

On Friday night and Saturday, November 26th and 27th the International Forum on Globalization (IFG) held a Teach-In at Benaroya Symphony Hall in Seattle on the subject of Economic Globalization and the Role of the WTO. The following is a hypertext transcript of Susan George, third speaker in Friday night's event discussing "The Multiple Impacts of Economic Globalization". She was introduced by the Acting Director of the IFG, Jerry Mander. In the real player recording of this available on the web, the following begins at 51 minutes, 22 seconds and runs up to 1 hour, 14 minutes, 37 seconds.

The ratitor *urges one-and-all* to join the IFG. It's Board of Directors and Associates comprise a unique and unparalleled-in-the-life-of-our-time collaboration of research, intelligence, and concern, magnificently articulated by scholars, writers, academics, scientists, farmers, geneticists, businesspeople, and lawyers. By joining this collective, we support the further expansion of life's needs and thus become more infused with the energy to serve and honor all the life expressing itself throughout our planetary home.

The order form for the cassette tape recordings of this entire Teach-In is available at <http://www.ifg.org/tof4.html>. **They are magnificent. Everyone** is urged to purchase all these tapes from the IFG. Listen to them multiple times, learn what they articulate, share with your friends. The information in these recordings is *extremely valuable!!!*

---

## On Overthrowing the Permanent Government

Susan George speaking at the Seattle IFG Teach-In

11/26/99

© 1999 International Forum on Globalization

Next speaker is Susan George. Susan is an American by birth but she's spent most of her life in Paris (I think), or just outside Paris. For twenty years or so she's been an outspoken leader in Europe in opposition to free trade, Maastricht Agreement, the Multilateral Agreement on Investment and many other draconian ideas. She's a prolific writer, and two of her books, *A Fate Worse Than Debt* and *The Debt Boomerang* are the definitive works on the outrages imposed on the Third World by debt to multilateral lending agencies. Her recent book with Fabrizio Sabelli, *Faith and Credit* is a devastating critique of the World Bank, Robert McNamara and the arrogance of the globalization elites. She's a Director of the Transnational Institute and a past Director of Greenpeace International. She's now President of l'Observatoire de la Mondialisation [Globalisation Observatory]. Susan George.

Thank you Jerry and thanks to the IFG and *all* the people who have worked so hard to create this event. This is absolutely *fantastic!* We're going to have intellectual and political fireworks so bless you all, you've done a terrific job.

You've heard of the Battle of Lexington and Concord. You've heard of the Battle of Gettysburg. You've heard of D-Day. Well this is the Battle of Seattle. And it's just as much a historical turning point as any previous battle in the history of this country or any other. I'm not using the idea of a battle, or a war, as just a metaphor or an image.

I think we are *really* at war. Not all of us perhaps are aware of this but *everything* fits. As in other wars, there's an objective: it's the control of the world, the world's wealth. It's an objective of power. You don't need tanks and missiles necessarily to carry out a war. You can use other methods. And if you want access to *all* world resources, whether financial, or material, or natural, or human, obviously you're going to have to fight for that.

So here we've got an adversary, we've got an enemy which is the *whole corporate system*. The objective of that corporate system, whether financial or industrial, is to be able to go *where* it wants, and produce *what* it wants, *when* it wants, for as *long* as it wants, to make as

much money (obviously) as it can, and damn the costs. The goal is profit and *anything* that enhances that goal is good and *anything* that goes against that goal is bad.

You'll notice that in this model there's absolutely nothing about employment, there's nothing (obviously) about social justice, about the environment -- any of those things. Those are just side-effects. Of course corporations *do* employ people but that is not their purpose. Their purpose is profit, period.

But transnationals have to have rules. *Any* system has to have rules. Even the *mafia* has rules. The rules that they want are the ones they are attempting to write and to some degree have been successful. I think they need three things:

- 1. They need the freedom of capital movements.** That is something that the IMF takes care of. The IMF imposes its law on countries in the south and now the east and it insists that capital be free to cross their borders in all directions. This (of course) leads to financial crises, to collapse. We'll be hearing more about that in the course of this evening and tomorrow. The IMF has been able to put *those* laws into effect because countries have been so indebted. That's one set of rules.
- 2. They wanted freedom of investment.** *That* is what they were trying to get through the Multilateral Agreement on Investment, through the MAI. And they were absolutely *stunned* when popular movements defeated the MAI. Stunned and mad as hell. And don't think it's not going to come back if they have anything to say about it because it *is*. That's *one* of things that is likely to be, in *one way or another* on the agenda of the WTO. Not necessarily as a free-standing agreement on investment but they can get what they want, also through the TRIMs agreement [Trade-Related Investment Measures] and through the Services Agreement.
- 3. Then they need a third set of freedoms which is the movement of goods and services.** That's what the GATT took care of at one point. Now it's the WTO with *much more* forceful means of ensuring those freedoms.

Everything in the world, and every aspect of human activity is defined as *tradeable*. *All* our activities are objects of trade: agriculture, natural resources, life forms. Services alone -- it's *eleven* different sectors including health and education and environment as Maude told us, and 160 sub-sectors. I don't care *what* your job is or what industry you are in, what you're working on, I will bet you that it can be found *under* the rules of the WTO.

Transnational corporations control, directly or indirectly, two-thirds of *all world trade*. It's a misnomer to speak of trade. Because if you have one-third of *all* exchanges that are taking place between affiliates of the *same* corporation, IBM trading with IBM, Ford trading with Ford -- and that's the case for one-third or more of all world trade -- *that* can't be called trade. A further third of what is called trade takes place between the affiliates of *different* transnational corporations.

In other words, anything that could be called "national trade" is a very shrinking and small part of the total. The rules of the 18th century simply cannot be applied to this. You can't talk about comparative advantage the way Adam Smith or David Riccardo did, in the 20th

century. It simply doesn't apply.

But they want a rule-based system and they (of course) want to make those rules. If you think I'm exaggerating let me give you the alphabet soup of the different coalitions that have been "coaching" all of our negotiators at the WTO and previously at the GATT.

- You've got the TABD. That means the Trans-Atlantic Business Dialogue. That's industries from both sides of the Atlantic. They just had a meeting in Berlin. They called our commissioner for Europe, Pascal Lamy, to that meeting in order to give him and i quote, "detailed recommendations."
- You've got the U.S. Council on International Business.
- You've the the U.S. Coalition of Service Industries which is telling Mrs. Barshefsky what *she* is to do at the negotiations. One of the things she's supposed to do is to attack the public services in Europe -- particularly health -- because the health care industry in the United States wants to get at our nationalized health systems and particularly wants to get what they call the market of the over-sixty-fives. That's part of Mrs. Barshefsk's instructions.
- You've got the European Roundtable of Industrialists, the ERT, 45 presidents of the most powerful firms in Europe. They have their office in Brussels. They are coaching the negotiators all the time.
- You've got the European Service Leaders Group.

In other words these people are *there*, they are *making* the rules and they are telling the negotiators what to do. I don't agree that deregulation is a legitimate word. I think that it is a false word, a trap. And that what is really going on is *reregulation*. There are rules that are being written *all* the time but these rules are being written of, by, and for the corporations.

Now let me come to the WTO. These rules tell us that we don't need the Precautionary Principle. These rules tell us that we can have child labor. They tell us that the multilateral agreements on the environment don't count and that WTO law supersedes those agreements. They tell us that genetically-manipulated organisms are good for our health, that hormone beef is delicious, and that Europe can't have a foreign policy because it was giving preferential treatment to the bananas produced by the African, Caribbean, and Pacific countries. No. We have to import Chiquita Brands' bananas on the same terms. In other words we have to scrap the Lomé Convention. The Polluter-Pays Principle is outlawed as well.

*These* are the rules that are being written by these corporations. And for a long time, *all* of this seemed extremely technical and remote. People were not catching on to what was happening. When the GATT was transformed into the WTO in 1994 there were some sporadic protests. But people didn't understand what was happening and even *worse*, our elected representatives didn't have a *clue* as to what was happening.

But now something really is happening and suddenly this isn't working. These corporations,

who want a *perfect* world, want a utopia for transnationals and nothing for consumers, for labor, for health, for education, and especially for democracy. They're creating the *opposite* of a utopia. I looked it up, it's a *dystopia*. A dystopia is what they are actually creating.

Any war requires propaganda. Part of their propaganda is to put the slogan of "free trade" ahead of everything else. "Free" always sounds good. And if you're a "protectionist", anything with an "ist" or an "ism" at the end, is bad news. I don't know why because it seems okay to me to protect your family, to protect your children, to protect your country. But suddenly this is a bad thing to be.

Part of the propaganda is also that the market knows best. It's all-seeing, it's all-knowing. The market is going to be able to be the *most* efficient allocator of *all* resources whether they're human, natural, knowledge, or industrial resources. There is absolutely no evidence that trade is linked with growth or greater welfare. There is no empirical evidence of this. But they proceed as if this were a given.

But suddenly their dream of making universal rules is breaking down and that's because they forgot just one thing. They forgot about the people. That's why we're fighting the Battle of Seattle.

If the enemy is transnational and is going for *total* control, then I think it's obvious that the response has also got to be transnational and it's got to be a mix of people. We don't want totalitarianism. That's not our goal. We want international democracy. But if we're to get it we've got to fight for each other. We've got to fight for each other. The *threat* is to all of us.

But we can't fight against these threats individually. Yes, the farmer and the family farm are threatened. They are threatened by mass exports and by cheap cereals. The Canadian farmers of the north now are losing their prices. As Maude said they are now where they were in 1926. But if the farmer fights *only* for agriculture in the WTO, that won't work.

Film makers and authors -- yes, we're threatened by the TRIPs Agreement and the cultural provisions. But getting a cultural exception the way French government seems to think it's useful, that isn't going to work.

Yes the environment is *gravely* threatened but ecologists won't save it by fighting *only* for environmental protection.

Yes the North-South gap is becoming a chasm, but we won't close it simply by demanding special and differential treatment for the south.

Yes labor rights and wages are being forced down everywhere but unions are *not* going to protect working people by fighting *only* for a social clause when *all other aspects* of the WTO favor privatization and they make ceilings and not floors.

In other words if we're not fighting each-for-all, all-for-each, we're going to be picked off one-by-one.

Now if you're in a war, and I want to convince you that we *are* in a war, you've also got to

think about who your allies are. Are our governments allies? I'm very sorry to say that it's a rare government that's an ally in this struggle. There's a permanent government. The packs you got coming in say an invisible government and that's true. But there's also a permanent government which is the government of the industrial and financial corporations. And then every now and then we're allowed to elect men in suits (and they mostly *are* men) who read the script for the permanent government.

The state seems to be accepting its own demise. I don't know what the reason for that is. We struggled with this contradiction during the anti-MAI struggle. *Why* were our governments prepared to give up *so much* and get *absolutely nothing* in return? The only answer I could think of, is contained in a document that's 150 years old which says, 'The state is the permanent committee for running the general affairs of the bourgeoisie.' I'm sure that you notice the reference. I don't expect I have to give you the reference on that.

But we're at the point now where you can rent-a-government the way the American government was rented by Chiquita Brands and (of course) brought suit in the WTO. You don't have to do it directly. You don't have to have the investor-to-state dispute resolution the way it was outlined in the MAI. No you can do it through governments. Our governments seem to be willing to give *up* their sovereignty and have great pleasure in doing so.

Do we have allies in the U.N. system or any place in the international system? There again, the news is pretty bad. I have it on absolute authority, and I cannot tell you what my source is for obvious reasons. But last week, Mike Moore telephoned Mrs. Brundtland who is the head of the World Health Organization and he said I've got enough on my plate as it is and enough problems and I don't want the World Health Organization raising any questions about genetically-manipulated organisms or about AIDs medicines in South Africa or in Thailand. And Mrs. Brundtland accepted not to bring up any of these subjects. [expressions of dismay] No this is true, I am very sorry to say it but this is true.

We've got several of the U.N. agencies that are now making alliances with these corporations. The UNDP has got its Global Sustainable Development Facility[1] where no matter who you are you can be the worst human rights violator, like Rio Tinto Zinc [2], if you pay \$50,000 you can use the U.N. flag and the U.N. logo. We've got Kofi Annan who is helping to sponsor the Geneva Business Dialogue [3] with the President of Nestle. We're calling him now, some of us who are not very respectful, we're calling him Neskofi.

I want to quote our commissioner. We've got a new commission in Europe and the trade commissioner is supposed to be a French Socialist. I don't know how he got that label. He's replaced Sir Leon Brittain who was too conservative even for Margaret Thatcher and Pascal Lamy says that Britain's program was really a very very good program. And this is what he says speaking about the negotiations in Seattle in the *Financial Times*: "The fallout from a breakdown could be serious. If some NGOs thought they had succeeded in destroying further liberalization we'd be confronted with a real problem." So I want to invite you all to create a *real* problem for Pascal Lamy.

He says something else: "Not moving forward in economic matters doesn't make sense. Economics is a world where you always move forward. You never stop. Trade is based on this same sort of law." Well maybe we should be moving forward but certainly not on *that*

road.

We've got to stop and turn around and we've got to do nothing less than *overthrow* the permanent government of the transnational corporations. This is *difficult* and we shouldn't hide from ourselves the difficulty because we've got to make a *huge* leap towards common action which transcends not just nationality, which is already hard enough -- but we did a pretty good job of that during the MAI struggle -- but we've also got to transcend all the *other* boundaries; all the boundaries of age, of class, of race, of gender -- all special interests.

Because we can win if we pledge ourselves to each other because history is handing us an enormous opportunity and we've got to seize it. We are the actors who can create a *real* victory for international democracy and we're going to start doing that tonight against the WTO. Thank you.

### Footnotes

1. For more on the U.N. Global Sustainable Development Facility (GSDF) Project, see
  - From the UN: New Dimensions in Cooperation: Case Studies from the UN System search for "Global Sustainable Development Facility" in this document.
  - The UN, Big Business and Global Public Policy from *South Letter No. 34 Volume 3* 1999
  - The United Nations and the Corporate Agenda by David Korten, 6/97
  - Corporate Watch's feature, Corporatization of the United Nations includes: A Perilous Partnership, written in early 1999, with:
    - Special Report: The United Nations Development Programme's Flirtation with Corporate Collaboration (PDF format)
    - Leaked Documents:
      - The Global Sustainable Development Facility - 2B2M, 2 Billion People to the Market by 2020
      - Memorandum from the UNDP Administrator, Gus Speth on the GSDF, 6/15/98
      - UNDP Interoffice Memorandum on the GSDF Project, 7/21/98
    - 2/99 List of Corporations Participating in the GSDF Project
    - 3/12/99 Letter to James Gustave Speth, Administrator, United Nations Development Programme
    - Correspondence Between NGOs and the UNDP
    - Articles:
      - Has NetAid Become the World R Us?, *Washington Post*, October 8, 1999
      - An Unlikely Net Alliance, *Washington Post*, August 12, 1999
      - The UN Goes to Market, *Focus on the Corporation*, May 11, 1999
      - UN: Pitfalls of Private Sector Involvement, *Inter Press Service*, April 20, 1999
      - UN Enters A Perilous Partnership With Corporations, *BridgeNews Forum*, April 13, 1999
      - Mondo Washington, *Village Voice*, March 24-30, 1999
      - The U.N. is losing sight of its goals, *Toronto Star*, March 26, 1999
      - U.N. Pact With Business Masks Real Dangers, *Toronto Star*, March 19, 1999
      - U.N. Agency Defends Business Ties, *Associated Press*, March 18, 1999
      - Will the UN Sell a Seal of Approval?, *Business Week*, March 12, 1999
      - U.N. Seeks Funds From Global Firms, *Associated Press*, March 12, 1999
      - Report Faults UNDP Partnership with Corporations, *Inter Press Service*, March 12, 1999
      - Agency Assailed For Soliciting Money From Companies, UN Foundation, March 12, 1999
      - Key United Nations Agency Solicits Funds From Corporations *TRAC Press Release*, 3/12/99
2. For more on Rio Tinto (formerly RTZ, Rio Tinto Zinc) see:
  - From CFMEU Mining & Energy:

- Rio Tinto Campaign site
    - 32-page 1998 Stakeholders Report: Rio Tinto - Behind the Facade
  - Search for Rio Tinto Zinc on the WWW via Yahoo
  - Undermining communities - help stop Rio Tinto in West Papua
  - 2 Books by Roger Moody on Rio Tinto Zinc Reviewed, 6/92
3. For more on the Geneva Business Dialogue see:
- From the *Corporate Europe Observer*:
    - The Geneva Business Dialogue, Business, WTO and UN: Joining Hands to Deregulate the Global Economy?, 10/98
    - Nestlé and the United Nations: Partnership or Penetration?, 4/98
    - Corporate Takeover of the United Nations Continues, 4/98
  - International Chamber of Commerce presents News from the Geneva Business Dialogue (Menu), including:
    - The Geneva Business Declaration
    - UN and private sector need each other - Kofi Annan
    - New system needed to tackle human aspects of globalization - WTO head

Tape recordings of IFG Teach-Ins are produced by Maria Gilardin's TUC Radio. As Maria explains, "When looking for a name, I came across a pilot's handbook and found the acronym TUC, an aeronautical term. 'Time of Useful Consciousness' is the time between the onset of oxygen deficiency and the loss of consciousness. These are the brief moments in which a pilot may save the troubled plane."

"Maria Gilardin's TUC Radio might be the last truly subversive voice on the dial." --Daniel Zoll

Useful consciousness: In a closet in her apartment, Maria Gilardin produces radio shows on the impact of big corporations on our society.  
--*San Francisco Bay Guardian*

Contact TUC Radio for a copy of the TUC catalog and a schedule of upcoming TUC broadcasts:

Box 410009  
San Francisco, CA 94141  
call (415) 861-6962  
or E-mail [tuc@tucradio.org](mailto:tuc@tucradio.org)  
[www.tucradio.org](http://www.tucradio.org)