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Noam Chomsky
Massachusetts Institute of Technology

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"CONSENT WITHOUT CONSENT": REFLECTIONS ON THE THEORY AND PRACTICE OF DEMOCRACY

NOAM CHOMSKY

The current moment is an opportune one to reflect on core issues of American democracy. The 1996 primary season is over, and the two presumed candidates are heading on to the campaign itself. As always, the primaries had extensive media coverage. There was also an unprecedented flow of funds, far more than in 1992, though only one nomination was contested. But a few things were missing, and these may be the most enlightening aspect of the primary season.

The first notable gap was voters. Apart from New Hampshire, where one-fourth of the electorate took part, participation ranged from 3% to 11% in the primaries that gave Robert Dole his victory, with about 1 million votes. The scanty voting was carried out "with great haste - and not that much deliberation," New York Times electoral analyst Richard Berke reported; and was skewed toward the wealthy, as usual. Whatever may have been taking place, it did not seem to be of much interest to the general population.

Also missing is much of a difference between the two presidential candidates. Both are (in effect) moderate Republicans and longtime government insiders, basically candidates of the business world. A few months after Bill Clinton took office, the lead story in the Wall Street Journal reported approvingly that the President is "Wooing, And Mostly Pleasing, Big-Business Leaders." The story is headed "Unlikely Allies," but that is hardly a reflection of Clinton's earlier record or campaign literature, as the news report tacitly recognized. The Journal was pleased that "[o]n issue after issue, Mr. Clinton and his administration come down on the same side as corporate America," eliciting cheers from CEOs of major corporations, who are delighted that "[w]e're getting along much better with this administration than we did with previous ones," as one put it.

A year later, the Journal's enthusiasm was unabated. "The Clinton record is surprisingly pro-business - and centrist," it reported with needless puzzlement. With the help of congressional Republicans, the "special interests" have been able to "break him," gratifying the U.S. Chamber of Commerce, corporate lobbyists, insurance firms, and the like. Only "some special interests have lost out" with Democrats in control of both the Presidency and Congress: unions, who had a "very sparse two years," the Washington Post reported, while

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1Institute Professor, Department of Linguistics and Philosophy, MIT. What follows is an edited and updated version of a lecture delivered on March 28, 1996.
"business made out like a bandit," in achieving virtually all of its objectives while blocking labor and progressives at every turn.2

Aspirations rose several notches higher with the narrow electoral victory of the Gingrich Republicans in November 1994. A year later, Business Week reported that "most CEOs feel that the 104th Congress represents a milestone for business: Never before have so many goodies been showered so enthusiastically on America's entrepreneurs." The headline reads "BACK TO THE TRENCHES" - appetites are unabated, and an interesting wish list follows.3 The message was sent to corporate lobbyists in Washington, whose numbers reached 23,000 by the late '80s, up from 365 twenty-five years earlier. The number of corporate lawyers expanded at the same rate, along with a huge increase of other programs to overcome the "crisis of democracy" that arose in the 1960s when sectors of the population that are expected to be passive and obedient sought to enter the public arena.

With such allies, business had little time for the Clinton variety of support. When Ron Brown died in a plane crash in April 1996, the Wall Street Journal reported that "corporate America lost its most tireless and unabashed advocate in the administration, one who made stumping for companies his trade-mark mission." But though he "Worked Tirelessly for U.S. Industry," the headline read, Brown "Got Little Support From Business in Return." Not surprisingly, given the alternatives then available within the political system.4

In 1993, however, the best that business leaders could find was someone who consistently came down on their side. And in 1996 they have to satisfy themselves with candidates located somewhere between an improvement over Reagan-Bush and even more loyal service to corporate America.

The November 1993 Journal report on Clinton's surprisingly good behavior was more nuanced than I just indicated. Like Democratic presidents generally, it pointed out, Clinton tends "to appeal more to big corporations than to the legions of small-business owners." The Journal was identifying a fault line that has run through the U.S. political system for many years, separating more capital intensive, high tech, internationally oriented business from other sectors—roughly, the division represented by the Business Council and Business Roundtable, on the one hand, and the U.S. Chambers of Commerce and the National Association of Manufacturers, on the other. The latter are not "small," quite often, but are somewhat different in character. The far-reaching consensus of the business world has long set the general framework of the

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political system, but there are internal divisions, this being one, a matter illuminated particularly by Thomas Ferguson's important work.\textsuperscript{5}

Returning to the 1996 primary season, money and publicity were present in abundance, but not voters or much difference in outcome. Public attitudes shed further light on the functioning of the democratic system. More than 80% of the public think that the government is "run for the benefit of the few and the special interests, not the people," up from about 50% for similarly-worded questions in earlier years. Over 80% believe that the economic system is "inherently unfair," and that working people have too little say in what is going on in the country. More than 70% feel that "[B]usiness has gained too much power over too many aspects of American life" and "has benefited more than consumers from government deregulation." Two-thirds say that the "American dream" has become "harder to achieve" since the 1980s. And by what Business Week calls "a stunning 95%-to-5% majority," the public believes that corporations "should sometimes sacrifice some profit for the sake of making things better for their workers and communities."\textsuperscript{6}

Such figures are rarely found in polls.

Public attitudes remain stubbornly social democratic in important respects, as they have since the New Deal years.\textsuperscript{7} On the eve of the 1994 congressional election, 60% of the public wanted social spending increased.\textsuperscript{8} A year later, 80% held that "the federal government must protect the most vulnerable in society, especially the poor and the elderly, by guaranteeing minimum living standards and providing social benefits." Eighty to ninety percent of Americans support (and a substantial majority of these "strongly" support) federal guarantees of public assistance for those who cannot work, unemployment insurance, subsidized prescription drugs and nursing home care for the elderly, a minimum level of health care, and Social Security. Three-quarters support federally guaranteed child care for low-income working mothers. Close to two-thirds think that proposed Republican tax cuts "will go to people who don't need it."\textsuperscript{9} The resilience of such attitudes is particularly striking in the


\textsuperscript{7}On the early post-war period, see ELIZABETH FONES-WOLF, SELLING FREE ENTERPRISE (1994). On the mid-'80s, see Vicente Navarro, The 1984 Election and the New Deal, SOCIAL POLICY, Spring 1985; Thomas Ferguson and Joel Rogers, The Myth of America's Turn to the Right, ATLANTIC MONTHLY, May 1986, and their RIGHT TURN (1986).

\textsuperscript{8}LOS ANGELES TIMES, Nov. 20, 1994, cited by Doug Henwood The Raw Deal, NATION, Dec. 12, 1994, at 711.

light of what people constantly hear, and are authoritatively told about themselves.

The consistency between public attitudes and the record of the primaries suggests some conclusions, not for the first time. But these are not the ones that have regularly been drawn, for example, by the journal that reported in 1992 that 83% of the public think that the rich are getting richer, the poor are getting poorer, and "the economic system is inherently unfair." The conclusion drawn was that people are angry at "their well-paid politicians" and want more power to the people, not more power to the government. That interpretation of popular discontent with the economic system reflects two essential principles that doctrinal institutions have labored to implant in the public mind. The first is that government cannot be of, by, and for the people, responsive to their interests and subject to their will and influence; rather, it is their adversary. The second principle is that private power does not exist, even though the Fortune 500 control almost two-thirds of the domestic economy and much of the international economy, with all that that entails.

In short, there is a conflict between the government, which is the enemy, and the people, who are living the American dream together: the sober working man, his loyal wife (now maybe with a job herself), the hard-working executive toiling for the benefit of all, the friendly banker eager to lend money when needed, all a model of harmony, their happy lives disrupted only by "outsiders" and "un-Americans" of various sorts—union organizers and other riffraff. That is the picture that has been diligently crafted by the Public Relations industry, vastly expanded after the shock of popular organizing in the 1930s shattered the belief that the end of history had been reached in a kind of utopia of the masters. With some variants, the picture has endured in business propaganda, the entertainment industry, and much of the popular and intellectual culture.

Given a picture of this general nature, the fact that the overwhelming majority of the population regard the economic system as inherently unfair can be understood to mean that people are angry at rich politicians and want the government off their backs so that "the people" will have "the power," not their enemy. The conclusion is not entirely wrong, after the propaganda onslaught of the past years, on a scale that is rarely appreciated. And the conclusion even makes some sense if we accept its tacit presuppositions: a democratic government that serves popular interests is impossible (though state governments are tolerable, being far more easily dominated by private power); and the people live in harmony, contrary to beliefs about class conflict that seemed obvious to Adam Smith and many since, and are an absolute obsession of the American business community, which is unusual in its high level of class consciousness and dedication to class warfare, quite openly expressed by business leaders. They have long warned of "the hazard facing industrialists" in "the newly realized political power of the masses," and the need to wage and win "the everlasting battle for the minds of men" and "indoctrinate citizens with the capitalist story" until "they are able to play back the story with remarkable
fidelity”; and so on, in an impressive flow, accompanied by even more impressive efforts, and surely one of the central themes of modern history.10

It is a tribute to the skill of the warriors fighting the everlasting battle that when the dam finally broke during the 1996 primaries, there was real surprise and alarm at the appeal on class lines by a demagogue assuming a populist mantle. Pat Buchanan "opened a second front" in the "class war," New York Times commentator Jason DeParle reported. Before that, unhappy people were expressing their anger and frustration by targeting "welfare families, immigrants and beneficiaries of affirmative action." But now, they were discovering bosses, managers, investors, speculators, even class conflict, features of our harmonious society that had somehow escaped notice.11

Ears that were tuned to a different part of the spectrum might have made the discovery a few years earlier; say, in 1978, when UAW President Doug Fraser condemned business leaders for having "chosen to wage a onesided class war in this country—a war against working people, the unemployed, the poor, the minorities, the very young and the very old, and even many in the middle class of our society," and having "broken and discarded the fragile, unwritten compact previously existing during a period of growth and progress."12 Or 20 years before that, in the labor press when it still existed on a substantial scale and was seeking—in its own words—to combat the corporate offensive to "sell the American people on the virtues of big business," and to provide "antidotes for the worst poisons of the kept press," the commercial media, which have the task of "damning labor at every opportunity while carefully glossing over the sins of the banking and industrial magnates who really control the nation."13 And long before, back to the early days of the industrial revolution.

We may be entering a new "blame era," Meg Greenfield warned in Newsweek, with "a switch from a variety of other organized grievances and conflicts to a developing economic class warfare theme . . . ." There is growing "animosity towards the fat cats—the corporate executives and top-level managers and investment bankers and other movers and shakers and dealmakers in the burgeoning new business universe," where "many things are happening . . . that only the specialist can understand." Those who cannot understand are seeking "a new national heavy," someone to blame for their woes. That is unfortunate, but understandable, Greenfield explains: misguided people always look for "malign forces . . . to explain their own failures and miseries," sometimes "Catholics and Jews and immigrants," now "the movers and shakers and dealmakers" who are leading us to a new world. "So far, most Americans

10 ALEX CAREY, TAKING THE RISK OUT OF DEMOCRACY 24 (1995); FONES-WOLF, supra note 7 at 52, 177.

11 Jason DeParle, Class is No longer a Four-letter Word, N.Y. TIMES MAG., Mar. 17, 1996, at 40.

12 KIM MOODY, AN INJURY TO ALL 147 (1988).

13 FONES-WOLF, supra note 7 at 44-45, 117.
have tended to blame Big Government for their economic woes," the editors of Business Week add, "but now their anger may be shifting in some measure toward Big Business." Many are even challenging "the role of the corporation in society." "Only the foolish would ignore the signs," and corporations must consider "the need to be more responsible corporate citizens" if they are to undercut the "reviving left." "The big reason why the bond and stock markets have enjoyed such a heady run for the past 15 years has been capital's clear subjugation of labor," John Liscio writes in Barron's, but the increasingly "aggressive campaign" of workers "to secure a so-called 'living wage'," and their occasional successes in this "sudden grassroots push for a guaranteed bigger piece of the pie," can no longer be ignored.14

There was still greater shock and distress at the discovery that the public feels that the masters of the economy are not meeting their responsibility to workers and communities, by a margin of almost 20 to 1. The reaction merits some attention.

One should note carefully the range of options admitted into public discourse now that the harmony of the past has been disrupted by the confused and misguided public and cynical politicians. At one extreme of the broadened spectrum of responsible debate it is held that those who rule the private economy should ruthlessly seek profit, and at the other extreme, that they should be more benevolent autocrats.

Missing from the spectrum are some other conceivable possibilities, for example, the thoughts of Thomas Jefferson, who warned of the rise of a "single and splendid government of an aristocracy, founded on banking institutions, and moneyed incorporations," which would enable the few to be "riding and ruling over the plundered ploughman and beggared yeomanry," destroying democracy and restoring a form of absolutism if given free rein, as they later were, beyond his worst nightmares. Or Alexis de Tocqueville, who, like Jefferson and Adam Smith, regarded equality of condition as an important feature of a free and just society. He saw the dangers of a "permanent inequality of conditions" and an end to democracy if "the manufacturing aristocracy which is growing up under our eyes," "one of the harshest that has ever existed in the world," should escape its confines. Or America's leading twentieth century social philosopher, John Dewey, who held that we cannot talk seriously about democracy in a regime of private power. "Power today resides in control of the means of production, exchange, publicity, transportation and communication," he wrote. "Whoever owns them rules the life of the country," and politics is little more than the "the shadow cast on society by big business" as long as the country is ruled by "business for private profit through private control of banking, land, industry, reinforced by command of the press, press agents and other means of publicity and propaganda." To correct this fundamental abuse of freedom and democracy, workers must be "the masters

of their own industrial fate," not mere tools rented by employers, a point of view that traces back to the origins of classical liberalism. Until industry is changed "from a feudalistic to a democratic social order," based on workers' control, democratic forms may exist, but their substance will be limited.15

Such ideas were also current in the labor press from the early days of industrial development in the United States, as artisans, "factory girls," and other working people gave eloquent voice to their struggle against "the New Spirit of the Age: Gain Wealth, forgetting all but Self." They were struggling to defend their dignity, freedom and culture, all under attack by the "harsh manufacturing aristocracy." They did not plead with the aristocracy to be more benevolent, but declared it to be illegitimate, denying its right to be harsh or benevolent. They were denying its right to determine what happens in the economic, social, and political realms. Like Dewey many years later, they insisted that "they who work in the mills ought to own them," so that authentic democracy can be envisaged.16

All of this is "as American as apple pie," without the dubious benefit of radical intellectuals, and an important part of the authentic history of the United States. But it is all missing, even as the spectrum broadens to tolerate the thought that the Fortune 500 should act more kindly to their subjects, perhaps should be bribed by special tax concessions to restrain "corporate greed," some of the more adventurous suggest.

Apart from its intrinsic illegitimacy, benevolent autocracy poses practical problems. Those who run the game can always call it off, turning ruthless at whim. There is an illuminating history of "welfare capitalism" initiated by the masters to fend off the threat of democracy, then cancelled when it no longer became convenient, or was no longer felt to be necessary, as once again in the current era. The lessons should be no less obvious today than they were to mill-hands in Eastern Massachusetts 150 years ago.

Let us return to the primaries, and take a closer look at what was missing. One missing item was Senator Phil Gramm, whose "well-financed campaign" was the first to die, political commentator James Perry reported in the Wall Street Journal.17 Gramm's disappearance was particularly noteworthy, Perry recognized, because he was "the only presidential standard-bearer" for the "conservatives" whose "historic seizure" of power in 1994 was supposed to reshape the political landscape for a long time to come, reversing the hated social contract and restoring the glory days of the Gay '90s and Roaring '20s, when "capital's clear subjugation of labor" had been established for good, so it

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seemed, by methods that could not "proceed in anything remotely resembling a democracy," Thomas Ferguson observes. 18

The collapse of the congressional Republicans is the "cruellest irony" of the campaign, Perry continued. He was right to notice these interesting facts, but they should have come as no surprise to anyone watching the polls, which have consistently shown opposition to the programs of the Gingrich Republicans.

A few days later, Journal political commentator Albert Hunt observed that "there barely was a mention of Newt Gingrich or the Contract with America," or other favorite themes of "Beltway economic conservatives," in the New Hampshire primary campaign. 19 True, and again no surprise. In November 1994, few voters had even heard of the Contract, and when informed of its features, considerable majorities voiced opposition. Not surprisingly, when politicians had to face the public, they dropped their agenda like a hot potato; or more accurately, dropped mention of it. That is no cruel irony, but simple realism, as is the fact that the agenda is pursued as before, whatever the public may prefer—at least as long as the 'great beast,' as Alexander Hamilton angrily termed the "people" admired by democrats, can be kept quiet and caged. 20

Perhaps the most dramatic example of what was missing from the primaries was the federal debt and deficit. "Nobody talks much about balancing the budget any more," Perry reported, though it was the major issue a few weeks earlier, repeatedly forcing the government to close as the two political parties battled over whether the task should be accomplished in seven years or a bit longer. All agreed with the President, who announced: "Let's be clear; of course—of course—we need to balance the budget." 21 But the topic disappeared as soon as the public could no longer be entirely ignored. Or as the Wall Street Journal preferred to phrase the matter, voters "have abandoned their balanced-budget 'obsession'" - that is, their opposition to balancing the budget by large margins, when informed of the consequences, as polls regularly showed. 22

To be accurate, parts of the public did share the "obsession" of both political parties with balancing the budget. In August 1995, the deficit was chosen as the country's most important problem by 5% of the population, ranking alongside of homelessness. 23 But the 5% who were obsessed with the budget happened to include people who matter. "American business has spoken:

18 Ferguson, supra note 5 at 72.
20 HENRY ADAMS, HISTORY OF THE UNITED STATES OF AMERICA DURING THE ADMINISTRATIONS OF THOMAS JEFFERSON 61 (Literary Classics of the United States, Inc. (1986)).
balance the federal budget," *Business Week* announced, reporting a poll of senior executives.\(^{24}\) And when business speaks, so do the political class and the media, which informed the public that "Americans voted for a balanced budget," detailing the required cuts in social spending pursuant to the public will (and over its substantial opposition during the election and since, as polls regularly showed).\(^{25}\)

Small wonder that the topic fell off the screen when politicians had to face the great beast. Or that the agenda continues to be implemented in its interesting double-edged fashion, with unpopular cuts in social spending alongside of increases in the Pentagon budget advocated by one out of six people, but with strong business support in both cases. The reasons are easily understood, particularly when we bear in mind the domestic role of the Pentagon system: to transfer public funds to advanced sectors of industry, so that Newt Gingrich's rich constituents, for example, can receive more federal subsidies than any suburban district in the country outside the federal system itself, protecting them from the rigors of the marketplace while their leader denounces the nanny state and lauds entrepreneurial values and rugged individualism.

The standard story from November 1994 has been that the Gingrich free market enthusiasts are pursuing the poll-driven Contract with America. From the beginning, it has been clear that this was untrue, and the fraud is now partially conceded. In a press conference, Frank Luntz, polling specialist of the Gingrich Republicans, explained that when he assured journalists that a majority of Americans supported each of the ten parts of the Contract, what he meant was that people liked the slogans that were used for packaging. To take one example, studies of focus groups showed that the public opposes dismantling the health system but wants to "preserve, protect and strengthen" it "for the next generation." So dismantling is packaged as "a solution that preserves and protects Medicare for seniors and that sets the stage for the baby boomers" (Gingrich). Republicans will "preserve and protect" the health system, Robert Dole added.\(^{26}\)

All of this is very natural in a society that is, to an unusual degree, business-run, with huge expenditures on marketing—$1 trillion a year, one-sixth of 1992 GDP, according to a recent academic study, and mostly tax-deductible, so that people pay for the privilege of being subjected to manipulation of their attitudes and behavior.\(^{27}\) These are among the many

\(^{24}\) *Business Week/Harris Executive Poll*, *Bus. Wk.*., June 5, 1995, at 34.


devices that have taken shape to create artificial wants, manage attitudes, and control "the public mind."

A manual of the public relations industry by one of its leading figures, Edward Bernays, opens by observing that "The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society." "But clearly it is the intelligent minorities which need to make use of propaganda continuously and systematically," because it is only they, "a trifling fraction" of the population, "who understand the mental processes and social patterns of the masses" and are therefore in a position to "pull the wires which control the public mind." In its commitment to "open competition" that will "function with reasonable smoothness," our "society has consented to permit free competition to be organized by leadership and propaganda," a "mechanism which controls the public mind" and enables the intelligent minorities "so to mold the mind of the masses that they will throw their newly gained strength in the desired direction," thus "regimenting the public mind every bit as much as an army regiments the bodies of its soldiers."²⁸ This process of "engineering consent" is the very "essence of the democratic process," Bernays wrote 20 years later, shortly before he was honored for his contributions by the American Psychological Association in 1949.

A good Roosevelt liberal, Bernays had honed his skills in Woodrow Wilson's Committee on Public Information (Creel Commission), the first U.S. state propaganda agency. "It was, of course, the astounding success of propaganda during the war that opened the eyes of the intelligent few in all departments of life to the possibilities of regimenting the public mind," Bernays explained in his PR manual on propaganda. The Commission was the official component of the campaign in which intellectuals undertook to serve as "the faithful and helpful interpreters of what seems to be one of the greatest enterprises ever undertaken by an American president" (New Republic), Wilson's decision to enter the European war after campaigning on the slogan of peace without victory. Their achievement, as they later put it, was to "impose their will upon a reluctant or indifferent majority," with the aid of propaganda fabrications about Hun atrocities and other such devices, serving unwittingly as instruments of the British Ministry of Information, which secretly defined its task as "to direct the thought of most of the world."

All of this is good Wilsonian doctrine. Wilson's own view was that an elite of gentlemen with "elevated ideals" is needed to preserve "stability and righteousness."²⁹ It is the intelligent minority of "responsible men" who must control decision-making, another veteran of the Creel Commission, Walter Lippmann, explained in his influential essays on democracy of the same years. This "specialized class" of "public men" is responsible for "the formation of a sound public opinion" as well as setting policy, and must keep at bay the

²⁸ EDWARD L. BERNAYS, PROPAGANDA (1928).
"ignorant and meddlesome outsiders," who are incapable of dealing "with the substance of the problem." The public must "be put in its place": its "function" in a democracy is to be "spectators of action," not participants, acting "only by aligning itself as the partisan of someone in a position to act executively," in periodic electoral exercises.

In the entry on "propaganda" in the Encyclopedia of the Social Sciences, Harold Lasswell, one of the founders of modern political science, warned that the intelligent few must recognize the "ignorance and stupidity [of] ... the masses" and not succumb to "democratic dogmatisms about men being the best judges of their own interests." The masses must be controlled for their own good; and in more democratic societies, where social managers lack the requisite force, they must turn to "a whole new technique of control," largely through propaganda.

There is, of course, a hidden premise: the "intelligent minorities" must be intelligent enough to understand where real power lies, unlike, say, Eugene Debs, languishing in jail because he failed to recognize the nobility of Wilson's great enterprise. Years earlier, Debs had been declared "an enemy of the human race" by the New York Times, which demanded that "the disorder his bad teachings has engendered must be squelched," as indeed it was, in what historian David Montgomery describes as "a most undemocratic America" that was "created over its workers' protests." 30

The themes resonate to the current period, for example, when the Professor of the Science of Government at Harvard explained at the outset of the Reagan years that "you may have to sell [intervention or other military action] in such a way as to create the misimpression that it is the Soviet Union that you are fighting. That is what the United States has been doing ever since the Truman Doctrine." 31 It is not only the resort to violence that must be "sold" to a reluctant public. Their "function" also extends to assuming the costs and risks of "free enterprise." These responsibilities of the public took new forms after World War II, when the business world recognized that advanced industry "cannot satisfactorily exist in a pure, competitive, unsubsidized, 'free enterprise' economy," and that "the government is their only possible savior" (Fortune, Business Week). Business leaders recognized that the needed economic stimulus could take other forms, but the Pentagon system had many advantages over social spending, with its unwelcome democratizing and redistributive effects; and it took little imagination to see that the public could be kept in line by "creating misimpressions" about the Cold War. Understanding the point well, Truman's Air Force Secretary advised that the word to use is "security," not "subsidy," when it becomes necessary to induce the ignorant and meddlesome outsiders to permit the savior to socialize coats and risks. Virtually every


dynamic sector of the advanced industrial economy has relied on such measures.\textsuperscript{32}

The lessons were also understood by the Reaganites, who broke new postwar records in protectionism and sharply expanded the public subsidy to advanced industry in the standard postwar fashion. And they are surely understood today by the Heritage Foundation, Gingrich, and others who preach the merits of market discipline to 7-year old children while increasing the Pentagon budget beyond its current Cold War levels, no longer because the Russians are on the march but because of a new threat that emerged when the former enemy became a subordinate ally, even contributing to U.S. weapons production. The Pentagon must remain huge because of the "growing technological sophistication of Third World conflicts," the Bush administration explained to Congress a few months after the Berlin wall fell, adding that it would also be necessary to strengthen "the defense industrial base" with incentives "to invest in new facilities and equipment as well as in research and development."

Shortly after, the administration greatly expanded the flow of U.S. arms to the Third World, thus enhancing the threat that had arisen just in time to replace John F. Kennedy's "monolithic and ruthless conspiracy." The Clinton administration took matters a step further, determining for the first time that policy will "factor the health of U.S. weapons makers and the shape of the domestic economy into decisions on whether to approve foreign arms sales," the press reported; a natural step, now that the Soviet pretext has collapsed and it becomes necessary to face the facts more honestly.

Arms sales to undemocratic countries—a substantial component, even under the most generous interpretation of "democracy"—are opposed by 96% of the population. Military spending is often portrayed as a "jobs program, but the public seems unconvincing, or perhaps is not entirely unaware that the term jobs has come to mean profits in the "new techniques of control of the public mind."\textsuperscript{33}

The problem of safeguarding "stability and righteousness" has been no less grave abroad. Consider Brazil, recognized to be the potential "Colossus of the South" from early in this century, and taken over by the United States in 1945 to be turned into a "testing area for modern scientific methods of industrial development," as Washington "assumed, out of self-interest, responsibility for the welfare of the world capitalist system."\textsuperscript{34} On a visit to Brazil in 1960, President Eisenhower assured an audience of half a million that "Our socially conscious private-enterprise system benefits all the people, owners and

\textsuperscript{32} See FRANK ROFSKY, HARRY S. TRUMAN AND THE WAR SCARE OF 1948 (1993); NOAM CHOMSKY, TURNING THE TIDE (1985); NOAM CHOMSKY, WORLD ORDERS, OLD AND NEW (1994).


\textsuperscript{34} GERALD HAINES, THE AMERICANIZATION OF BRAZIL, ix, 121 (1989).
workers like... In freedom the Brazilian worker is happily demonstrating the joys of life under a democratic system." The U.S. had broken "down the old order in South America," Eisenhower's Ambassador John Cabot Moors told an audience in Rio de Janeiro a few months earlier, introducing "such revolutionary ideas as free compulsory education, equality before the law, a relatively classless society, a responsible democratic system of government, free competitive enterprise, [and] a fabulous standard of living for the masses."

But Brazilians were unappreciative of their good fortune, and reacted harshly to the good news brought by their northern tutors. Latin American elites are "like children," Secretary of State John Foster Dulles informed the National Security Council, "with practically no capacity for self-government." Worse still, the U.S. is "hopelessly far behind the Soviets in developing controls over the minds and emotions of unsophisticated peoples." A few weeks later Dulles again expressed his anxiety over the Communist "ability to get control of mass movements, ... something we have no capacity to duplicate." "The poor people are the ones they appeal to and they have always wanted to plunder the rich." Soon after, Washington had to turn to sterner measures to maintain stability and righteousness.

Responsible men who try to bring democracy to the children of the world face no easy task, and it is therefore not surprising that Washington's "impulse to promote democracy" is generally ineffective, and often limited to rhetoric (Thomas Carothers, surveying Washington's crusade for democracy under Reagan, which he regards as "sincere" though largely a failure). The "democracy assistance projects" of the Reagan administration (which Carothers reviews with "an insider's perspective," having served in the Office of the Legal Adviser of the Department of State from 1985 to 1988) sought to maintain "the basic order of what, historically at least, are quite undemocratic societies" and to avoid "populist-based change" that might risk "upsetting established economic and political orders and heading off in a leftist direction." The U.S. continued "to adopt prodemocracy policies as a means of relieving pressure for more radical change" - much as "welfare capitalism" and democratic reforms were reluctantly accepted at home—"but inevitably sought only limited, top-down forms of democratic change that did not risk upsetting the traditional structures of power with which the United States has long been allied." The word "inevitable" is too strong, but the policies are natural, expected, and routine, and consistent with prevailing conceptions of democracy. Nor is it particularly surprising that progress towards democracy was negatively correlated with U.S. influence, as Carothers indicates.


Similar problems have arisen with international institutions. In its early years, the United Nations was a reliable instrument of U.S. policy, for obvious reasons, and was highly admired. But decolonization brought with it what came to be called "the tyranny of the majority," and from the 1960s, Washington was compelled to take the lead in vetoing Security Council resolutions (with Britain second, and France a distant third), and voting alone or with a few client states against General Assembly resolutions. The U.N. fell into disfavor, and there was no little perplexity over the fact that the U.N. is opposing the U.S. (not conversely), with Washington no longer assured of "an automatic majority" (New York Times U.N. correspondent Richard Bernstein, who attributes the deterioration of international norms to "the very structure and political culture" of the U.N. and the lack of diplomatic skills among Americans).38

By the 1980s, the U.S. had to withdraw its acceptance of compulsory jurisdiction by the World Court for similar reasons. State Department Legal Adviser Abraham Sofaer explained that when the U.S. accepted such jurisdiction, most members of the U.N. "were aligned with the United States and shared its views regarding world order." But no longer. Now "[a] great many of these cannot be counted on to share our view of the original constitutional conception of the U.N. Charter," and "[t]his same majority often opposes the United States on important international questions." We must therefore "reserve to ourselves the power to determine whether the Court has jurisdiction over us in a particular case," in accord with the Connally reservation of 1946 which "provides that the United States does not accept compulsory jurisdiction over any dispute involving matters essentially within the domestic jurisdiction of the United States, as determined by the United States"—in this case, the U.S. actions against Nicaragua that were later condemned by the Court as an "unlawful use of force."39

A domestic analogue is noted by the President of the National Association of Criminal Defense Lawyers, Robert Fogelnest. Discussing a California initiative to allow non-unanimous jury verdicts, he quotes representatives of the California District Attorneys Association who "have decried an alleged growth in the 'lack of social consensus' and cited 'differences in the community'" as justification for this step. What has changed, Fogelnest suggests, "is that women, people of color, immigrants, gay people, political dissidents, and even lawyers now proudly serve on juries as never before."40 On this analysis, the reasoning is much the same as with regard to international institutions and challenges to "the traditional structure of power" generally: if


39The United States and the World Court, U.S. DEPT STATE, BUREAU PUB. AFF., CURRENT POLICY, No. 769 (Dec. 1985), statement before the Senate Foreign Relations Committee. I am indebted to Tayyab Mahmud for bringing this to my attention.

they do not preserve "stability and righteousness," democratic practices must yield.

At home and abroad, all of this too is "as American as apple pie." The basic point was explained cogently by sociologist Franklin Henry Giddings when the U.S. was liberating the Philippines at the turn of the century, also liberating several hundred thousand souls from life's sorrows and travails - or as the press put it, "slaughtering the natives in English fashion" so that "the misguided creatures" who resist us will at least "respect our arms" and later come to recognize that we wish them "liberty" and "happiness," at least those who survive the "wholesale killing" they are forcing us to undertake.

To explain all of this in properly civilized tones, Giddings devised the concept "consent without consent": "if in later years, [the colonized] see and admit that the disputed relation was for the highest interest, it may be reasonably held that authority has been imposed with the consent of the governed," rather as when a parent prevents a child from running into a busy street.41

A version of this useful concept has also been adopted by the courts. Thus, denying an appeal by workers who lost jobs when Ohio plants were moved to states with cheaper labor, the Sixth Circuit Court of Appeals noted that "[S]tates and counties in the United States compete with each other for companies contemplating relocation," and labor laws neither "discourage such relocations" nor bar closing of unionized plants in favor of "a nonunion plant in another part of the country or in a foreign country," as "contemplated" by NAFTA. Furthermore, Congress and the courts have made the social judgment, rightly or wrongly, that our capitalistic system, Darwinian though it may be, will not discourage companies from locating on the basis of their own calculations of factors relating to efficiency and competitiveness. The rules of the marketplace govern. By so reflecting commercial interests, the institutions of government serve—according to current legal and economic theory—the long-term best interests of society as a whole. That is the basic social policy the country has opted to follow.42

"The country has opted to follow" no such course, unless we invoke the people's "consent without consent." And it is far from true that "the rules of the marketplace govern" or that the system is "Darwinian" (in the intended sense of "social Darwinism," which has little to do with biology)—except for working people, the poor and the weak, who are indeed subjected to the social policy established by Congress and the courts, operating under the Deweyan "shadow," and might have some thoughts on the historic dedication of "legal and economic theory" to "the long-term best interests of society as a whole."

41STUART CHREIGHTON MILLER, BENEVOLENT ASSIMILATION 74, 78, 123 (1982).
42Allen v. Diebold, Inc., 33 F.3d 674, 677 (6th Cir. 1994).
With a proper understanding of the concept of "consent," then, we may conclude that implementation of the business agenda over the objections of the general public is "with the consent of the governed," a form of "consent without consent." And in the same sense, "society has consented" to grant to "leadership and propaganda" the authority to "mold the mind of the masses" so that they will perform their duties in our free society as do soldiers in a properly disciplined army. It is the hard and demanding task of the responsible men to present a suitable version of this to the "ignorant and meddlesome outsiders," particularly when the public is called upon to carry out its periodic task of "aligning itself as the partisan" of one or another of those who understand "the higher interest." Within the political system, that is; not in the governance of the economy, which must remain securely in the hands of virtually unaccountable power systems.

There has often been a gap between public preferences and public policy. In recent years, the gap has become substantial, as changes in the international economy have rendered superfluous the gestures of the benevolent aristocracy towards "welfare capitalism," or so it was believed until ominous signs of a "second front in the class war" were detected in early 1996.

The problem of obtaining "consent without consent" did not arise for the first time in modern America. David Hume, in his First Principles of Government, concluded that in any society, "the governors have nothing to support them but opinion. 'Tis therefore, on opinion only that government is founded; and this maxim extends to the most despotic and most military governments, as well as to the most free and most popular." The more popular, however, require more sophisticated measures to control the public mind, as Lasswell and others have recognized, including some gestures to the principle of "consent of the governed." Frances Hutcheson had argued that this principle is not violated when rulers impose a sensible plan that is rejected by the "stupid" and "prejudiced" people, as long as there is "all rational ground of concluding, that upon a short tryal [the people] will heartily consent to it," 43 so that they offer their "consent without consent."

The people, however, are often recalcitrant, posing repeated "crises of democracy." The problem of containing the threat of democracy had arisen a century before Hume and Hutcheson, during the first democratic upsurge, when the rabble did not want to be ruled by King or Parliament but "by countrymen like ourselves, that know our wants," their pamphlets explained, because "[i]t will never be a good world while knights and gentlemen make us laws, that are chosen for fear and do but oppress us, and do not know the people's sores." Such ideas reappear constantly through modern history, 44 distressing the responsible men just as they did "the men of best quality" of 18th


century England, who were ready to grant the people rights, one explained, but within reason, and on the principle that "when we mention the people, we do not mean the confused promiscuous body of the people." A century later, John Randolph was to repeat the sentiment in almost the same words, stating: "When I mention the public, . . . I mean to include only the rational part of it. The ignorant vulgar are as unfit to judge of the modes, as they are unable to manage the reins of government."45

Though not unique, the American experience is surely the most interesting and most important case to study carefully if we hope to understand the world of today and tomorrow. One reason is the power and primacy of the United States. Another is its stable and longstanding democratic institutions. Furthermore, the United States is about as close to a tabula rasa as one can find. America can be "[a]s happy as she pleases," Thomas Paine remarked in 1776: "she hath a blank sheet to write upon." The indigenous societies were largely eliminated. By comparative standards, the U.S. also has little residue of earlier European structures or an authentic conservative tradition, one reason, perhaps, for the relative weakness of the social contract and of support systems, which often had their roots in pre-capitalist institutions. And to an unusual extent, the socio-political order was consciously designed. In studying history, one cannot construct experiments, but the U.S. is as close to the "ideal case" of state capitalist democracy as can be found.

The main designer, furthermore, was not only an astute political thinker but also a very lucid one, whose views largely prevailed, and have received careful scholarly attention (with diverse conclusions).46 While eloquently upholding the call for "preservation of the sacred fire of liberty" that he wrote into George Washington's Inaugural Address, James Madison also echoed and reshaped the concerns that have guided the thinking of the responsible men throughout the modern democratic era. In the debates on the Federal Constitution, he pointed out that "[i]n England, at this day, if elections were open to all classes of people, the property of landed proprietors would be insecure. An agrarian law would soon take place," undermining the right to property. To ward off such injustice, "our government ought to secure the permanent interests of the country against innovation," arranging voting patterns and checks and balances so as "to protect the minority of the opulent against the majority."47

In Madison's "determination to protect minorities against majority infringements of their rights," Lance Banning observes, "it is absolutely clear


that he was most especially concerned for propertied minorities among the people." For that reason, Madison held that "the senate ought to come from and represent the wealth of the nation," the "more capable set of men," and that other constraints on democratic rule should be instituted. In the Madisonian Virginia Plan, the upper house was to "assure continuing protection for the rights of the minority and other public goods," Banning comments. But in practice, it is the rights of a specific minority that are to be protected, even to be considered a "public good": the propertied minority of the opulent.

Madison's commitment to the primacy of property rights, which was established in the constitutional system, is clear even in the statements adduced to show that he "differed most profoundly from some others at the meeting" by according "the people's right to rule" the same importance as "the protection of the rights of property" (Banning). To illustrate, Banning notes that throughout his life Madison kept to his maxim that "in a just and a free government the rights both of property and of persons ought to be effectually guarded." The formulation is misleading, however. There are no "rights of property," only rights to property, which are rights of persons standing alongside other rights (to freedom of speech, etc.). The right to property also differs from others in that one person's possession of property deprives another of that right. The Madisonian principle, then, holds in effect that a just and free government should guard the rights of persons generally, but must provide special and additional guarantees for the rights of one class of persons, property owners, thus protecting the minority of the opulent against the majority.

The threat of democracy took on still larger proportions because of the likely increase in "the proportion of those who will labor under all the hardships of life, and secretly sigh for a more equal distribution of its blessings," which Madison anticipated in a June 1787 speech. Perhaps influenced by Shay's rebellion, he went on to warn that "the equal laws of suffrage" might in time shift power into their hands. "No agrarian attempts have yet been made in this Country," he added, "but symptoms of a levelling spirit ... have sufficiently appeared in a certain quarters [sic] to give warning of the future danger. The poor, in short, might turn to their historical vocation of "plundering the rich," which was later to impede U.S. efforts in "developing controls over the minds and emotions of unsophisticated peoples." 48

The basic problem that Madison foresaw in "framing a system which we wish to last for ages" was to ensure that the actual rulers will be the opulent minority so as "to secure the rights of property [meaning the privileged personal right to property] against the danger from an equality of universality of suffrage, vesting complete power over property in hands without a share in it." Those "without property, or the hope of acquiring it," he reflected in 1829, "cannot be expected to sympathize sufficiently with its rights, to be safe depositories of power over them." The solution was to ensure that society be

48 Supra note 36.
fragmented, with limited public participation in the political arena, which is to be effectively in the hands of the wealthy and their agents. Lance Banning, who among modern Madisonian scholars most strongly affirms Madison's dedication to popular rule, nevertheless agrees with Gordon Wood that "[t]he Constitution was intrinsically an aristocratic document designed to check the democratic tendencies of the period," delivering power to a "better sort" of people and excluding "those who were not rich, well born, or prominent from exercising political power."49

The modern version I have already sampled, though keeping to the liberal side of the spectrum, omitting the reactionary variant, labelled "conservative," with its call for strengthening "community" and "civil society"—understood narrowly, however. Participation in civil society means having a job, going to church to be encouraged to have "higher thoughts than labor agitation," as John D. Rockefeller's favorite evangelist put it a century ago,50 and otherwise keeping busy well removed from the public arena, which is to be in the hands of the rich and powerful. The latter, furthermore, are to remain invisible, for good reasons. "The architects of power in the United States must create a force that can be felt but not seen," Samuel Huntington observed while explaining the need to delude the public about the Soviet threat: "Power remains strong when it remains in the dark; exposed to the sunlight it begins to evaporate."51

This account of the Madisonian roots of the prevailing concepts of democracy is unfair in an important respect. Like Adam Smith and other founders of classical liberalism, Madison was pre-capitalist, and hardly in sympathy with "the New Spirit of the Age: Gain Wealth, forgetting all but Self," which signalled the defeat of the revolution to working people in New England not long after his death. Madison "was—to depths that we today are barely able to imagine—an eighteenth century gentleman of honor," Banning comments. It is the "enlightened Statesman" and "benevolent philosopher" who, he hoped, are to share in the exercise of power. Ideally "pure and noble," these "men of intelligence, patriotism, property and independent circumstances" would be a "chosen body of citizens, whose wisdom may best discern the true interests of their country, and whose patriotism and love of justice will be least likely to sacrifice it to temporary or partial considerations." They would thus "refine" and "enlarge" the "public views," guarding the public interest against the "mischiefs" of democratic majorities.

49GORDON WOOD, CREATION OF THE AMERICAN REPUBLIC 513-14 (1969). Wood's thesis is that the enterprise failed and that the "democratic society" that emerged "was not the society the revolutionary leaders had wanted or expected," grounded in republican virtues and enlightenment. WOOD, supra note 44, at 365. Whether the failure of republicanism led to a triumph of democracy, however, depends very much on how we understand the latter concept, and the events that followed. Many, including even much of the white working class, had a different picture.


51SIDNEY PLOTKIN & WILLIAM SCHEURMAN, PRIVATE INTERESTS, PUBLIC SPENDING 223 (1994).
Madison soon learned differently, as the "opulent minority" proceeded to use their new-found power much as Adam Smith had described, pursuing their "vile maxim": "All for ourselves, and nothing for other people." By 1792, Madison warned that the Hamiltonian developmental capitalist state would be a government "substituting the motive of private interest in place of public duty," leading to "a real domination of the few under an apparent liberty of the many." A few months earlier, in a letter to Jefferson, he had deplored "the daring depravity of the times," as the "stockjobbers will become the pretorian band of the government—at once its tools and its tyrant; bribed by its largesses, and overawing it by clamors and combinations." They will cast over society the shadow that we call "politics," as John Dewey later formulated another truism that dates back to Adam Smith.

There have been many changes in the past 200 years, but Madison's words of warning remain apt, taking new meaning with the establishment of huge, largely unaccountable private tyrannies—Jefferson's "banking institutions and moneyed incorporations"—which were granted extraordinary powers early in this century. They mimic totalitarian forms in their internal structure, receive ample "largesses" from the states they largely dominate, and have gained substantial control over the domestic and international economy as well as the informational and doctrinal systems, bringing to mind another of Madison's concerns: that "[a] popular Government, without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or perhaps both."

With these realities in the not very obscure background, any discussion of the successes of market democracy is of limited real world relevance. With regard to democracy, the point seems clear enough to most of the population, however well or poorly they may comprehend the workings of the forces that "can be felt but not seen." As for markets, this is not the place to undertake a serious analysis, but sure talk of markets and trade is misleading at best when "over 50 percent of the international trade of both the United States and Japan and 80 percent of British manufactured exports" are "intrafirm rather than international,"\textsuperscript{52} guided by a very visible hand, with all sorts of devices for evading market discipline. And it is surely misleading to speak of "lean and mean times" when the business press cannot find adjectives exuberant enough to capture the "dazzling" and "stupendous" profit growth of the 1990s, and a headline in \textit{Business Week} announces "The Problem Now: What to do with All that Cash," as "surging profits" are "overflowing the coffers of Corporate America" and dividends are booming. Or to discuss the suffering caused across the board by "downsizing" when the Bureau of Labor Statistics estimates that the category of "executives, managers, and administrative personnel" for U.S. companies grew almost 30 percent from 1983 to 1993,\textsuperscript{53} while compensation

\textsuperscript{52}Vincent Cable, \textit{The Diminished Nation-State}, 124 \textit{Daedalus} Mar. 22, 1995 (citing the U.N. \textit{World Investment Report} (1993)).

for executives skyrocketed (and easily retains its international lead, relative to labor costs)—apparently with little or no correlation to performance.  

Similarly, some caution seems necessary in lauding the marvels of the "emerging markets" when the leading recipient of U.S. Foreign Direct Investment in the hemisphere (Canada aside) is Bermuda, with about one-quarter, another 20% going to other tax havens, much of the rest to such "economic miracles" as Mexico, which followed the dictates of the "Washington consensus" with unusual obedience, and less than glorious consequences for the overwhelming majority.

In fact, the very notions of "capitalism" and "markets" seem to be disappearing from consciousness, much like the concept of democracy. A few examples may serve to illustrate.

A lead story in the Wall Street Journal, discussing the "fateful choices" that states are making to attract business, compares two cases: Maryland, with its "antibusiness image," and "more Republican" Virginia, which is "more gung-ho about corporate growth" and more sympathetic to "the choices made by entrepreneurs." Why these two examples? In fact, the actual case studied is not Maryland and Virginia, but the Greater Washington region, one of the "top areas in the U.S. for high-tech, emerging-growth companies." The Washington suburbs did follow different business strategies: in Maryland, they relied on the "powerful economic engine" provided by federal spending in medicine, pharmaceuticals, and biotechnology, while Virginia put its faith in the traditional cash cow, the Pentagon system. With a "stroke of luck," Virginia's more conservative values turned out to have been the wiser choice: entrepreneurs banking on the "the death sciences" are doing better than those who thought "the life sciences" would provide more public funding, a senior fellow at George Mason University observes. "Virginia has emerged triumphant," the Journal reports, exploiting "the U.S. government's huge budgets for computer systems and networks," communications and information technology, and military procurement, thereby constructing "one of the largest concentrations in America" of high tech companies.

The "choices made by entrepreneurs" reduce to which public funds will be more lucrative, much as in the "Norman Rockwell world with fiber optic computers and jet airplanes" described by its congressional representative

bureaucracies" of U.S. corporations (more than three times as high as Germany and Japan), and the relation of "corporate bloat" to the (also unusual) U.S. "wage squeeze," see DAVID GORDON, FAT AND MEAN (1996).


Newt Gingrich, where conservatism "flowers" by feeding at the public trough.\textsuperscript{57}

In \textit{Foreign Affairs}, Dean Joseph Nye of Harvard's Kennedy School of Government and Admiral William Owens argue that U.S. global power has been underestimated. Washington's diplomacy has an unnoticed new "ability to achieve desired outcomes in international affairs," a "force multiplier" resulting from "the attraction of American democracy and free markets"; more specifically, resulting from "Cold War investments" that enabled U.S. industry to dominate "important communications and information processing technologies."\textsuperscript{58} Huge subsidies extracted from the public under the guise of "security" are thus a tribute to democracy and free markets.

Boston international lawyer Larry Schwartz elaborates: "a preeminent group of free-market scholars," he writes, has concluded that Silicon Valley and Route 128 in Boston may illustrate the best way "to implement market principles in former communist economies," with their "interactive system of venture capitalists, entrepreneurs, skilled labor, universities, support service and entrepreneurial and supplier networks"—and public subsidies that are somehow missing from the picture, perhaps simply taken for granted as a crucial feature of "free enterprise."\textsuperscript{59}

Joining those who are concerned about the "unprecedented redistribution of income toward the rich," John Cassidy, in an informative report on the tribulations of the "middle class," concludes that "this is nobody's fault; it is just how capitalism has developed." It is what "the free market has decided, in its infinite but mysterious wisdom," and "politicians will eventually have to wake up and accept the fact," abandoning the pretense that something can be done about such natural phenomena. His study mentions three corporations: McDonnell Douglas, Grumman, and Hughes Aircraft, each of them as inspiring a tribute to the infinite and mysterious wisdom of the market as Clinton's choice to illustrate his "grand vision" of the free market future at the Seattle APEC summit (Boeing), or Gingrich's favorite (Lockheed-Martin), or the corporation "which retained its No. 1 spot as America's most valuable company" in \textit{Business Week}'s "top 1000" listing for 1995 (General Electric), to mention just a few.\textsuperscript{60}

The United States, of course, is not alone in its conceptions of economic liberalism, even if its ideologues perhaps lead the chorus. The doubling of the gap between countries of the top and bottom quintiles from 1960 is

\textsuperscript{57}Peter Applebome, \textit{A Suburban Eden where the Right Rules}, with \textit{Conservatism Flowering Among the Malls}, N.Y. \textsc{Times}, Aug. 1, 1994.

\textsuperscript{58}Joseph S. Nye & William A. Owens, \textit{America's Information Edge}, \textsc{Foreign Affairs}, March/April 1966, at 20.

\textsuperscript{59}Schwartz, \textit{Route 128 May be the Road to a Free-market Economy}, \textsc{Boston Globe}, March 22, 1996, at 23, adapted from \textit{Venture Abroad}, \textsc{Foreign Affairs}, 15-18 Nov./Dec. 1994, adding Boston's Route 128.

\textsuperscript{60}John Cassidy, \textit{Who Killed the Middle Class?}, \textsc{New Yorker}, Oct. 16, 1995, at 113-24.
substantially attributable to protectionist measures of the rich, the U.N. Development Program Report concluded in 1992. The practices persist through the Uruguay Round, the 1994 Report observes, concluding that "the industrial countries, by violating the principles of free trade, are costing the developing countries an estimated $50 billion a year—nearly equal to the total flow of foreign assistance"—much of it publicly-subsidized export promotion.

Looking at the matter from the standpoint of leading ("core") firms rather than states, a careful recent study found that: "Virtually all of the world's largest core firms have experienced a decisive influence from government policies and/or trade barriers on their strategy and competitive position." "There has never been a 'level playing field' in international competition," the study realistically concludes, "and it is doubtful whether there ever will be one." Government intervention, which has "been the rule rather than the exception over the past two centuries, ... has played a key role in the development and diffusion of many product and process innovations—particularly in aerospace, electronics, modern agriculture, materials technologies, energy and transportation technology," as well as telecommunications and information technologies generally, and in earlier days, textiles and steel. Quite generally, "(supra)national government policies, in particular defence programmes, have been an overwhelming force in shaping the strategies and competitiveness of the world's largest firms." In fact, "at least twenty companies in the 1993 Fortune 100 would not have survived at all as independent companies, if they had not been saved by their respective governments," by socializing losses or simple state takeover "during major restructuring periods." One is the leading employer in Gingrich's deeply conservative district, Lockheed, saved from collapse by $2 billion federal loan guarantees provided by the Nixon administration.61

It is important to stress that none of this is novel. Centuries ago, England was preaching the wonders of markets to India while despoiling it and massively protecting its own industry and commerce, the course followed by its former American colonies as soon as they were free to pursue an independent path, as did others who were able to make relatively independent choices. And "the men of best quality" and "responsible men" have rarely wavered from their vocation, from the earliest days of recorded history.

Nonetheless, with all the sordid continuities, an optimistic soul can—realistically I think—discern slow progress, and there is no more reason now than there has ever been to believe that we are constrained by mysterious and unknown social laws, not simply decisions made within institutions that are subject to human will.
