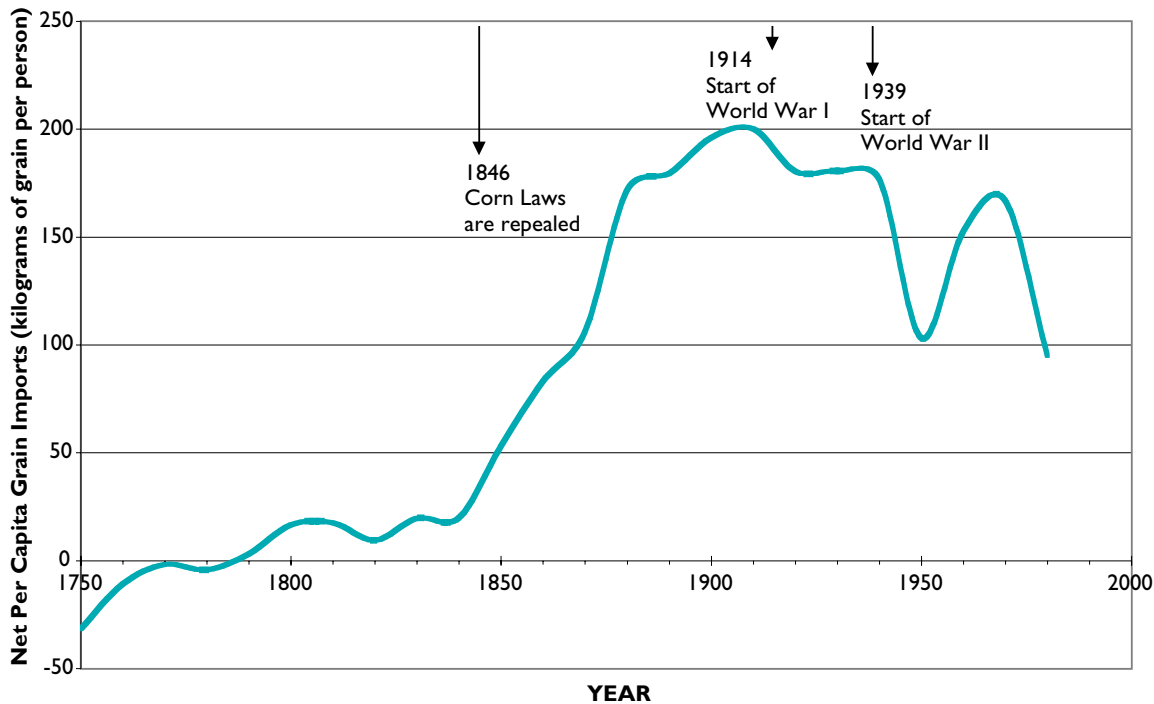


Famine victims, India, late nineteenth century. *The staggering death toll from famine in Victorian India—about 7 million in the 1876-78 famine alone—was the result of the British policy of exporting food from India and collecting harsh taxes even in times of serious drought. The grain imports in Britain were to improve British diets and simultaneously keep grain prices stable. In recent years, as India has moved to conform to the era of market liberalization, it is again exporting food even as people starve in some parts of the country.*

McVeigh, who had a great deal of ideological and racial company in the United States and Europe, might have a considerable amount in common with foreign-born terrorists. Instead, terrorists of European-American and Christian background become exceptions, people who have gone astray as individuals, like McVeigh or the children who massacred their schoolmates at Columbine High School in Colorado, and unlike the vast majority. In contrast, stereotyping is the basis of the dragnet of spying, arrests, imprisonment without charges, deportation, and other violations of human

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FIGURE 2: NET PER CAPITA GRAIN IMPORTS TO THE UNITED KINGDOM, 1750–1980



Based on data presented in *International Historical Statistics: Europe 1750-1988*, Tables A1 & C10. Mitchell, 1992; Population of Great Britain & Ireland 1570-1931, GenDocs: Genealogical Research in England & Wales. <http://www.gendocs.demon.co.uk/pop.html>. The Corn Laws restricted imports of grain into England in order to keep prices high.

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rights of people, especially Muslims and Arabs, which are coming to typify the War on Terror.

The approach is dangerous to freedom and it is counterproductive. It ignores or downplays factors that are central to a reduction of terrorism risks and to the enhancement and spread of freedom, including the following:

- the search for terrorists is a one-in-a-million search in which the engaged and free participation of people around the world and the full diversity of people in the United States is needed;
- one in five children in the United States lives in a family with at least one foreign-born person, so instilling fear in the foreign-born, rather than providing security and inspiring free cooperation through respectful conduct, tends to inhibit the flow of potentially vital information;
- the prosperity and even the functioning of the U.S. economy, from strawberry fields to Silicon Valley to universities and hospitals to chicken factories to research and development laboratories in large corporations, depends on immigrants;
- threats of war are likely to cause the relatively strong to arm themselves, the weak to become more resentful and think about acquiring nuclear weapons as a

counter to U.S. power, and allies to become bewildered, alarmed, and possibly uncooperative.

The counterproductive nature of the War on Terror is plain to see after two wars and more than a year-and-a-half. As of this writing, Osama bin Laden and several of his top lieutenants are still at large. The perpetrator(s) of the anthrax attacks in 2001 in the United States is also not in custody. The governments of two of Pakistan's four provinces are now under the control or strong influence of Islamic fundamentalists, a first in Pakistan's history.

The connection of population and environment needs to be recast in the technical and economic historical context of imperialism and of independence movements.

The urgency of the search for Osama bin Laden and anthrax-man has receded. It took a back seat to the War on Iraq. A dispassionate overview might conclude that many or most of the high-priority elements of the War on Terror make little sense as an anti-terrorist enterprise. But it does fit much better with an imperial aim of

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creating a vast military presence for controlling, among other things, the most important oil and gas resources on the planet (see accompanying article on page 3).

There are some exceptions to these restrictions on mobility. Migration of elites is welcomed in the West to some extent, especially of young trained people who fill professions with labor shortages (though, in a display of capitalist family values, their families are often not equally welcome). The cost of their education constitutes a vast, uncounted source of foreign aid to the West from the Third World. There are also the workers who fill unwanted low wage jobs. They are also let in, but more reluctantly. The concentration of the resources of the planet into the West, the independence of the Third World, and the rise in the means of mobility have also meant that huge numbers of people want to go where the financial resources and the opportunities on the planet are concentrated.

These and other features of the global economy, which distinguish most modern migration and modern borders from slavery, do not change the essential and violent role of borders in keeping the low wage areas separated from the high wage areas, so that capital can move across borders to exploit them at wages that are

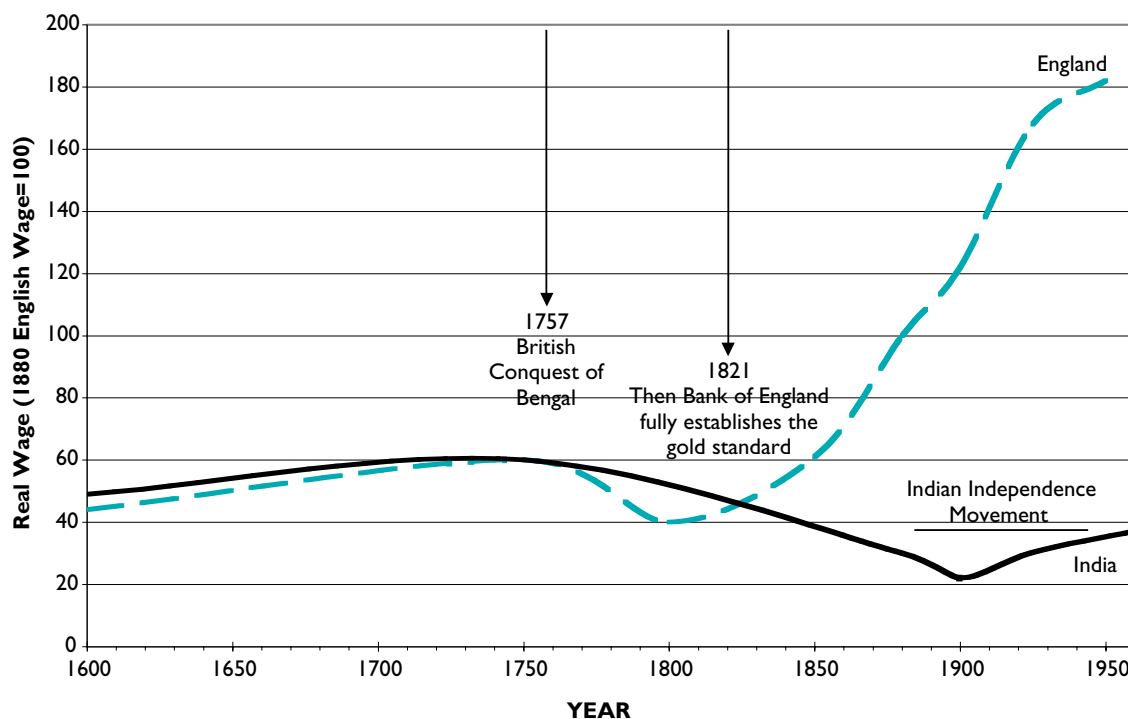
kept far below the productivity of labor relative to capitalist countries. The marriage of the armed power of the state with the financial power of corporations in the context of the free flow of capital and goods and the restricted flow of workers is antithetical to human

The marriage of the armed power of the state with the financial power of corporations in the context of the free flow of capital and goods and the restricted flow of workers is antithetical to human equality and freedom.

equality and freedom. It also leads the world in a direction that is the opposite of the one needed for the achievement of a system of governance, from the local to the global, that will ensure that the moral code that is expected of individuals, for instance in the form of respect for the life of one's neighbors and for future generations, also applies to human institutions, especially the most powerful ones, governments and corporations.

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FIGURE 3: A COMPARISON OF REAL WAGE IN INDIA AND ENGLAND, 1600–1960



Based on data presented in *Oil Prices and the Crises of Debt and Unemployment: Methodological and Structural Aspects*, Figure 1, Makhijani, 1983; *Rethinking Wages and Competitiveness in the Eighteenth Century: Britain and South India*, Parthasarathi, in *Past and Present: a journal of historical studies*, No. 158, February, 1998; *Real Wages and Relative Factor Prices in the Third World before 1940: What Do They Tell Us About the Sources of Growth*, Table 1, Williamson, October 1998; *Real Wages in Europe and Asia: A First Look at Long Term Patterns*, Allen, 2001.

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The juridical foundation towards such a goal has mostly been created, at least in theory, in the recognition that all human beings have equal rights. This has come about over the last two and a half centuries in the course of the struggles of ordinary people around the world for freedom and equality and against slavery, colonialism, male domination, and intense economic exploitation. Most of these legal instruments date from the last half of the twentieth century, when the freedom movements in Asia and Africa achieved a measure of success and imperialism as an ideology came into disrepute. But, as Jimenez points out, none of these declarations, including the Universal Declaration of Human Rights, assert the right to global mobility for the world's people:

It is still accepted in international laws, norms and values that a nation-state can positively discriminate, treat differently and restrict rights of those not accepted as citizens.

As to the human right of mobility, it may be worth noting that indigenous people of this [Western] hemisphere enjoyed and exercised this right before the European conquest. There are other examples — the movement of many peoples to Mecca provided an interchange of ideas that led to technological advancement. Even the most massive movement historically — the European to the Americas led to advancement in technology and even the basis of modern concepts of democracy and freedom.

It is restrictions to mobility through the use of force that is inherent in subduing, controlling and integrating populations into strategies of economic exploitation of labor forces. It was use of military force that obligated native populations in North America to be confined to reservations and in Latin America, to encomiendas. It was the use of military force that led to the enslavement of the African population that led to the economic growth of the conquering elites. The use of military force is a tacit indication of the high priority placed by the elites in their quest for dominance and wealth.⁴

This lack of juridical standing for a right of mobility across borders has large implications for the majority of the world's people. For instance, Article 23 of the Universal Declaration speaks of workers' rights such as "equal pay for equal work." But, while the right to earn equal pay for equal work is now recognized many countries at least in theory, the inequality of pay across borders is still legally permitted — indeed, it is often promoted and trumpeted as a "comparative advantage."⁵

As another example, consider the right to asylum. It was the one practical route to escaping the oppression of

being forced to stay inside borders. But it has eroded considerably, since its anti-Soviet, anti-communist ideological usefulness for capitalism is almost done. In the absence of a global right of mobility, the Declaration's recognition of a right of people to leave their countries or to seek asylum has become, for the oppressed in global capitalism, the equivalent of the fabled law that equally forbids the rich and the poor from sleeping under bridges.

Richard Falk has articulated the legal aspect of the right of global mobility brilliantly in his book *Predatory Globalization*. The world community, including its governments, regarded South African apartheid as a crime against humanity. There was an international

For the first time, there is an international legal instrument based on the idea that everyone from the poorest peasant woman to the most powerful head of state are equal before the law.

treaty that codified that crime and detailed its particulars. One might then ask, why should global apartheid not be similarly regarded? If assistance to South African apartheid, though legal under South African law, was regarded as a crime under international law, then why should national laws that confine the poor to the global equivalent of apartheid-created "bantustans" be regarded any differently? After all, as Falk points out, Article 28 of the Universal Declaration of Human Rights entitles everyone in the world "to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized." When seen in this way, *the demand for a right of global mobility in a system of global apartheid is a demand to end global segregation — it is essentially the world counterpart of ending violently enforced segregation in South Africa and the United States prevalent not so long ago.*

But what is the practical process by which this right will be achieved? It is clear that it will not be realized overnight. I believe that it cannot be realized separate from other aspects of the struggle for peace and justice — for nuclear disarmament, for decent jobs, for protection of the planet from increasing greenhouse gas emissions, for the equality of women in all societies. But it will surely never be achieved if it is never formulated.

The formulation of the demand does not solve the problem of the process of getting there, of course. When one reviews the results of the three great non-violent struggles of the twentieth century — in India, in South Africa, and in the Civil Rights movement in the United States — a crucial problem about the application of

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Gandhian principles becomes evident. While love is necessary for universal freedom and equality, it is not enough. The most important and enduring piece of evidence is this: The love of mothers has not been enough to prevent men in their collectivity and as individuals from becoming oppressors of women.⁶

Or consider the political sphere. For instance, the love that Gandhi advocated for and showed to the British was not enough to prevent divide-and-rule politics on the part of the British; much less did it persuade the rulers of Britain to tear down the walls that still keep out from Britain the heirs of the people that British imperialism impoverished. Instead, those walls are higher and more militarized today. This outcome was perhaps foreshadowed by Churchill's 1931 comment on Gandhi, at a time when Gandhi was trying to convince Indians to love the people of the occupying power even while trying to achieve freedom from their imperial institutions:

It is alarming and nauseating to see Mr Gandhi, a seditious Middle Temple lawyer, now posing as a fakir of a type well known in the east, striding half naked up the steps of the viceregal palace, while he is still organising and conducting a campaign of civil disobedience, to parlay on equal terms with the representative of the Emperor-King.

How the exercise of a more stubborn, loving, and successful non-violence can create a process by which the powerfully armed will give up their instruments of terror and the exploitative economic system in whose service that official terror is exercised is an unsolved problem in the struggle for global democracy.

The seeds of the solution are, I believe, to be found in Martin Luther King Jr.'s hand that was extended to the people of Vietnam and the world in the last year of his life. On April 4, 1967, he joined his historic leadership of the struggle for civil rights in the United States with the struggle against the U.S. war on Vietnam (known as the Vietnam War in the United States and the American War in Vietnam). Further, he said that he "was increasingly compelled to see the war as an enemy of the poor and to attack it as such" because the military machine was a vast drain on resources in essential conflict with human needs at home. And he also declared his solidarity with the people of Vietnam.

A year later, in a piece that was published posthumously, he declared his solidarity with the people of the world and called for a "revolution in American values." In it, he made an indictment of militarism that rings true today of the War on Terror:

It seems glaringly obvious to me that the development of humanitarian means of dealing with some of the social problems of the world – and the correlative revolution in American values that this

will entail – is a much better way of protecting ourselves against the threat of violence than the military means we have chosen.

This revolution in values is occurring in corners that have not yet had much amplification from the megaphones of modern media that daily broadcast the threats of war that are loudly made. For instance, Peace Brigades International uses the higher profile of citizens of capitalist countries to protect people in war zones in places like Columbia and Chiapas.⁷ There are efforts to try to create a standing Peace Force and to oppose the untrammled militarism of many governments.⁸ Traditional non-violence efforts continue in communities and countries around the world. A fine statue of Gandhi in Tavistock Square in London (see cover photo), still attracts respectful attention to his life and ideas (as he did in person in his day in that city), as well as flowers, Churchill notwithstanding.

There are millions of families with roots in more than one country and more than one continent. Many of them bridge the divide of the global apartheid, including the greatest physical boundary in that structure, the U.S.-Mexican border. For some, this is a source of fear. For the struggle against global apartheid and for global democracy, it is a source of hope. A global women's movement, a global environmental movement, and a movement against corporate dominated globalization are all reaching across the divide of global apartheid. Workers and family farmers are

A global women's movement, a global environmental movement, and a movement against corporate dominated globalization are all reaching across the divide of global apartheid.

organizing across borders. Large U.S. labor unions are dropping or have dropped their anti-immigrant positions of not so long ago. Despite the U.S. government's hostility to the Kyoto Protocol to reduce greenhouse gas emissions, the State of California has adopted standards that will lead to curbs on carbon dioxide emissions. In November 2001, the people of San Francisco voted for a ballot measure that authorizes "the city to issue \$100 million in revenue bonds for renewable energy systems, including wind and solar power" in a move that is seen not only as protective of the environment, but also as a vote against looming oil wars.

Argentina, Bolivia, Brazil, Chile, Paraguay, and Uruguay have agreed to greatly increase mobility rights for all their citizens, without raising more barriers against

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mobility of others, in stark contrast to the anti-immigrant walls of global apartheid that have been going up in Europe in the process of its internal integration. Such struggles and activities carry the seeds of the delegitimization of global apartheid in the same way that hands across borders converted South African apartheid from being viewed by some as a gift of God to an unacceptable social and economic system even by most South African Whites (though by no means all of them).

But still, despite these indications of a direction, the practical structure of the struggle to successfully and fundamentally shift the power equation so as to create a path for the elimination of global apartheid remains to be elucidated. The International Criminal Court (ICC), and the principle of the rule of law based on justice, freedom, and equality, may provide one focus for that struggle. On April 11, 2002, the treaty establishing the International Criminal Court got the minimum number of ratifications to go into effect. While the U.S. government is flouting its own best traditions and undermining the treaty, just the fact of the ICC's existence and that it recognizes war crimes against women as crimes against humanity are immense triumphs for freedom and equality. For the first time, there is an international legal instrument based on the idea that everyone from the poorest peasant woman to the most powerful head of state are equal before the law. Were this court to become truly universal in its jurisdiction, without ifs, ands, or buts, it could be the first substantial step to creating a juridical system that would embody the Jeffersonian idea that there must be "one code of morality for men whether acting singly or collectively." That would give universal substance at last to his dramatic and stirring declaration, "all men are created equal" and extend it, really, to people of both sexes, throughout the world.

That nascent ideal was already in trouble in Jefferson's time, symbolized perhaps by Tom Paine's fate. Tom Paine, the immigrant who penned *Common Sense* and inspired the Declaration of Independence, and who fumed against the slave trade in 1775, died in 1809 almost alone. His funeral was attended by six people, including two African Americans and a French woman and her son. She was there, she said, in gratitude for his contributions to freedom in France; her son was witness to his service to liberty in the United States.

The struggle for a universal freedom that would recognize the humanity of everyone equally is clearly not yet done. 

THE POLICY OF TWO HANDS

"With one hand we must resist the old; with the other we must create the new."

—Randy Kehler's rendition of the Dutch Kabouter's "Policy of Two Hands"

This "policy of two hands" was at the center of Gandhi's vision in the struggle for India's independence. There was struggle against British rule and for the realization by every individual of freedom within. In fact, he used one word for them both, *swaraj*, or "self-rule." He called for the rejection of textile imports imposed on India by force in the Victorian era that destroyed the jobs of millions and contributed to famines and the oppression of women, and also for the spinning of thread and the weaving of cloth.

In this spirit, resistance to the borders of global apartheid, to the dictates of the International Monetary Fund, or to terrorism and imperialist war, must also be accompanied by positive proposals and action at all levels from the local to the global. The struggle is to create a new world in which the humanity of all human beings is affirmed, not just in theory or as some noble sentiment, but in practice, globally, for instance, by support of an equitable monetary system and the International Criminal Court, and locally, for instance, by urban vegetable gardening and local energy generation to resist the empire of oil. Such actions could perhaps be the equivalent of Gandhi's cloth-making today.

1. Based on a new essay: *On Freedom and Equality: The Struggle for Global Democracy*, to be issued in Arjun Makhijani's *Manifesto for Global Democracy: Two Essays on the Imperialist War System and the Struggle for Freedom* (New York: Apex Press, 2003, forthcoming). References for this article and the other articles in this issue of SDA can be found there.
2. For updates, visit the web site of Corp Watch, www.corpwatch.org.
3. St. Augustine, *Concerning the City of God Against the Pagans*. Translated by Henry Bettenson in 1972; reprinted with a new introduction by John O'Meara (London: Penguin, 1984), pp. 874-876.
4. Maria Jimenez, personal e-mail communication, December 2002.
5. David Ricardo's theory of comparative advantage, now nearly two-hundred years old, is based on such drastic simplifications and has so many essential omissions that it has even less correspondence to the real world than Milton Friedman's largely mythological discourse on capitalism and freedom. A critique of this theory is beyond the scope of this article.
6. I owe this insight to Annie Makhijani. In a conversation in 1986 she told me that understanding the dynamic of this problem—how men, loved by their mothers, become the oppressors of women—is the key to understanding how to create a society in which it would never be a tragedy to be pregnant.
7. See the Peace Brigades International Web site at <http://www.peacebrigades.org/>.
8. For information on this "peace army," see <http://www.nonviolentpeaceforce.org/>.

Answers to Atomic Puzzler from SDA vol. 11 no. 2, February 2003:

- | | | |
|-----------------------|------------------------|----------|
| 1. 200 billion liters | 3. 167 meters per year | 5. false |
| 2. 225 | 4. 1500 metric tons | 6. c |

Capitalism and Freedom: A Critique of Milton Friedman's Views

BY ARJUN MAKHIJANI

The theory that connects capitalism to freedom has been famously expressed in *Capitalism and Freedom* by Milton Friedman, who has defined the subject for the modern champions of unfettered capitalism. Freedom — the ability to make choices in personal, religious, economic, social, and political life — cannot extend to everyone in his view:

Freedom is a tenable objective only for responsible individuals. We do not believe in freedom for madmen or children. The necessity of drawing a line between responsible individuals and others is inescapable, yet it means that there is an essential ambiguity in our ultimate objective of freedom. Paternalism is inescapable for those whom we designate as not responsible.¹

Friedman does not tell us specifically to whom the pronoun “we” refers in his phrase “we designate.” The issue of who is responsible and who is not and the process by which such a designation can be made surely deserves a treatise, but I will nonetheless take it up briefly here, with the hope that Professor Friedman will engage in a conversation about his views.

Let me first say that I can agree with him on some of the concepts he sets forth. Responsibility and freedom do have a relationship. Further, babies are manifestly not free and cannot be held responsible for their actions. Human beings become free and responsible (or not) in the social process of growing up.

Some of his examples are also unexceptionable. Visiting violence upon one's neighbors is not responsible, for instance. Friedman notes that “[t]here is little difficulty in attaining near unanimity to the proposition that one man's freedom to murder his neighbor must be sacrificed to preserve the freedom of the other man to live.”

But other examples may be more difficult for votaries of global capitalism. For instance, should the uncounted men from the West and Japan who travel far and wide to brutalize children sold into the international sex trade deserve to be designated as “responsible” and allowed to cross international borders with little or no restriction on their mobility? Or should they be jailed for statutory rape or sexual assault instead, which was the opinion of a French judge in October 2000 regarding the activities of a French sex tourist in Thailand?

Friedman also takes up the problem of pollution, which creates adverse “neighborhood effects” as for instance when someone pollutes a stream and “in effect forc[es] others to exchange good water for bad.” Indeed,

taking inspiration from Einstein, one should extend this spatial idea of neighborhood effects to the time dimension, because visiting ill-effects upon future generations is also irresponsible. This also leads to some difficult questions. For instance, should those who are steering the Earth towards likely massive and irreversible climate change be designated as irresponsible? If so, who should make the designation? How should their freedom be curbed? Should limits be imposed on fossil fuel consumption, the main source of greenhouse gas buildup? How and by whom? And should the principal polluters play the paternal guardians of the planet?

Madness presents ticklish problems as well. It is generally recognized that there are instances of people who are violently delusional, who are dangerously insane, and whose freedom of action must be curbed by society to the extent that is necessary to protect its other members (and perhaps also themselves). But since not all insane people are prone to violence, it is not from madness as such, but from *delusional violence* that society needs protection (though not only from delusional violence).

There are further complications. If we are to make progress towards the realization of the Jeffersonian idea of a unitary morality for people, “whether acting singly or collectively,” the notion of the connection between freedom and responsibility must be extended to collectives of human beings. Much of the violence that has resulted in the restriction of the freedom of people has emanated from political, economic, and military institutions. How are we to judge whether the violence of collectives of people (organized as the state, church, corporations, social clubs, and the like) is sane and responsible, or delusional and therefore mad and deserving of restrictions on freedom of action? Under what circumstances does collective responsibility fade into irresponsibility, thereby requiring restraints on freedom?

Given the parlous, violent state of the world, and the rush of the United States to wear the imperial mantle, these are urgent questions. But they have deep historical roots. Imperialists have sought to justify genocide, murder, and conquest by portraying their victims as infantile, irresponsible, uncivilized, unfit, or even insane. Surviving Native peoples in the United States were put under the “paternal” authority of those who slaughtered their brothers and sisters, for instance.

Let us note that the state of society or civilization of the victims is not here in question. The issue here is

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whether a civilizational structure in which genocidal violence, treaty breaking, and slavery played such large roles can be regarded as responsible today. No reasonable or responsible process can visit the sins of the fathers upon the sons. But we can surely ask whether the hallmarks of the political-military-economic culture persist in the ruling system and to what degree they dominate it.

Specifically, is there a delusionally violent component to ideas such as “Manifest Destiny” that have been used to rationalize genocide in the past, which continue to hold sway today? And if there is, does it share similarities, with the delusional violence of, say, al Qaeda’s suicide bombers? Or is it mainly non-delusional, in search of material gain at the expense of others? Is it a mixture of the two?

Countries that refuse to subscribe to the International Criminal Court should be ruled out of leadership roles in the world.

U.S. “exceptionalism” seems to represent just such a mixture. It has been clothed in various mixtures of God, country, Christianity, free markets, and civilization and has been present in various guises well past the period when Europeans overspread the continental United States, into the period of the Cold War, and now into the War on Terror.

Consider the 1973 military coup in Chile. Henry Kissinger, then President Nixon’s National Security Advisor, thought the Chilean people irresponsible for leaning leftward. In a quote that was censored by the U.S. Central Intelligence Agency (CIA) in a book about that agency, he reportedly said in 1970: “I don’t see why we need to stand by and watch a country go communist because of the irresponsibility of its own people.”² So when they voted for Salvador Allende, they were condemned to a paternalistic coup, which took place on September 11, 1973. Like the supposed U.S. government paternalism towards Native Americans, the Chilean coup extinguished freedom for millions. It led to governmentally sponsored murder of thousands. It is natural therefore that while some think that Henry Kissinger is the essence of modern responsibility (for instance, in November 2002 President Bush appointed him to chair the commission of inquiry into the crimes of September 11, 2001),³ there are others who believe that there is sufficient evidence for him to be tried as a criminal for actions undertaken in his official capacities.⁴

A large part of Milton Friedman’s edifice of associating capitalism with freedom is constructed on a

liberal dose, so to speak, of capitalist mythology, not global economic, political, and military reality. In capitalist mythology, free individuals meet in a marketplace. Natural equality among these individuals is implicit. Capitalists generally own small, competing companies, though monopolies are sometimes possible. Milton Friedman’s book, *Capitalism and Freedom*, contains no discussion of topics such as imperialism, nuclear weapons, genocide, or modern slavery.

In Friedman’s mythological world of *Capitalism and Freedom*, armies are really only for defense. Multinational corporations with revenues larger than most countries’ gross domestic products that can and do hire private armies (to say nothing of hiring governments) do not exist. Imperialist-created famines do not exist. Partitions of countries and regions resulting from divide-and-rule politics or other imperialist conveniences do not exist. Nuclear threats by capitalist states for the control of the resources of others do not exist. CIA coups or Schools of the Americas, where ruthless dictators and torturers are trained, do not exist.

A retired Marine general, Smedley Butler was not so reticent during the 1930s:

I wouldn’t go to war again as I have done to protect some lousy investment of the bankers. There are only two things we should fight for. One is the defense of our homes and the other is the Bill of Rights. War for any other reason is simply a racket.

...

...I spent thirty-three years and four months in active military service as a member of this country’s most agile military force, the Marine Corps.... And during that period, I spent most of my time being a high class muscle-man for Big Business, for Wall Street and for the Bankers. In short, I was a racketeer, a gangster for capitalism.

...

...Looking back on it, I feel that I could have given Al Capone a few hints. The best he could do was to operate his racket in three districts. I operated on three continents.

The pattern has persisted. For instance, nuclear weapons have been alerted on several occasions in the context of U.S. assertion of power and dominance in the

Nuclear weapons: unsafe in any hands.

Third World. In one case, U.S. nuclear bombers were sent to Nicaragua two months before the CIA-sponsored coup in Guatemala, with a corporation, United Fruit, being the main beneficiary of this employment of

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nuclear and covert action muscle. The results of this use of power have been catastrophic for the people of Guatemala, especially its indigenous people — more than 200,000 killed.

Consider just one massacre. The government's soldiers came in 1982 to the village of Sacuchum, on a mountaintop. They robbed the villagers, raped about twenty women, and took 44 men with them. They cut out their tongues, slit their throats, and killed them all. Later they killed eight more. Fifty-two women lost their husbands; over a hundred children lost their fathers. The newspapers announced they were guerrillas who had died in combat. There were, of course, no authorities to whom such a massacre could be reported, for the authorities had

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perpetrated it. The first time the villagers were able to tell the story was to a U.S. author, who made their terror known to the world in 2002.⁵ How does U.S. government support for and complicity in large-scale murder in Guatemala, admitted by President Clinton in 1999,⁶ square with the idea of responsibility or with setting up shop as a judge of another one-time ally, Saddam Hussein, who practiced similar brutality and terror?

The U.S. war on Iraq and the accompanying declarations that have come fast and thick and in many forms that any who dare to challenge official U.S. view risk similar devastation are the latest exhibitions of Manifest Destiny. They are perhaps the most fearsome ones, for they come at a time when the urge to dominate the world using threats of everything from subversion to nuclear annihilation has spread from the capitals of civilization to the caves of Afghanistan.

Governments, including that of the United States, have asserted that people may not judge their actions in war because those actions carry with them a “sovereign immunity” from judicial proceedings. But the bloody history of modern times that has brought and kept the world at the edge of the nuclear abyss does not justify a continuation of this immunity, if indeed it was ever justified. The Nuremberg trials after World War II suggest that it never was. The present reality is that the most powerful country in the world, the United States, the only country that has used nuclear weapons to incinerate cities, insists on the right to police the world, essentially without restriction, even as it relegates observance of its own treaty obligations to the status of political convenience.

If the possession of power is not a proof of virtue, then countries that refuse to subscribe to the International Criminal Court should be ruled out of leadership roles in the world. War must no longer be allowed to be a racket in which the only justice is meted out to the losers by the victors. It is time for people to deprive the machinery of the state of its freedom to murder as it pleases. It is time to declare that nuclear weapons are unsafe in any hands.

Governments must be subject to the same connections between freedom and responsibility that apply to individuals. That must be a principal part of the struggle for global democracy and the restructuring of the institutions that we need for responsible and accountable governance, security, and freedom. The Jeffersonian ideal of a single morality for people “whether acting individually or collectively” underlying global democracy has practical expressions today, of which the Universal Declaration of Human Rights and the International Criminal Court are so far among the most important.

In the framework of global democracy, the International Criminal Court is a good candidate for investigating and making decisions about a lack of responsibility to a degree deserving of a deprivation of freedom when it comes to “the most serious crimes of concern to the international community as a whole.” Some determined people in Britain have already started the long labor of making that a reality by beginning an investigation for referral to the prosecutor of the Court as to whether war crimes were committed by Prime Minister Tony Blair and his Defense and Foreign Ministers during the recent War on Iraq.⁷

1. Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1982), p. 33.
2. Seymour M. Hersh, “Censored Matter in Book About C.I.A. Said to Have Related Chile Activities,” *New York Times*, September 11, 1974.
3. He resigned before the commission started work, because he did not want to make public the names of the clients of his consulting company.
4. Christopher Hitchens, *The Trial of Henry Kissinger* (London, New York: Verso Books, 2001).
5. Daniel Wilkinson, *Silence on the Mountain: Stories of Terror, Betrayal, and Forgetting in Guatemala* (Boston: Houghton Mifflin, 2002), pp. 199-216.
6. Charles Babington, “Clinton: Support for Guatemala Was Wrong” *Washington Post*, March 11, 1999. p. A1. Available at <http://www.washingtonpost.com/wp-srv/inatl/daily/march99/clinton11.htm>. Also, Douglas Farah, “Papers Show U.S. Role in Guatemalan Abuses,” *Washington Post*, March 11, 1999. p. A26. Available at <http://www.washingtonpost.com/wp-srv/inatl/daily/march99/guatemala11.htm>.
7. The British group is Public Interest Lawyers. See http://www.publicinterestlawyers.co.uk/iraq_war_crimes.htm. The United States withdrew its signature from the ICC and is not a party to it. Nineteen Iraqi victims of the War on Iraq are trying to take their war crimes allegations against General Tommy Franks to a Belgian court. The U.S. government has stated that the investigation would be “abuse of the legal system for political ends.” Constant Brand, “Iraq War Victims to File Case Vs. Franks,” *Seattle Post-Intelligencer*, 29 April 2002, at http://seattlepi.nwsource.com/national/apmidwest_story.asp?category=1107&slug=Iraq%20War%20Crimes.

It pays to increase your Jargon power with D r . E g g h e a d

Apartheid

- A game in which the players hide apart, with the object being to never to find each other.
- A sorrowful song that laments a secret parting.
- A system of supposedly “separate” development for Whites and non-Whites set up by the White-run South African government to perpetuate total White domination of South Africa. Practiced officially until the early 1990s. Literally, “apartness” in Afrikaans.

Manifest Destiny

- Documentation required to be shown upon reaching your drop-off point after transporting goods from east to west across the United States.
- All-female hip-hop duo with the chart-topping hit, “Say My Last Name.”
- Term coined in 1845 by John O’Sullivan, founder of the journal the *Democratic Review*, to proclaim a supposedly providentially and historically sanctioned right of the United States to expand throughout the continent.

The difference between debt and deficit

- Debt = money owed to a credit card company. Deficit = interest rate on said credit card.
- No difference, they are synonyms.
- Deficit = difference between annual revenues (primarily tax revenues, in the case of governments) and annual expenses. Debt = total amount owed to individuals, corporations, state or local governments, foreign governments, and other entities outside the government.

WTO

- Acronym for World Terrorist Organization, originally used by Osama bin Laden but abandoned when it got bad

publicity because another group used the same acronym to mean something different.

- Wallon Tax Order, a recently formed American society trying to collect taxes from French speaking Belgians to pay for the Iraq war.
- World Trade Organization, the international organization, set up in 1995 a result of the final round of the General Agreement on Tariffs and Trade (GATT) negotiations, to promote and administer world trade and adjudicate disputes between member countries. The underlying trading rules override local and national laws in many areas under the guise of promoting free trade.

IMF

- Code for “I Am French,” used by French tourists to identify one another when in the United States.
- Institute for Monsters and Fools, an elite school in Manhattan in which the monsters end up on Sesame Street and the fools on Wall Street.
- International Monetary Fund, an international organization formed as a result of the 1944 United Nations Bretton Woods Conference, when governments agreed on a framework for economic cooperation and monetary issues to try avoid a repetition of the Great Depression of the 1930s. The IMF, now made up of 184 member governments, imposes economic “reform” policies, such as budget cuts and reductions in “subsidies” to the poor, on poor countries that ask for loans when they have shortages of foreign exchange. None of these countries have emerged from their debt problems and many have accrued more debt. The United States is the only country that holds *de facto* veto power in the IMF because of the way voting rights are structured.

Answers: c, c, c, c, c, c

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