

America's new 'dollar diplomacy': free trade and the war on terrorism

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Shortly before 8 a.m., September 11, 2001, three planes crashed into the twin World Trade Towers and the Pentagon. Within hours, thousands were dead, and for many Americans and others around the globe a new era of terror began.

Shortly before 8 a.m., September 11, 1973, the democratically elected President of Chile, Salvador Allende, went on the radio to announce that a coup was underway. This was not the first coup attempt he had faced. Three years earlier, the U.S. had tried to stop him from even becoming president. Anaconda Copper, Pepsico, ITT, and other American corporations had a lot at stake and feared Allende would nationalize their holdings and threaten their profits. They demanded action and the U.S. government responded by supporting the September coup. Within hours after it began, Chilean armed forces had seized the Presidential offices, found Allende dead, and ushered in a new era of terror under Pinochet.

The United States has a long history of such "dollar diplomacy," where its military muscle has been flexed to protect and expand corporate interests. So I do not think it was accidental that terrorists targeted the World Trade Center and Pentagon -- the two biggest symbols of corporate global trade and American military might.

Nor do I think that it was merely rhetorical flourish when top U.S. officials -- from Defense Secretary Donald Rumsfeld to Federal Reserve Chair Alan Greenspan to U.S. Trade Representative Robert Zoellick -- joined President Bush in calling these attacks an attempt "to disrupt and end a way of life."

What I want to talk about tonight is this morphing of American military power with multi-national corporations and national security concerns to service a corporate global trade agenda.

Certainly this is nothing new. Economic and military imperialism have gone hand in hand for a long, long time. A hundred years ago, Joseph Conrad unmasked the colonial marriage of conquest and profit in the Congo in his novel *Hearts of Darkness*, and he wrote of the need to give higher purpose to the more tawdry aspects of regime change for economic profit.

The conquest of the earth, which mostly means the taking of it away from those who have a different complexion or slightly flatter noses than ourselves is not a pretty thing when you look into it too much. What redeems it is the idea only. An idea at the back of it ... something you can set up, and bow down before, and offer a sacrifice to... (Conrad 20).

A noble idea. Something you can set up to bow down before. A grand purpose that justifies the sacrifice. Perhaps even "a way of life."

Conrad described the stations dotting the Congo -- each station a symbol of military and economic might -- each station "a beacon on the road toward better things... (58)." And so we, too, have established our imperial stations across the globe. For gold in the Black Hills in the 19th century. For United Fruit Company in Central America at the turn of the century. For Anaconda Copper, ITT and Pepsico in Chile. And now for Halliburton and Bechtel in Iraq. Plunder disguised in the service of a noble idea.

And so we enter the Alice-in-Wonderland world where up is down, lies are sworn to be truths, greed masks itself as benevolence, and the thief claims title as sheriff.

Don't get me wrong. The invasion of Iraq and Afghanistan is about the freedom and liberation of oppressed people, in part. No one -- at least I cannot -- for a moment argue that Saddam Hussein has a legitimate claim to power in Iraq, or the Taliban in Afghanistan. These are ruthless regimes that seized power and have tortured and brutalized their people. But it is equally important, I believe, that we state just as clearly that freedom and liberation are not all this string of military conquests is about.

It is also about creating a New World Order, first articulated by Bush Senior, which conflates democratic freedom, liberty and opportunity with American military and economic dominance. And it is about converting the world with missionary zeal to a new secular religion -- what George Soros calls "market fundamentalism" -- which holds as an central article of faith that unfettered trade and American style-capitalism are the principle forces for good, which once embraced give meaning to and make possible other secular truths of liberty, democracy, openness and the rest.

In this new corporate world order, liberty and democracy equate with open and expanding markets and opportunity with unrestricted free enterprise. This article of faith is so powerfully held by its initiates, that they can justify remaking the world in their own image, whatever form the conversion takes -- whether it is willingly, or forced at the end of a World Bank or IMF pen, or at the end of a marine's gun. It was, after all, Henry Kissinger who remarked about Chile: "I don't see why we need to stand by and watch a country go communist due to the irresponsibility of its people."

From this perspective, the seemingly strange things that happened in the days following 9-11 make more sense. While millions of Americans and the world grappled with their

grief, Wolfowitz, Cheney, Perle and Rumsfeld began plotting a strategy against Iraq, which had played no part in the 9-11 attacks. And before the rubble stopped smoking, U.S. Trade Representative Robert Zoellick and powerful corporate interests began plotting a strategy to further their corporate free trade agenda -- most notably how to win congressional approval of "fast track" authority, which strips Congress of its power to amend new global trade agreements.

On first glance the two have nothing to do with one another. But nine days after 9-11, Trade Representative Zoellick makes the connection in a *Washington Post* op-ed piece. "Trade is about more than economic efficiency," he writes, "It promotes the values at the heart of this protracted struggle." He describes the terrorist attacks as "an assault on more than buildings and innocent people -- it is a strike against liberty itself ... [which] recognizes that America's might and light emanate from our political, military and economic vitality." His strategy to counter terrorism is to open markets, expand global trade agreements, and "most important, Congress needs to enact U.S. trade promotion authority ["fast track" authority] so America can negotiate agreements that advance the causes of openness, development and growth."

Zoellick is selling a grand and noble idea. Something that we can bow down before. A great cause we can offer sacrifice to. In this battle between the forces of goodness and the forces of nastiness, expanding global trade is one more extension, one more weapon, in building a new world order and reshaping the world in our own image. The terrorists were attacking our values of democracy and freedom, but for Zoellick and other free trade advocates these values are synonymous with global trade agreements and opening and expanding global markets.

But there is nothing democratic about the new generation of global trade agreements or free trade democracy. On the docket is the Free Trade Area of the Americas -- the FTAA, or affectionately "NAFTA on steroids" -- and the General Agreement on Trade in Services, or GATS. The FTAA intends to cover 34 nations -- the entire western hemisphere except Cuba (which stubbornly refuses to be remade in our image). GATS covers all 146 WTO nations and specifically targets trade in services (like water, electricity, waste disposal and sewage, construction, and public services).

These new trade agreements do not strengthen or expand democracy, they threaten it at its core. If passed, these trade agreements will be used by multi-national corporations to force privatization of public services, whether or not citizens want to retain public control.

These agreements specifically target what are called "non-tariff barriers to trade" -- that is, laws, regulations, standards and rules that impact trade. These treaties provide for sanctions on any country that creates an "undue burden" or "hardship" on corporations. This means many of our environmental, labor, human rights, and health and safety protections are at risk.

These new trade agreements challenge fundamental concepts of national sovereignty and democratic decision-making by allowing appointed trade tribunals (comprised of folks like Zoellick) to meet in secret and overrule our elected officials and even our courts. Only in the upside-down world of doublespeak does free trade equate with democracy and freedom.

So Zoellick and the free-traders and Wolfowitz and the warriors won. Congress granted Bush fast track authority. We invaded Iraq. We bombed bridges, roads, water and sewer systems, electrical grids, schools, hospitals, and more, and now we have to rebuild them. We killed thousands, perhaps tens of thousands of Iraqis and wounded tens of thousands more. Hundreds of American soldiers have died, thousands have been wounded, and more are dying every day. This is the "collateral damage" sacrificed for a noble idea.

Halliburton and Bechtel secured massive government contracts in secret meetings and now have substantial control over Iraqi oil and water supplies (along with much of its other infrastructure). U.S. leaders asserted in recent testimony before the Senate Foreign Relations Committee that the key to Iraq's recovery is to create a "free market system," and they are preaching market fundamentalism. They plan to reduce tariffs and eliminate non-tariff barriers, make it easier for foreign ownership of Iraqi industries, privatize state owned services (like water and electricity), and adopt effective copyright protections. They want Iraq to enter into the WTO.

About the same time, Zoellick released the new U.S. criteria for choosing trade partners which makes trade conditional on the degree of support given to U.S. national security and foreign policy interests. Dollar diplomacy meets the 21st century.

Conrad said it a hundred years ago: "The conquest of the world ... is not a pretty thing when you look into it too much." So noble ideas, glorious ideas of freedom, and liberation, and opportunity are needed to hide the naked truth that there is also a corporate agenda, a colonial agenda, at work here taking advantage of our grief and playing off of our fear. And this agenda is not about democracy, but about extending corporate control, whether done by the power of the WTO, the World Bank and IMF or through military might.

I'd like to end by quoting Vandana Shiva, head of New Delhi's Research Foundation for Science, Technology and Ecology:

For people worldwide the challenge is to converge the energies of the anti-globalization movement, the peace movement and movements for real democracy. Our task is to reclaim the real meaning of 'freedom,' rescuing the concepts from the doublespeak of 'free trade' and 'Operation Iraqi Freedom.' The 'freedom' being sought through free trade treaties and the WTO and the

*'freedom' resulting from the Iraq war is the freedom of corporations to profit.
This freedom is a license to loot.*

It is about war, lies and empire. The new generation of global trade deals are part of a continuum, just as the jingoism and militarism we are witnessing in Iraq. It is our task as progressives, as peacemakers, trade unionists and engaged citizens to take back our democracy. Our adversaries are right in this respect: we are witnessing an assault on our values and are fighting for our way of life. I am first and foremost a democrat with a small "d." I still believe in life, liberty and the pursuit of happiness. These are truly noble ideas -- ideals worth fighting for -- but our fight must mean more than protecting a corporate license to loot. This is our challenge.

Thank you.