

What was the most important story unfit to print in 1998? No, it wasn't Kosovo: *Chronicles* may have been among the first to expose the Clinton administration's many lies, crimes, and misdemeanors in the Balkans, but that particular cat is now out of the bag.

There is a story still largely unknown, however, and so big that its non-reporting in the "mainstream" media can only be explained by a deliberate decision at the top levels of editorial control.

Ever heard of the Multilateral Agreement on Investment (MAI)? If and when applied, it will set in place a comprehensive global system of protections for Wall Street investors and deliver the final *coup de grace* to national sovereignty by giving corporations rights nearly equal to those of nations. Far more radical than NAFTA, MAI will force countries to relax or nullify human, environmental, and labor protection in order to qualify for investment and trade. Most forms of food subsidies, restrictions on land speculation, and health and environmental standards will be deemed "illegal," as will local control of forests, bans on toxic dumping and the use of pesticides, clean air standards, and limits on mineral, gas, and oil extraction.

MAI was hatched in secret negotiations that began in 1995 among the United States and 28 other countries. Many people are aware of this story only because Project Censored, a 22-year-old effort by a team of scholars and researchers at Sonoma State University in California. Each year, Project Censored reviews nominations for the most important suppressed news stories in the United States. A review of the top 25 censored stories of last year is contained in a book (*Censored 1999: The News That Didn't Make the News* by Peter Phillips), which proves that "freedom of the press" is something very different from free distribution of the news.

An attempt to locate "mainstream" coverage of the story yielded but one item in the *Arizona Republic* (June 9), which described the MAI as

the constitution for a new

global economy . . . written in secret by anonymous trade bureaucrats under heavy influence of big business. The agreement would go beyond NAFTA and GATT by allowing corporations "to sue any level of government—state, municipal or federal—for what they perceive as losses based on legislative actions, strikes or boycotts."

Peter Phillips, director of the program at Sonoma State, says that what most people read, see, and hear is controlled by an increasingly smaller number of corporate board rooms. Not surprisingly, his team named the war in the Balkans as one of the most suppressed stories. "Western editors seemed to prefer to keep the story simple: one villain and as much blood as possible," Phillips observes.

Warnings about American global actions and designs—economic, political, and cultural—have been heard in Europe for some time, but since the Kosovo intervention, they are increasingly found in the establishment media. In a BBC Radio 4 documentary ("The Long Arm of Uncle Sam," August 2), Serge Halimi, editor of *Le Monde Diplomatique*, opined that "globalization" in fact means Americanization:

For many American political leaders, but also journalists, the American model shouldn't be questioned, shouldn't be challenged. And if it were questioned or challenged, compliance would be enforced, not only by the power of arms if necessary but also more subtly . . . : the work of economic institutions such as the IMF, the World Bank, the OECD and political institutions such as the United Nations which only seem to exist when it's docile to American wishes.

This resentment of America is not confined to Europe, and not only to American

economic imperialism, according to Michael Elliott—formerly with the *Economist*—who said on the BBC program that "the extent to which non-Americans dislike the imperialistic aspects of American power and globalisation is a true mystery to most Americans":

It is an article of faith among Americans that their country is different . . . because it is benign, because it has no imperial mission, no sense of conquering other countries or other cultures. . . . I did a round-the-world trip immediately after the Chinese embassy was bombed in Belgrade during the Kosovo war. Everywhere one went, but of course particularly in China, there was this deep, deep, deep resentment at the—not the irrationality of the American power but the carelessness of American power. I was reminded of that marvelous passage in Scott Fitzgerald's novel, *Tender Is the Night*, when he describes the principal protagonists, a couple called the Divers, who were careless with people. They dropped things, they dropped people, they dropped incidents in such a way that other people were hurt, without them really being conscious of it. And that to me is how the United States is seen, and possibly even behaves outside the US today.

When France's Prime Minister Lionel Jospin proclaimed "yes to the market economy, no to the market society," he implied that in a financial world run by Wall Street, a star-spangled globalization will make the Old Continent less civilized, less itself. But one-world ideology demands not only a "global economy"—a universal system of *laissez-faire* to be ushered in by MAI—but also a global criminal justice system. The Clinton administration has

been making progress on that front, too.

The preparatory commission for the establishment of the International Criminal Court has been busy at work this past summer at the United Nations. According to an Associated Press report (August 14), the United States is not opposed to the idea in principle. America's ambassador for war crimes issues, David Scheffer, "is trying to find a legal solution that will enable Washington to sign the treaty" by making American citizens and military personnel immune to "politically motivated prosecutions." In her internet column (www.originalsources.com, August 17), Mary Mostert explained the meaning of this proviso:

The unspoken concern here is that the International Criminal Court, which is designed to do on an international basis what the International Tribunal for the Former Yugoslavia has been doing—targeting military and elected Yugoslav leaders for war crimes—could end up indicting and trying Bill Clinton. Moves to indict him, Madeleine Albright and Tony Blair for their bombing of Yugoslavia and for allowing the KLA to implement its long held desire to seize control of Kosovo and evict or kill all non-Albanians, are gathering steam.

This was confirmed in a Reuters report (August 15) in which U.S. Senate Foreign Relations Committee spokesperson Marc Thiessen warned that the Clinton administration wants to exempt from investigation or prosecution by the ICC any personnel involved in official military actions:

The United States wants "a clear recognition that states sometimes engage in very legitimate uses of military force to advance international peace and security," he explained. Thiessen called for "100% certitude that this court is not going to be turned into a vehicle for political attacks against the United States, [or] politicized prosecutions of American soldiers and officials." Thiessen said that without the exception, the United States will be

pushed "into a policy of isolation, against its will." Without such protection for U.S. troops, the United States would not risk humanitarian intervention in places where it has no vital national security interests, he said.

Thiessen admitted that carving out protection for the United States—but not for people the United States accuses of war crimes (like Slobodan Milosevic)—is going to be difficult. "I, quite frankly, don't know how they are going to thread the needle," he said.

The prospect of the United States being "pushed" into a policy of isolation and giving up its addiction to "humanitarian intervention" is pleasing—so much so that one can only hope the needle doesn't get threaded after all. As Mary Mostert aptly concludes:

what seems to be happening is that Clinton's and Madeleine Albright's arrogance in assuming that, as leaders of the World's only Super Power, they were untouchable and that they could break any International Law they wanted to break with impunity may not be entirely accurate. Clinton's fear of indictment may help the conservatives who fear the unbridled and unchecked nature of the proposed ICC. Indictments make strange bedfellows.

A further illustration of the administration's moral duplicity can be found in the *Guardian*, and it concerns Al Gore's role in preventing low-cost AIDS medication from reaching needy patients in the Third World (August 11). According to the British paper,

Al Gore's presidential bandwagon has fallen into a sudden and unexpected mire . . . Gore stands accused of conspiring to help his supporters in the rich and powerful American pharmaceutical companies at the expense of the lives of AIDS sufferers. The issue is the price of a medicine—against the price of a human life.

This most touchy-feely of presidential

hopefuls seems unconcerned that, without these drugs, tens of millions of people in the developing world will die in the next few years. The drugs are very expensive, beyond the means of most people in Africa and Asia. Gore has repeatedly defended the U.S. pharmaceutical firms' claim that their price reflects the enormous sums of money that they invested in research and development. But, according to the *Guardian*, this is disingenuous since many key AIDS drugs, such as Zidovudine and ddI, were developed with government money. And yet the American pharmaceutical industry, backed by Gore, is attempting to stop countries such as South Africa and Thailand from developing their own versions of AIDS drugs at a fraction of the usual price.

Thailand has produced good-quality versions of vital drugs, which have forced multinational companies to drop their prices locally. Pfizer used to charge \$14 for a daily dose of fluconazole . . . Last year, three local companies began making it and the price dropped to just over \$1. Likewise the monthly cost of the AIDS drug zidovudine has been forced down, from a prohibitive \$324 in 1992 to \$87.

The U.S. government has borne down on Thailand with all its superior economic might and threats of trade sanctions, finally forcing the Thais to curtail licensing of drug patents to local companies. South Africa has been in dispute with the United States over AIDS drugs for years, with Al Gore leading the negotiations, and Pretoria has been threatened with sanctions if it does not relent. According to the *Guardian*, the outcome would have been the same regardless of which party controls the White House: "It is his bandwagon that has got mired, but it could have been anybody's. The drugs industry is lavish in its support of both the Democratic and Republican parties."

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The Force of Capitalism

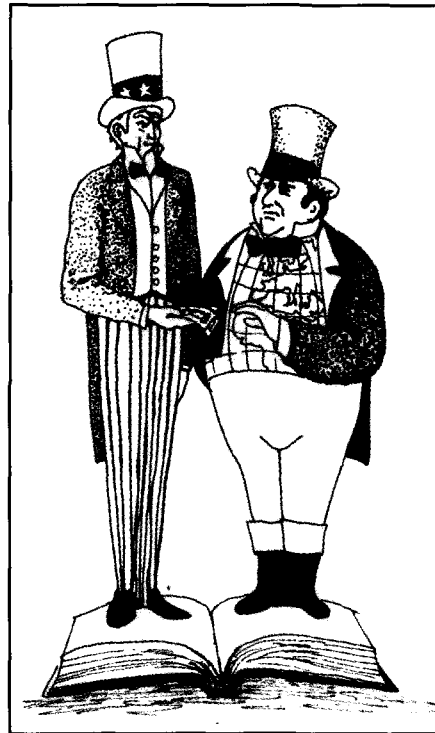
by David Gordon

“Trade is a social act.”

—John Stuart Mill

False Dawn: The Delusions of Global Capitalism
by John Gray
New York: The New Press;
262 pp., \$25.00

Turbo-Capitalism: Winners and Losers in the Global Economy
by Edward Luttwak
New York: HarperCollins;
290 pp., \$26.00



Howard Street

If only all of John Gray's *False Dawn* were as good as the first two pages of Chapter 6! In them, our author succinctly and accurately diagnoses why communism in Soviet Russia failed.

“Between 1918 and 1921,” Mr. Gray writes,

the Bolsheviks attempted to transform Russia into a communist economy. The War Communism which the Bolsheviks tried to impose on Russia during those years embodied an authentic Marxian vision. It aimed to abolish capitalism, in which private property, market exchange, and the institution of money are central, and construct an economy that was collec-

tively owned and rationally planned.

The attempt, of course, failed disastrously, and even the compromise with the market forced on Lenin, Stalin, and their eminently forgettable successors led only to a delay in communism's inevitable collapse.

What lesson should be drawn from communism's failure? One might think the answer obvious. Should we not throw in our lot with the free market, demonstrably superior to its socialist rival? Such seems the verdict of common sense, but it is altogether too simple for the Professor of European Thought at the London School of Economics.

We should not conclude that capitalism works and socialism fails, says Mr. Gray. Quite to the contrary, we should

view both systems as expression of a common “Enlightenment project.” According to the capitalist variant of this nefarious project, only one set of institutions, that mandated by classical liberalism, has any legitimacy. Away with all local customs and traditions! The market must reign over all. In the paeans to freedom of Herbert Spencer and Friedrich Hayek, John Gray believes, lie the seeds of totalitarian control.

How can Mr. Gray say that free institutions engender tyranny? Quite easily, he responds. Classical liberals destroy all competing ways of life. You must be a capitalist—or, more likely, a proletarian—whether you want to or not.

The argument proceeds largely by verbal trickery. A free market does not force anyone to seek money avidly, to abandon local customs, to work for a manufacturer, or any of the other dire outcomes the author laments. Rather, it is a framework in which people may voluntarily engage in any transactions that they think will be to their benefit, so long as these do not violate the rights of others. If, like Mr. Gray, you dislike or distrust multinational corporations, nothing compels you to deal with them. He is totally wrong, then, when he claims: “A global free market presupposes that economic modernization means the same thing everywhere. It interprets the globalization of the economy—the spread of industrial production and interconnected market economies throughout the world—as the inexorable advance of a singular type of western capitalism—the American free

David Gordon is the editor of the *Mises Review* and of the recent volume, *Secession, State, and Liberty* (Transaction Books).