

Protecting American democracy from capitalism's excesses

By Carla Binion

May 7, 2001—Democracy is not the same thing as capitalism or so-called free trade, but political leaders sometimes use the terms interchangeably. What are alternatives to unfettered capitalism? Socialism and communism are not likely options. We need to think outside the boxes of the “isms” and find creative ways to preserve the best of American democracy, while adapting to globalization and other new political realities.

First, let's look at what is wrong with unrestrained capitalism, “free trade,” and globalization. For instance, what were the Seattle and Quebec City protests about?

As we all know, in recent years, U. S. corporations have taken large numbers of American jobs to foreign countries in order to find cheaper labor. This has displaced millions of our own workers. Today, corporations also circumvent U. S. environmental laws by moving factories to nations with lax environmental standards.

“Harmonizing” environmental laws means lowering U. S. environmental standards. For example, the multinational organization, the Codex, a group of international corporations and government officials, decided to permit DDT residues in fruits and vegetables that are 33 to 50 times higher than U. S. law allows. At one meeting of the Codex, the American delegation included U. S. government officials along with executives from DuPont, Monsanto and Hercules corporations. There were no representatives of public health, labor or environmental groups present to contribute to the decision-making.

When international issues on health, the environment and labor are decided at such international meetings, financial interests always have a seat at the table, but working people have no representation. While America is not a direct democracy, it is a representative democracy. Our elected officials are supposed to represent the interests of all the electorate, not just those of DuPont, Monsanto and other corporations.

In April, in Quebec City, 34 heads of state met to discuss Free Trade for the Americas (FTAA). Citizen protesters were kept at a distance from the meeting site, with the help of 6,000 police and Mounties. Bill Greider writes in *The Nation* (4/30/01) that the FTAA negotiations were designed to expand the North American Free Trade Agreement (NAFTA) rules to cover the entire Western Hemisphere.

The Quebec City meeting was intended, in part, to boost the image of free trade and to portray free trade as democracy. However, how democratic can free trade be when, as Greider writes, “With the same arrogance that designed the WTO, [World Trade Organization] and other

international trade forums, it is assumed that these [NAFTA-related] disputes are none of the public's business.”

Greider quotes Lydia Lazar, a Chicago attorney. Lazar, who has worked in global commerce, says, “NAFTA is really an end-run around the Constitution.” For example, NAFTA has made it possible for corporations to use the “regulatory takings” doctrine to cripple the government’s power to regulate industry. Right-wing politicians have promoted “takings” legislation for decades.

Examples of the takings doctrine in action include:

- (1) The Canadian government banned a gasoline additive, MMT, as a suspected health hazard. Regulatory takings made it possible for the Ethyl Corporation of Virginia, producer of MMT, to file a \$250 million claim. The corporation settled for \$13 million “after Canada agreed to withdraw its ban and apologize,” writes Greider.
- (2) California banned the methanol-based gasoline additive MTBE, because the EPA found it posed possible cancer risk, and around 10,000 groundsites were allegedly polluted by MTBE. The world’s largest methanol producer, the British Columbia based Methanex corporation, filed a \$970 million claim against the United States. Greider says state Senator Sheila Kuehl and others have asked how the takings doctrine aligns with “a state’s sovereign right to protect health and the environment.”

What are alternatives to unbridled capitalism and free trade policies—policies that have begun to replace American representative democracy? In “One World, Ready or Not: The Manic Logic of Global Capitalism,” (Touchstone: Simon & Schuster, 1998) Bill Greider suggests options.

As Greider says, the following ideas don’t violate existing rules of global free trade, but “all of them challenge the laissez-faire presumptions of the global system, pretensions of free trade that are largely fraudulent in any case.”

Here are his suggestions:

- * Restore national controls over global capital.
- * Tax wealth more, labor less.
- * Stimulate global growth by boosting consumer demand from the bottom up.
- * Compel trading nations to accept more balanced trade relations and absorb more surplus production.
- * Forgive the debtors, especially the hopeless cases among the very poorest nations.
- * Reorganize monetary policy to confront the realities of a globalized money supply, both to achieve greater stability and open the way to greater growth.

* Defend labor rights in all markets, prohibit the ancient abuses renewed in the “dark Satanic mills.”

* Withdraw from the old labor-capital battleground by universalizing access to capital ownership.

* Reformulate the idea of economic growth to escape the wasteful nature of consumption.

* Defend work and wages and social protections against assaults by the marketplace.

Free trade proponents claim that labor, health and environmental problems will work themselves out in the near future. However, Greider illustrates in his book that our nation’s history and current political realities indicate that outcome is unlikely unless we adopt some of the above recommendations.

When ordinary Americans protest unfettered capitalism, self-proclaimed political pragmatists sometimes imply our views are naïve or far outside the mainstream. However, those of us who agree with Greider’s analysis should be aware that his views on globalization have been bolstered by such mainstream thinkers as Christopher Caldwell, who referred to “One World, Ready or Not” in *The Wall Street Journal* in the following way: “No book has given us a better picture of how the global economy looks.”

James North of the *Philadelphia Inquirer* has called Greider’s analysis a “brilliant, engaging, comprehensive guide to the dramatic changes in the global economy.” Walter Russell Mead, *Foreign Affairs*, says Greider has created a “contemporary *Candide*, an attack on the platitudes that guide policymakers.”

When spokespeople for free trade claim the public is not pragmatic in objecting to unrestrained globalization, we need to consider the source and be awake to the bias. After all, corporate-state propaganda against idealism is nothing new. So-called pragmatists have long shown contempt for idealism and principled political views.

For example, the late CIA official Miles Copeland, a big supporter of former CIA director George H. W. Bush, once discussed former President Jimmy Carter’s alleged “Utopianism” with journalist Robert Parry (“Trick or Treason,” *Sheridan Square Press*, 1993.) Parry writes that Copeland spoke of Carter’s ethics with “a mixture of amazement and disgust,” as if he were “talking about a hound dog that wouldn’t hunt.”

To Copeland and his CIA friends, writes Parry, Carter deserved respect for his intellect but only contempt for his idealism. Copeland said, “Carter believed in all the principles that we talk about in the West. As smart as Carter is, he did believe in Mom, apple pie, and the corner drugstore . . . Carter, I say, was not a stupid man,” but, Copeland added that Carter’s greater weakness was that “he was a principled man.”

For Copeland and others of the same mindset, “pragmatism” is defined, in part, as “being willing to compromise principles in order to come into agreement with the nation’s moneyed interests.” Or, as activists/authors John Stauber and Sheldon Rampton have said, pragmatists think politically principled folks are naïve and need to simply “grow up and take the money.”

I’d like to ask the pragmatists the following: How pragmatic is it to abandon your own critical thinking and let yourself be guided only by conventional wisdom regarding free trade and globalization? How pragmatic is it to be led by “the platitudes that guide policymakers?”

How pragmatic is it to look at globalization through the kind of tunnel-vision that filters out the ways in which free trade clashes with democracy? How pragmatic is it to filter out the immediate needs of vast numbers of workers, and to ignore questions of public health, and to turn a blind eye to likely long-range damage to the environment? Wouldn’t pragmatism include the foresight to address those issues in addition to economic ones?

Mr. and Ms. Pragmatist, here is something worth considering: Jimmy Carter believed in Mom, apple pie and the corner drugstore for the most pragmatic of all reasons: Because, unlike unfettered capitalism, the realities behind the symbolism of Mom, apple pie and the corner drugstore (including widespread livable wages and principled politics) are among the things that make for a healthy, livable world, for this generation and the ones to follow. The protesters in Seattle and Quebec City understand that better than your corporate masters do, blinded as those masters are by their virtually autistic shortsightedness and sociopathic greed.

Many ordinary Americans realize democracy is not the same thing as free trade or capitalism. We know democracy is worth keeping as we adapt to globalization. It’s a shame the willfully blind and deaf pragmatists have stolen all the political clout needed to determine representative democracy’s fate. Our best hope is that sufficient numbers of our elected representatives will wake up and work toward alternatives of the kind Greider suggests. The best that we ordinary Americans can do is to help sound the wake up call.