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Requiem for the American Dream

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During the great depression,
which I'm old enough
to remember, there was...
And most of my family
were unemployed working class...
There wasn't... it was bad,
much worse
subjectively than today.
But there was an expectation
that things were going to get
better.
There was a real sense
of hopefulness.
There isn't today.
Inequality is really
unprecedented.
If you look at total inequality,
it's like the worst periods
of American history.
But if you refine it more closely,
the inequality comes from
the extreme wealth in a tiny
sector of the population,
a fraction of one percent.
There were periods like
the Gilded Age, in the '20s (Gilded Age,
the time between the Civil War and World War I)
and the roaring '90s and so on,
when a situation developed
rather similar to this.
Now, this period's extreme...
Because if you look
at the wealth distribution,
the inequality mostly
comes from super wealth.
Literally, the top
1/10th of a percent
are just super wealthy.
Not only is it extremely
unjust in itself...
Inequality has highly negative
consequences on the society
as a whole...

Because the very fact
of inequality has a corrosive,
harmful effect on democracy.
You open by talking about
the American dream.
Part of the American dream
is class mobility.
You're born poor, you own a car, you get rich.
It was possible for a worker to get a decent
job, buy a home...
Get a car, have his
children go to school.
It's all collapsed.
Imagine yourself in an outside
position, looking from Mars.
What do you see?
In the United States,
there are professed
values like democracy.
In a democracy, public opinion
is going to have some influence on policy.
And then, the government
carries out actions determined
by the population.
That's what democracy means.
It's important to understand
that privileged and powerful
sectors
have never liked democracy
and for very good reasons.
Democracy puts power
into the hands of
the general population
and takes it away from them.
It's kind of a principle
of concentration of wealth
and power.
Concentration of wealth
yields concentration of power...
Particularly so as the cost
of elections skyrockets,
which kind of forces
the political parties into the
pockets of major corporations.

And this political power quickly translates into legislation that increases the concentration of wealth. So fiscal policy like tax policy... Deregulation... Rules of corporate governance and a whole variety of measures... Political measures, designed to increase the concentration of wealth and power, which, in turn, yields more political power to do the same thing. And that's what we've been seeing. So we have this kind of vicious cycle in progress. You know, actually, it is so traditional that it was described by Adam Smith in 1776. You read the famous "wealth of nations." He says in England, the principal architects of policy are the people who own the society. In his day, merchants and manufacturers. And they make sure that their own interests are very well cared for, however grievous the impact on the people of England or others. Now, it's not merchants and manufacturers, it's financial institutions and multinational corporations. The people who Adam Smith called the "masters of mankind," and they're following to the vile

Maxim, "all for ourselves
and nothing for anyone else."
They're just going to pursue
policies that benefit them
and harm everyone else.
And in the absence of a general
popular reaction, that's pretty
much what you'd expect.
Right through American history,
there's been an ongoing clash...
Between pressure for more
freedom and democracy coming
from below,
and efforts at elite control
and domination coming from
above.
It goes back to
the founding of the country.
James Madison, the main framer,
who was as much of a believer
in democracy as anybody
in the world in that day,
nevertheless felt that
the United States system
should be designed,
and indeed with his
initiative was designed,
so that power should be
in the hands of the wealthy...
Because the wealthy
are the more responsible
set of men.
And, therefore,
the structure of the formal
constitutional system
placed most power
in the hands of the senate.
Remember, the senate was
not elected in those days.
It was selected
from the wealthy.
Men, as Madison put it,
"had sympathy for property
owners and their rights."

If you read the debates
at the constitutional
convention...

Madison said, "the major concern
of the society has to be
to protect the minority
of the opulent against
the majority."

And he had arguments.

Suppose everyone
had a vote freely.

He said, "well, the majority
of the poor would get together
and they would organize
to take away the property
of the rich."

And, he said, "that would obviously be unjust,
so you can't have that."

So, therefore the constitutional
system has to be set up
to prevent democracy.

It's of some interest that this
debate has a hoary tradition.

Goes back to the first major
book on political systems,
Aristotle's "Politics."

He says, "of all of them,
the best is democracy,"
but then he points out
exactly the flaw that
Madison pointed out.

If Athens were a democracy
for free men,
the poor would get together
and take away the property
of the rich.

Well, same dilemma,
they had opposite solutions.

Aristotle proposed what we would
nowadays call a welfare state.

He said,

"try to reduce inequality."

So, same problem,
opposite solutions.

One is reduce inequality,
you won't have this problem.
The other is reduce democracy.
If you look at the history
of the United States...
It's a constant struggle
between these two tendencies.
A democratizing tendency
that's mostly coming from
the population, pressure from below,
and you get this constant battle
going on, periods of regression,
periods of progress.
The 1960s for example,
were a period of significant
democratization.
Sectors of the population
that were usually passive
and apathetic became organized,
active, started pressing their
demands.
And they became more and more
involved in decision-making,
activism and so on.
It just changed consciousness
in a lot of ways.
Minority rights,
If democracy means freedom,
why aren't our people free?
If democracy means justice,
why don't we have justice?
If democracy means equality,
why don't we have equality?
Women's rights,
This inhuman system
of exploitation will change,
but only if we force it to
change, and force it together.
Concern for the environment,
A unique day
in American history is ending,
a day set aside for a nationwide
outpouring of mankind seeking
its own survival.

Opposition to aggression,
I say
to those who criticize us
for the militancy of our dissent
that if they are serious
about law and order,
they should first provide it
for the Vietnamese people,
for our own black people
and for our own poor people.
Concern for other people,
One day we must ask
the question,
"why are there 40 million
poor people in America?"
When you begin
to ask that question,
you're raising a question
about the economic system,
about a broader
distribution of wealth,
the question of restructuring
the whole of American society.
These are all
civilizing effects...
And that caused great fear.
I hadn't anticipated
the power...
I should've, but I didn't
anticipate the power
of the reaction
to these civilizing effects of the '60s.
I did not anticipate the strength of
the reaction to it.
The backlash.
There has been an enormous
concentrated, coordinated...
Business offensive
beginning in the '70s
to try to beat back
the egalitarian efforts
that went right
through the Nixon years.
You see it in many respects, over on the right,

you see it in things like the famous Powell Memorandum... (Associate Justice of the SC) Sent to the chamber of commerce, the major business lobby, by later Supreme Court justice Powell... Warning them that business is losing control over the society... And something has to be done to counter these forces. Of course, he puts it in terms of defense, "defending ourselves against an outside power." But if you look at it, it's a call for business to use its control over resources to carry out a major offensive to beat back this democratizing wave. Over on the liberal side, there's something exactly similar. The first major report of The Trilateral Commission (is a non-governmental group founded by David Rockefeller in July 1973) is concerned with this. It's called "the crisis of democracy." Trilateral Commission is liberal internationalists... Their flavor is indicated by the fact that they pretty much staffed the Carter administration. They were also appalled by the democratizing tendencies of the '60s, and thought we have to react to it. They were concerned that there was an "excess of democracy" developing. Previously passive and obedient parts of the population,

what are sometimes called,
"the special interests,"
were beginning to organize
and try to enter the political
arena,
and they said, "that imposes
too much pressure on the state.
It can't deal with all
these pressures."
So, therefore, they have
to return to passivity
and become depoliticized.
They were particularly concerned
with what was happening
to young people.
"The young people are getting
too free and independent."
None of us will
beget any violence.
If there's any violence,
it will be because of the police.
The way they
put it, there's failure on
the part of the schools,
the universities,
the churches...
The institutions responsible
for the "indoctrination
of the young."
Their phrase, not mine.
If you look at their study, there's one interest
they never mention... Privat business.
And that makes sense, they're
not special interest, they're
the national interest,
kind of by definition.
So they're okay.
They're allowed to, you know,
have lobbyists, buy campaigns,
staff the executive,
make decisions, that's fine.
But it's the rest, the special interests,
the general population,
who have to be subdued.

Well, that's the spectrum.
It's the kind of ideological
level of the backlash.
But the major backlash,
which was in parallel to this...
Was just redesigning
the economy.
Since the 1970s, there's been
a concerted effort on the part
of the masters of mankind,
the owners of the society,
to shift the economy
in two crucial respects.
One, to increase the role
of financial institutions,
banks, investment firms,
so on...
Insurance companies.
By 2007, right before
the latest crash,
they had literally 40%
of corporate profits...
Far beyond anything in the past.
Back in the 1950s,
as for many years before,
the United States economy
was based largely on production.
The United States was
the great manufacturing
center of the world.
Financial institutions used
to be a relatively small part
of the economy
and their task was
to distribute unused assets like,
say, bank savings
to productive activity.
The bank always has
on hand a reserve of money
received from
the stockholders
and depositors.
On the basis of
these cash reserves,

a bank can create credit.
So besides providing a safe
place for depositing money,
a bank serves a community
by making additional credit
available for many purposes.
For a manufacturer to meet
his payroll during slack selling periods,
for a merchant to enlarge
and remodel his store,
and for many other good reasons
why people are always needing
more credit
than they have
immediately available.
That's a contribution
to the economy.
Regulatory system
was established.
Banks were regulated.
The commercial and investment
banks were separated,
cut back their risky investment
practices that could harm private people.
There had been, remember, no financial
crashes during the period of regulation.
By the 1970s, that changed.
You started getting that huge
increase in the flows of speculative capital,
just astronomically increase,
enormous changes
in the financial sector
from traditional banks to risky investments,
complex financial instruments,
money manipulations and so on.
Increasingly, the business
of the country isn't production,
at least not here.
The primary business
here is business.
You can even see it
in the choice of directors.
So, a director of a major
American corporation

back in the '50s and '60s
was very likely to be an engineer, somebody who
graduated from a place like MIT,
(Massachusetts Institute of Technology
maybe industrial management.
More recently, the directorship
and the top managerial positions
are people who came out
of business schools,
learned the financial trickery
of various kinds, and so on.
By the 1970s, say General Electric
could make more profit
playing games with money
than you could by producing
in the United States.
You have to remember
that General Electric
is substantially
a financial institution today.
It makes half its profits just
by moving money around
in complicated ways.
And it's very unclear that
they're doing anything that's
of value to the economy.
So that's one phenomenon,
what's called financialization
of the economy.
Going along with that
is the off-shoring of production.
The trade system
was reconstructed
with a very explicit
design of putting
working people
in competition with one
another all over the world.
And what it's lead to
is a reduction in the share of income
on the part of working people.
It's been particularly striking
in the United States,
but it's happening worldwide.

It means that an American worker's in competition with the super-exploited worker in China. Meanwhile, highly paid professionals are protected. They're not placed in competition with the rest of the world. Far from it. And, of course, the capital is free to move. Workers aren't free to move, labor can't move, but capital can. Well, again, going back to the classics like Adam Smith, as he pointed out, free circulation of labor is the foundation of any free trade system, but workers are pretty much stuck. The wealthy and the privileged are protected, so you get obvious consequences. And they're recognized and, in fact, praised. Policy is designed to increase insecurity. Alan Greenspan. When he testified to congress, (Alan Greenspan Chairman of the Federal Reserve from 1987 to 2006) he explained his success in running the economy as based on what he called, "greater worker insecurity." A typical restraint on compensation increases has been evident for a few years now, but as I outlined in some detail in testimony last month, I believe that job insecurity has played the dominant role. Keep workers insecure, they're going to be under control. They are not going to ask for,

say, decent wages...
Or decent working conditions...
Or the opportunity of free
association, meaning unionize.
Now, for the masters
of mankind, that's fine.
They make their profits.
But for the population,
it's devastating.
These two processes,
financialization and off-shoring
are part of what lead
to the vicious cycle
of concentration of wealth
and concentration of power.
I'm Noam Chomsky
and I'm on the faculty at MIT,
(Massachusetts Institute of Technology)
and I've been getting more
and more heavily involved in
anti-war activities
for the last few years.
Noam Chomsky has made
two international reputations.
The widest is as one of the
national leaders of American
resistance to the Vietnam war.
The deepest is as a professor
of linguistics,
who, before he was 40 years old,
had transformed the nature
of his subject.
You are identified with the new left,
whatever that is.
You certainly have been an activist
as well as a writer.
Professor Noam Chomsky...
Is listed in anybody's catalog
as among the half-dozen top
heroes of the new left.
The standing he achieved
by adopting over the past
two or three years
a series of adamant positions

rejecting at least American
foreign policy, at most
America itself.
Actually this notion
anti-American is quite
an interesting one.
It's actually
a totalitarian notion.
It isn't used in free societies.
So, if someone in, say,
Italy is criticizing Berlusconi
or the corruption of the Italian state
and so on, they're not called anti-Italian.
In fact, if they were called anti-Italian,
people would collapse in laughter
in the streets of Rome or Milan.
In totalitarian states the notion's used,
so in the old Soviet union dissidents
were called anti-Soviet.
That was the worst condemnation.
In the Brazilian military
dictatorship, they were
called anti-Brazilian.
Now, it's true that in just
about every society,
the critics are maligned
or mistreated...
Different ways depending on
the nature of the society.
Like in the Soviet union,
say Vaclav Havel would be
imprisoned.
In a U.S. dependency like
El Salvador, at the same time,
his counterparts would have
their brains blown out by
U.S.-run state terrorist forces.
In other societies, they're just
condemned or vilified and so on.
In the United States, one of the terms of abuse
is "anti-American."
There's a couple of
others, like "Marxist."
There's an array

of terms of abuse.
But in the United States,
you have a very high degree
of freedom.
So, if you're vilified by some
commissars, then who cares?
You go on,
you do your work anyway.
These concepts only arise
in a culture where, if you
criticize
state power,
and by state, I mean...
More generally not just
government but state
corporate power,
if you criticize
concentrated power,
you're against the society,
that's quite striking that
it's used in the United States.
In fact, as far as I know,
it's the only Democratic society
where the concept
isn't just ridiculed.
It's a sign of elements
of the elite culture,
which are quite ugly.
The American dream, like many
ideals, was partly symbolic,
but partly real.
So in the 1950s and 60s,
say, there was the biggest
growth period
in American economic history.
The Golden Age.
(approximately from 1945 and lasted
until the early 1970s
It was pretty
egalitarian growth,
so the lowest fifth of the
population was improving about
as much as the upper fifth.
And there were some

welfare state measures,
which improved life
for much the population.
It was, for example,
possible for a black worker
to get a decent job
in an auto plant,
buy a home, get a car,
have his children go
to school and so on.
And the same across the board.
When the U.S. was primarily
a manufacturing center,
it had to be concerned
with its own consumers... here.
Famously, Henry Ford raised
the salary of his workers
so they'd be able to buy cars.
When you're moving into
an international "plutonomy,"
as the banks like to call it...
The small percentage
of the world's population that's
gathering increasing wealth...
What happens to American
consumers is much less
a concern,
because most of them aren't
going to be consuming your
products anyway,
at least not on a major basis.
Your goals are,
profit in the next quarter,
even if it's based on
financial manipulations...
High salary, high bonuses,
produce overseas if you have to,
and produce for the wealthy
classes here and their
counterparts abroad.
What about the rest?
Well, there's a term coming
into use for them, too.
They're called

the "precariat"...
Precarious proletariat...
The working people of the world who live increasingly precarious lives.
And it's related to the attitude toward the country altogether.
During the period of great growth of the economy...
The '50s and the '60s, but in fact, earlier...
Taxes on the wealthy were far higher.
Corporate taxes were much higher, taxes on dividends were much higher...
Simply taxes on wealth were much higher.
The tax system has been redesigned, so that the taxes that are paid by the very wealthy are reduced and, correspondingly, the tax burden on the rest of the population's increased.
Now the shift is towards trying to keep taxes just on wages and on consumption...
Which everyone has to do, not, say, on dividends, which only go to the rich.
The numbers are pretty striking.
Now, there's a pretext...
Of course, there's always a pretext.
The pretext in this case is, well, that increases investment and increases jobs, but there isn't any evidence for that.
If you want to increase investment, give money to the poor and the working people.
They have to keep alive, so they spend their incomes.

That stimulates productions,
stimulates investment, leads
to job growth and so on.
If you're an ideologist for the masters,
you have a different line.
And in fact, right now,
it's almost absurd.
Corporations have money
coming out of their pockets.
So, in fact, General Electric,
are paying zero taxes and they
have enormous profits.
Let's them take the profit somewhere else,
or defer it, but not pay taxes,
and this is common.
The major American corporations
shifted the burden of sustaining
the society
onto the rest of the population.
Solidarity is quite dangerous.
From the point of view of
the masters, you're only
supposed to care about yourself,
not about other people.
This is quite different from
the people they claim are their
heroes like Adam Smith,
who based his whole approach
to the economy on the principle
that sympathy
is a fundamental human trait,
but that has to be driven out
of people's heads.
You've got to be for yourself,
follow the vile Maxim,
"don't care about others,"
which is okay for
the rich and powerful,
but is devastating
for everyone else.
It's taken a lot of effort
to drive these basic human
emotions out of people's heads.
And we see it today

in policy formation.
For example, in the attack on
social security.
Social security is
based on a principle.
It's based on a principle
of solidarity.
Solidarity, caring for others.
Social security means,
"I pay payroll taxes...
So that the widow across town
can get something to live on."
For much of the population,
that's what they survive on.
It's of no use to the very rich,
so therefore, there's a concerted
attempt to destroy it.
One of the ways is defunding it.
You want to destroy
some system? First defund it.
Then, it won't work.
People will be angry.
They want something else.
It's a standard technique
for privatizing some system.
We see it in the attack
on public schools.
Public schools are based
on the principle of solidarity.
I no longer
have children in school.
They're grown up...
But the principle
of solidarity says,
"I happily pay taxes so that
the kid across the street
can go to school."
Now, that's normal
human emotion.
You have to drive that
out of people's heads.
"I don't have kids in school.
Why should I pay taxes?
Privatize it," so on.

The public education system,
all the way from kindergarten
to higher education,
is under severe attack.
That's one of the jewels
of American society.
You go back to the Golden Age again...
The great growth period
in the '50s and '60s.
A lot of that is based
on free public education.
One of the results
of the second world war
was the G.I. Bill (of Rights),
which enabled veterans,
and remember, that's a large
part of the population then,
to go to college. They wouldn't
have been able to, otherwise.
They essentially
got free education.
Where a community,
state or nation...
Courageously invests
a substantial share of its
resources in education,
the investment invariable
returned in better business and
the higher standard of living.
U.S. was way in the lead
in developing extensive mass
public education at every level.
By now, in more than half
the states, most of the funding
for the colleges comes from
tuition, not from the state.
That's a radical change,
and that's a terrible burden on students.
It means that students,
if they don't come from
very wealthy families,
they're going to leave
college with big debts.
And if you have a big debt,

you're trapped.
I mean, maybe you wanted
to become a public interest
lawyer,
but you're going to have
to go into a corporate law firm
to pay off those debts,
and by the time you're
part of the culture,
you're not going
to get out of it again.
And that's true
across the board.
In the 1950s, it was a much
poorer society than it is today,
but, nevertheless, could easily
handle essentially free mass
higher education.
Today, a much richer society
claims it doesn't have
the resources for it.
That's just what's going
on right before our eyes.
That's the general
attack on principles that,
not only are they humane,
they are the basis
of the prosperity
and health of this society.
If you look over
the history of regulation,
say, railroad regulation,
financial regulation and so on,
you find that quite commonly
it's either initiated
by the economic...
Concentrations that are being regulated,
or it's supported by them.
And the reason is because
they know that, sooner
or later, they can take
over the regulators.
And it ends up with what's
called "regulatory capture."

The business being regulated is in fact running the regulators. Bank lobbyists are actually writing the laws of financial regulation, it gets to that extreme. That's been happening through history and, again, it's a pretty natural tendency when you just look at the distribution of power. One of the things that expanded enormously in the 1970s is lobbying, as the business world moved sharply to try to control legislation. The business world was pretty upset by the advances in public welfare in the '60s, in particular by Richard Nixon. It's not too well understood, but he was the last new deal president, and they regarded that as class treachery. In Nixon's administration, you get the consumer safety legislation, safety and health regulations in the workplace, the EPA, the environmental protection agency. Business didn't like it, of course. They didn't like the high taxes. They didn't like the regulation. And they began a coordinated effort to try to overcome it. Lobbying sharply increased. Deregulation began with a real ferocity. There were no financial crashes in the '50s and the '60s, because the regulatory apparatus of the new deal

was still in place.
As it began to be dismantled under business
pressure and political pressure,
you get more and more crashes.
And it goes on
right through the years.
'70s it starts to begin.
'80s really takes off.
Congress was asked to approve federal loan
guarantees to the auto company
of up to one and one half
billion dollars.
Now, all of this is quite safe
as long as you know the government's going
to come to your rescue.
Take, say, Reagan. Instead of letting
them pay the cost,
Reagan bailed out the banks
like Continental Illinois,
the biggest bailout
of American history at the time.
He actually ended his term
with a huge financial crisis,
the savings and loan crisis.
President Bush today
signed the 300 billion-dollar
savings and loan bailout bill.
In 1999, regulation was
dismantled to separate
commercial banks
from investment banks.
Then comes the Bush
and Obama bailout.
Bear Stearns is running to the feds
to stay afloat...
(The Bear Stearns Companies)
President Bush today defended the decision
to bail out Citigroup...
(Citigroup Inc)
Fannie Mae and Freddie Mac
have asked for a total of three
billion dollars more...
The bailout could get much
bigger, signaling deepening

troubles for the U.S. economy.
And they're building
up the next one.
Each time, the taxpayer is
called on to bail out those
who created the crisis,
increasingly the major
financial institutions.
In a capitalist economy,
you wouldn't do that.
In a capitalist system that would wipe out
the investors who made risky investments.
But the rich and powerful,
they don't want a capitalist system.
They want to be able to run
to the nanny state
as soon as they're in trouble,
and get bailed out
by the taxpayer.
That's called "too big to fail."
There are Nobel
laureates in economics
who significantly disagree
with the course that we're
following.
People like Joe Stiglitz,
Paul Krugman and others,
and none of them
were even approached.
The people picked to fix
the crisis were those who
created it,
the Robert Rubin crowd,
the Goldman Sachs crowd.
They created the crisis...
Are now more powerful
than before.
Is that accident?
Not when you pick those people
to create an economic plan.
I mean, what do you
expect to happen?
Meanwhile, for the poor,
let market principles prevail.

Don't expect any help
from the government.
The government's the problem,
not the solution, and so on.
That's, essentially,
Neo-liberalism.
It has this dual character
which goes right back in economic history.
One set of rules for the rich.
Opposite set
of rules for the poor.
Nothing surprising about this.
It's exactly
the dynamics you expect.
If the population
allows it to proceed,
it just goes on and on like this until the
next crash, which is so much expected
that credit agencies,
which evaluate
the status of firms,
are now counting
into their calculations
the taxpayer bailout that
they expect to come after
the next crash.
Which means that the
beneficiaries of these credit
ratings like the big banks,
they can borrow money more
cheaply, they can push out
smaller competitors,
and you get more
and more concentration.
Everywhere you look,
policies are designed this way,
which should come
as absolutely no surprise
to anyone.
That's what happens when you put
power into the hands of a narrow
sector of wealth,
which is dedicated
to increasing power for itself,

just as you'd expect.
Concentration of wealth
yields concentration
of political power,
particularly so as the cost
of elections skyrockets,
which forces the political
parties into the pockets
of major corporations.
The Citizens United,
this was January 2009, I guess,
that's a very important
supreme court decision,
but it has a history and you got to think
about the history.

The 14th amendment
has a provision that says,
"no person's rights can be
infringed without due process
of law."

And the intent, clearly,
was to protect freed slaves.
Says, "okay, they've got
the protection of the law."
I don't think it's ever been
used for freed slaves,
if ever, marginally.

Almost immediately, it was used
for businesses, corporations.
Their rights can't be infringed
without due process of law.

So they gradually became
persons under the law.

Corporations are
state-created legal fictions.

Maybe they're good,
maybe they're bad,
but to call them persons
is kind of outrageous.

So they got personal rights
back about a century ago,
and that extended
through the 20th century.

They gave corporations rights

way beyond what persons have.
So if, say, General Motors
invests in Mexico,
they get national rights,
the rights of the Mexican
business.

While the notion of person
was expanded to include
corporations,
it was also restricted.

If you take the
14th amendment literally,
then no undocumented alien
can be deprived of rights,
if they're persons.

Undocumented aliens
who are living here
and building your buildings,
cleaning your lawns, and so on,
they're not persons...

But General Electric
is a person, an immortal
super-powerful person.

This perversion of
the elementary morality,
and the obvious meaning
of the law, is quite incredible.

In the 1970s, the courts decided
that money is a form of speech.

Buckley vs. Valeo. Then you go on through
the years to Citizens United,
(Citizens United v. Federal Election Commission)

which says that, the right
of free speech of corporations,
mainly to spend
as much money as they want,
that can't be curtailed.

It means that corporations,
which anyway have been
pretty much buying elections,
are now free to do it with
virtually no constraint.

That's a tremendous attack
on the residue of democracy.

It's very interesting to read the rulings,
like justice Kennedy's swing vote.

(Anthony Kennedy associate justice SC)

His ruling said,

"well, look, after all,
CBS is given freedom of speech,
they're a corporation,
why shouldn't General Electric
be free to spend as much
money as they want?"

I mean, it's true that CBS
is given freedom of speech,
but they're supposed to be
performing a public service.

That's why.

That's what the press
is supposed to be,
and General Electric
is trying to make money
for the chief executive
and some of the shareholders.
It's an incredible decision,
and it puts the country
in a position where
business power is greatly
extended beyond what it always
was.

This is part of
that vicious cycle.

The supreme court justices are put in
by reactionary presidents,

(associate justice)

who get in there because
they're funded by business.

It's the way the cycle works.

There is one organized
force which traditionally,
plenty of flaws, but with all its flaws,
it's been in the forefront of...

Efforts to improve the lives
of the general population.

That's organized labor.

It's also a barrier
to corporate tyranny.

So, it's the one barrier
to this vicious cycle
going on, which does lead
to corporate tyranny.
A major reason
for the concentrated,
almost fanatic attack on unions,
on organized labor,
is they are
a democratizing force.
They provide a barrier that
defends workers' rights,
but also popular
rights generally.
That interferes with the prerogatives and
power of those who own
and manage the society.
I should say that anti-union
sentiment in the United States
among elites is so strong
that the fundamental
core of labor rights,
the basic principle in the international
labor organization,
is the right of
free association,
which would mean
the right to form unions.
The U.S. has never
ratified that,
so I think the U.S. may be
alone among major societies
in that respect.
It's considered so far out
of the spectrum of American
politics,
it literally has never
been considered.
Remember, the U.S. has a long
and very violent labor history
as compared with
comparable societies...
But the labor movement
had been very strong.

By the 1920s, in a period not unlike today, it was virtually crushed.

A truck drivers strike was climaxed by severe riots with many casualties.

Open warfare rages through the streets of the city as 3,000 union pickets battle 700 police.

Guns, tear gas, clubs and fists bring injuries to more than 80 persons and caused the death of two.

By the mid '30s, it began to reconstruct.

Franklin Delano Roosevelt, he himself was rather sympathetic to progressive legislation that would be in the benefit of the general population, but he had to somehow get it passed.

So he informed labor leaders and others, "force me to do it." What he meant is, go out and demonstrate, organize, protest, develop the labor movement.

When the popular pressure is sufficient, I'll be able to put through the legislation you want.

I am not for a return to that definition of Liberty, under which for many years a free people were being gradually regimented into the service of a privileged few.

I prefer that broader definition of Liberty.

So, there was kind of a combination of sympathetic government, and by the mid-'30s,

very substantial popular activism.
There were industrial actions.
There were sit-down strikes,
which were very
frightening to ownership.
You have to recognize
the sit-down strike is just
one step before saying,
"we don't need bosses.
We can run this by ourselves."
And business was appalled.
You read the business press,
say, in the late '30s,
they were talking
about the "hazard
facing industrialists"
and the "rising political
power of the masses,"
which has to be repressed.
Things were on hold
during the second world war,
but immediately after
the second world war,
the business offensive
began in force.
The Taft-Hartley Act.
(Labor Management Relations Act of 1947)
The Taft-Hartley Act was written
for only one purpose,
to restore justice and equality in
labor-management relations. (In fact, it restricts
the activities and power of labor unions)
Then McCarthyism was used for
massive corporate propaganda
offensives to attack unions.
It increased sharply
during the Reagan years.
I mean, Reagan pretty much told
the business world,
"if you want to illegally break
organizing efforts and strikes,
go ahead."
They are in violation
of the law,

and if they do not report
for work within 48 hours,
they have forfeited their jobs
and will be terminated.
It continued in the '90s and,
of course with George W. Bush,
it went through the roof.
By now, less than 7% of private
sector workers have unions.
The effect is that the usual
counter-force to an offensive
by our highly class-conscious
business class has dissolved.
Now, if you're in
a position of power,
you want to maintain
class-consciousness
for yourself,
but eliminate it
everywhere else.
You go back to the 19th century,
in the early days of
the industrial revolution
in the United States,
working people were
very conscious of this.
They, in fact,
overwhelmingly regarded
wage labor as not very different
from slavery,
different only in that
it was temporary.
In fact, it was such a popular
idea that it was the slogan
of the Republican party.
That was a very sharp
class-consciousness.
In the interest of power
and privilege,
it's good to drive those ideas
out of people's heads.
You don't want them to know
that they're an oppressed class.
So, this is one of the few

societies in which you just don't talk about class. In fact, the notion of class is very simple. Who gives the orders? Who follows them? That basically defines class. It's more nuanced and complex, but that's basically it. The public relations industry, the advertising industry, which is dedicated to creating consumers, it's a phenomena that developed in the freest countries, in Britain and the United States, and the reason is pretty clear. It became clear by, say, a century ago that it was not going to be so easy to control the population by force. Too much freedom had been won. Labor organizing, parliamentary labor parties in many countries, women starting to get the franchise, and so on. So, you had to have other means of controlling people. And it was understood and expressed that you have to control them by control of beliefs and attitudes. Well, one of the best ways to control people in terms of attitudes is what the great political economist Thorstein Veblen called "fabricating consumers." If you can fabricate wants... Make obtaining things that are just about within your reach the essence of life,

they're going to be trapped
into becoming consumers.
You read the business
press in say, 1920s,
it talks about the need
to direct people to
the superficial things of life,
like "fashionable consumption"
and that'll keep them
out of our hair.
You find this doctrine
all through progressive
intellectual thought,
like Walter Lippmann,
the major progressive
intellectual of
the 20th century.
He wrote famous progressive
essays on democracy in which
his view was exactly that.
"The public must be
put in their place,"
so that the responsible
men can make decisions
without interference
from the "bewildered herd."
They're to be spectators,
not participants.
Then you get a properly
functioning democracy,
straight back to Madison
and on to Powell's memorandum,
and so on.
And the advertising industry
just exploded with this
as its goal...
Fabricating consumers.
And it's done with
great sophistication.
You don't see many
wild stallions anymore.
He's one of the last of a wild
and very singular breed.
Come to Marlboro country.

The ideal is what you
actually see today...
Where, let's say,
teenage girls, if they have
a free Saturday afternoon,
will go walking
in the shopping mall,
not to the library
or somewhere else.
The idea is to try
to control everyone,
to turn the whole society
into the perfect system.
Perfect system would be
a society based on a dyad,
a pair.
The pair is you
and your television set,
or maybe now you
and the Internet,
in which that presents you
with what the proper life
would be,
what kind of gadgets
you should have.
And you spend your time
and effort gaining those things,
which you don't need,
and you don't want, and maybe
you'll throw them away...
But that's the measure
of a decent life.
What we see is in, say,
advertising on television,
if you've ever taken
an economics course,
you know that
markets are supposed to be based
on "informed consumers making
rational choices."
Well, if we had a system
like that, a market system,
then a television ad would
consist of, say, General Motors

putting up information, saying,
"here's what we have for sale."
That's not what
an ad for a car is.
An ad for a car
is a football hero...
An actress, the car doing
some crazy thing like,
going up a mountain
or something.
The point is to create
uninformed consumers who
will make irrational choices.
That's what advertising
is all about,
and when the same institution,
the PR system, (The PR Industry, or
Public relations and lobbying industry)
runs elections,
they do it the same way.
They want to create
an uniformed electorate,
which will make irrational
choices, often against their
own interests,
and we see it every time
one of these extravaganzas
take place.
Right after the election,
president Obama won an award
from the advertising industry
for the best marketing campaign.
It wasn't reported here,
but if you go to the
international business press,
executives were euphoric.
They said, "we've been selling
candidates, marketing candidates
like toothpaste
ever since Reagan,
and this is the greatest
achievement we have."
I don't usually agree with Sarah Palin,
(Governor of Alaska, commentator)

but when she mocks what she calls the "hopey-changeey" stuff, she's right.

First of all, Obama didn't really promise anything. That's mostly illusion. You go back to the campaign rhetoric and take a look at it. There's very little discussion of policy issues, and for very good reason, because public opinion on policy is sharply disconnected from what the two-party leadership and their financial bankers want. Policy more and more is focused on the private interests that fund the campaigns... With the public being marginalized.

One of the leading political scientists, Martin Gilens, scoscame out with a study (professor of politics at Princeton University) of the relation between public attitudes and public policy. What he shows is that about 70% of the population has no way of influencing policy. They might as well be in some other country... And the population knows it. What it's led to is a population that's angry, frustrated, hates institutions. It's not acting constructively to try to respond to this.

There is popular mobilization and activism, but in very self-destructive directions. It's taking the form of unfocused anger, attacks on one another, and on vulnerable targets. That's what happens

in cases like this.
It is corrosive of social relations, but that's the point. The point is to make people hate and fear each other, and look out only for themselves, and don't do anything for anyone else.

One place you see it strikingly is on April 15th. April 15th is kind of a measure, the day you pay your taxes, (In the United States is Tax Day) of how Democratic the society is.

If a society is really Democratic, April 15th would be a day of celebration. It's a day when the population gets together, decides to fund the programs and activities that they have formulated and agreed upon. What could be better than that? So, you should celebrate it. It's not the way it is in the United States. It's a day of mourning. It's a day in which some alien power that has nothing to do with you, is coming down to steal our hard-earned money, and you do everything you can to keep them from doing it. That is a kind of measure of the extent to which, at least in popular consciousness, democracy is actually functioning. Not a very attractive picture. The tendencies that we've been describing within

American society,
unless they're reversed,
it's going to be an extremely
ugly society.
I mean, a society
that's based on
Adam Smith's vile Maxim,
"all for myself,
nothing for anyone else."
A society in which
normal human instincts
and emotion
of sympathy, solidarity,
mutual support, in which
they're driven out...
That's a society so ugly,
I don't even want to know
who'd live in it.
I wouldn't want my children to.
If the society is based on
control by private wealth,
it will reflect the values
that it, in fact, does reflect.
The value that is greed,
and the desire to maximize
personal gain,
now, any society, a small
society based on that principle
is ugly, but it can survive.
A global society based
on that principle is headed
for massive destruction.
I don't think we're smart
enough to design,
in any detail what
a perfectly just and free
society would be like.
I think we can give
some guidelines
and, more significant,
we can ask how we can
progress in that direction.
John Dewey, the leading
social philosopher in

the late 20th century,
he argued that until
all institutions,
production, commerce, media,
unless they're all under
participatory Democratic control,
(Participatory democracy)
we will not have a functioning
Democratic society.
As he put it, "policy will be
the shadow cast by business
over society."
Well, it's essentially true.
Where there are structures
of authority, domination
and hierarchy,
somebody gives the orders,
somebody takes them,
they are not self-justifying.
They have to justify themselves.
They have a burden of proof to meet.
Well, if you take a close look,
usually you find they can't
justify themselves.
If they can't, we ought
to be dismantling them.
Trying to expand the domain
of freedom and justice
by dismantling that form
of illegitimate authority.
And, in fact,
progress over the years,
what we all thankfully
recognized as progress,
has been just that.
The way things
change is because lots of people
are working all the time.
They're working in their
communities, in their workplace,
or wherever they happen to be,
and they're building up
the basis for popular
movements, which are

going to make changes.
That's the way everything
has ever happened in history.
Take, say, freedom of speech...
One of the real achievements
of American society,
it's first in the world in that.
It's not in the bill of rights.
It's not in the constitution.
Freedom of speech issues began
to come to the Supreme Court
in the early 20th century.
The major contributions
came in the 1960s.
One of the leading ones
was a case in the civil
rights movement.
Well, by then, you had
a mass popular movement,
which was demanding rights,
refusing to back down.
And in that context,
the Supreme Court did establish
a pretty high standard
for freedom of speech.
Or take, say, women's rights.
Women also began identifying
oppressive structures,
refusing to accept them,
bringing other people
to join with them.
Well, that's how rights are won.
To a non-trivial extent,
I've also spent a lot
of my life in activism.
That doesn't show up publicly,
but, actually, I'm not terribly
good at it...
I think that
we can see quite clearly some
very, very serious defects
and flaws in our society,
our level of culture,
our institutions,

which are going to have to be
of the framework
that is commonly accepted.
I think we're going to have to find
new ways of political action.
But the activists are the people who
have created the rights that we enjoy.
They're not only carrying out...
Policies based on information
that they're receiving,
but also contributing
to the understanding.
Remember,
it's a reciprocal process.
You try to do things.
You learn.
You learn about what
the world is like,
that feeds back
to the understanding
of how to go on.
There's huge opportunities.
It is a very free society,
still the freest in the world.
Government has very
limited capacity to coerce.
Corporate business may try
to coerce, but they don't
have the mechanisms.
So, there's a lot that can be
done if people organize,
struggle for their rights
as they've done in the past,
and can win many victories.
Well, my close friend
for many years,
the late Howard Zinn...
To put it in his words that,
"what matters is the countless
small deeds of unknown people,
who lay the basis
for the significant events
that enter history."
They're the ones who've

done things in the past.

They're the ones who'll

have to do it in the future.

Nu sunt schimbari ale traducerii originale doar
rearanjari si percizari.

Arwen