

## Requiem for the American Dream

### Transcript • Time Coded

*NOAM CHOMSKY (NC) speaks, unless otherwise indicated:*

00:00:40

TEXT

Noam Chomsky is widely regarded as the most influential intellectual of our time.  
Filmed over four years, these are his final long-form documentary interviews.

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NC

During the Great Depression, which I'm old enough to remember - and most of my family were unemployed working class - 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 1 percent.

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There were periods like the Gilded Age in the 20s 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.

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You open by talking about the American Dream. Part of the American Dream is class mobility. You're born poor. You work hard. 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?

00:03:38

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.

00:04:30  
TEXT

#### THE 10 PRINCIPLES OF CONCENTRATION OF WEALTH & POWER

00:04:45  
NC

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.

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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 principle 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 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.

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TEXT

## REDUCE DEMOCRACY: PRINCIPLE #1

00:07:03

NC

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, who as Madison put it, "Had sympathy for property owners and their rights."

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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.

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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, a 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.

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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.

00:11:00

Malcolm X

If democracy means freedom, why aren't our people free? (Right!) If democracy means justice, why don't we have justice? (That's right!) If democracy means equality, why don't we have equality?

00:11:14

NC

Women's rights.

00:11:16

Gloria Steinem

This inhuman system of exploitation will change, but only if we force it to change, and force it together.

00:11:22

NC

Concern for the environment.

00:11:25

Walter Cronkite

A unique day in American history is ending, a day set aside for a nationwide outpouring of mankind seeking its own survival.

00:11:32

NC

Opposition to aggression.

00:11:34

Dr. Benjamin Spock

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.

00:11:45  
NC

Concern for other people.

00:11:47  
Dr. Martin Luther King

One day we must ask the question, "Why are there 40,000,000 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.

00:12:05  
NC

These are all civilizing effects, and that caused great fear.

I hadn't anticipated the power - I should of - 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.

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TEXT CARD

PRINCIPLE #2: SHAPE IDEOLOGY

00:13:00  
NC

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 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.

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Over on the liberal side, there's something exactly similar. The first major report of the Trilateral Commission 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.

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They were particularly concerned with what was happening to young people, “The young people are getting too free and independent.” 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, private 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.

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TEXT

### PRINCIPLE #3: REDESIGNING THE ECONOMY

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NC

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.

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ARCHIVAL VO

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.

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NC

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. 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, maybe industrial management. More recently, the directorship and the top managerial positions are people who came out of business schools, learned financial trickery of various kinds, and so on.

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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. It's very unclear that they're doing anything that of value to the economy. That's one phenomenon, what's called financialization of the economy. Going along with that is the offshoring 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. What's its 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.

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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.

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, he explained his success in running the economy as based on what he called, "Greater Worker Insecurity."

00:22:26

Alan Greenspan

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 roll.

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NC

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 offshoring are part of what lead to the vicious cycle of concentration of wealth and concentration of power.

00:23:23

NC Archival

I'm Noam Chomsky and I'm on the faculty at MIT and I've been getting more and more heavily involved in anti-war activities for the last few years.

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Archival Announcer

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.

00:23:48

Archival VO

You are identified with the new left, whatever that is. You certainly have been an activist as well as a writer.

00:24:05

William F. Buckley

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 2 or 3 years a series of adamant positions rejecting at least American foreign policy, at most America itself.

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NC

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 society. Like in the Soviet Union, say Václav Havel would be imprisoned. In a U.S. dependency like El Salvador, at the same time, his counterpart 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.

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NC

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, do you 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, you're against the people. 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.

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TEXT

#### PRINCIPLE #4: SHIFT THE BURDEN

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NC

The American Dream, like many ideals, was partly symbolic, but partly real. In the 1950s and 60s, say, there was the biggest growth period in American economic history. The Golden Age.

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.

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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? 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. It's related to the attitude toward the country altogether.

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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.

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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. In fact, right now, it's almost absurd. Corporations have money coming out of their pockets. 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 America corporations shifted the burden of sustaining the society onto the rest of the population.

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TEXT

#### PRINCIPLE #5: ATTACK SOLIDARITY

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NC

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.

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."

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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.

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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 GI 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.

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Archival VO

Where a community, state or nation courageously invests a substantial share of its resources in education, the investment invariably returned in better business and the higher standard of living.

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NC

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.

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.

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TEXT

#### PRINCIPLE #6: RUN THE REGULATORS

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NC

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.

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.

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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.

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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.

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Male News Announcer

Congress was asked to approve federal loan guarantees to the auto company of up to \$1,500,000,000...

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NC

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 - and the government moved in and bailed it out.

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Female News Announcer

President Bush today signed the \$300,000,000,000 Savings and Loan bailout bill...

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NC

In 1999, regulation was dismantled to separate commercial banks from investment banks. Then comes the Bush and Obama bailout.

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Male News Announcer

Bear Stearns is running to the feds to stay afloat...

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Female News Announcer

President Bush today defended the decision to bail out Citigroup, Fannie Mae and Freddie Mac and asked for a total of \$3,000,000,000 more – the bailout could get much bigger, signaling deepening troubles for the U.S. economy.

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NC

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?

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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's just going to go 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.

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TEXT

#### PRINCIPLE #7: ENGINEER ELECTIONS

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NC

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 14<sup>th</sup> 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.

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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 20<sup>th</sup> 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 14<sup>th</sup> 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.

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

Take a look what that means. 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.

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It’s very interesting to read the rulings, like Justice Kennedy’s swing vote. 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?”

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, who get in there because they're funded by business. It's the way the cycle works.

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TEXT

#### PRINCIPLE #8: KEEP THE RABBLE IN LINE

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NC

There is one organized force which traditionally, plenty of flaws, but with all its flaws its 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.

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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.

00:50:23  
Male Archival VO

A truck driver's 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 2.

00:50:41  
NC

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. 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.

00:51:20

Franklin D. Roosevelt

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.

00:51:40

NC

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...

00:52:35

Robert A. Taft

The Taft-Hartley Act was written for only one purpose, to restore justice and equality in labor-management relations.

00:52:45

NC

Then McCarthyism was used for massive corporate propaganda offensives to attack unions. It increased sharply during the Reagan years. Reagan pretty much told the business world, "If you want to illegally break organizing efforts and strikes - go ahead."

00:53:00

Ronald Reagan

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.

00:53:14  
NC

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 19<sup>th</sup> century, in the early days of the Industrial Revolution in the United States, working people were very conscious of this.

00:54:00

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.

00:55:00  
TEXT

#### PRINCIPLE #9: MANUFACTURING CONSENT

00:55:05  
NC

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”.

00:56:05  
NC

If you can fabricate once, 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 20<sup>th</sup> 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”.

00:56:59

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. The advertising industry just exploded with this as its goal - fabricating consumers. And it’s done with great sophistication.

00:57:27  
TV Ad VO

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.

00:57:40  
NC

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.

00:58:30

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”. 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.

When the same institution - the PR system - 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 takes place.

00:59:48

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, but when she mocks what she calls the “hopey changey” 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 backers want. Policy, more and more, is focused on the private interests that fund the campaigns... with the public being marginalized.

01:01:05  
TEXT

#### PRINCIPLE #10: MARGINALIZE THE POPULATION

01:01:10  
NC

One of the leading political scientists, Martin Gilens, came out with a study 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.

01:01:58

There is popular mobilization and activism, but in very self-destructive direction. 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 15. April 15 is kind of a measure - the day you pay your taxes - of how democratic the society is. If a society is really democratic, April 15 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? 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 your 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.

01:03:45

The tendencies that we've been describing within American society, unless there are 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.

01:04:30

Chomsky Archival VO

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, at the expense of others. 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.

01:05:02

NC

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 20<sup>th</sup> century, he argued that until all institutions - production, commerce, media - unless they're all under participatory democratic control, 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.

01:06:06

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.

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.

01:06:52

Chomsky Archival VO

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.

01:07:10

NC

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 20<sup>th</sup> century.

The major contributions came in the 1960s. One of the leading ones was a case in the Civil Rights movement. 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. That's how rights are won.

01:08:05

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'm not the greatest organizer.

01:08:15

Chomsky Archival VO

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 corrected by operating outside of the framework that is commonly accepted. I think we're going to have to find new ways of political action.

01:08:35

NC

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.

1:09:39

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.

01:13:00