
Book Review

Stiglitz Tries To Make Colonization Work

by Mike Billington

Making Globalization Work

by Joseph E. Stiglitz

New York: W.W. Norton & Company, 2006

358 pages, hardbound, \$26.95

Economist Joseph Stiglitz has made a reputation for himself as the defender of the oppressed, for both the nations of the Third World and those of the former Soviet bloc, against the ravages of the United States and its G-7 allies. He does indeed denounce the international financial institutions, the International Monetary Fund, the World Bank, and the World Trade Organization, for imposing radical free trade and deregulation policies on these poor nations, policies which are responsible for accelerating rates of poverty, while undermining efforts at real development. But, beware this “soft-cop” of neo-colonialism: His plan for the developing sector nations, and for the advanced industrial sector as well, is the creation of a global dictatorship, not by any particular nation or group of nations, but by the supranational bodies of international finance, the so-called “synarchy.”

His newest book, *Making Globalization Work*, explicitly confirms in numerous ways what Lyndon LaRouche has insisted for decades: Globalization is simply a clever term for a modern version of imperial world government by private financial interests, and the end of the sovereign nation-state. Stiglitz’s proposals for ending sovereignty through the use of economic (or military, when necessary) force, to impose anti-technology and anti-human policies on the world as a whole, would make Dick Cheney proud.

EIR exposed Stiglitz in 2004 as the “IMF’s Last Line of Defense” (see www.larouche.org/other/2004/3107stiglitz.html), attempting to convince developing nations that they should only aim at a better deal within the existing IMF-centered, dollar-based world economic structure, without doing anything to deal with the collapse of that system itself. Stiglitz not only ignores the fact that the lords of the Anglo-Dutch financial system have driven the world economy—including especially the United States—into

bankruptcy, but he demands that new, supranational institutions be established to force the world to accept the dictates coming from those who are responsible for the collapse in the first place.

Emissions Police

With this new book, Stiglitz throws his full weight behind the hoax of “global warming,” and demands that developing nations must not be allowed to become industrialized to the current U.S. standard, since, as he writes: “[A] world in which everyone pollutes at the rate that the United States currently does is a world writing the script for its own doomsday scenario. Already, in 2005, developing countries are expected to account for nearly 40 percent of global greenhouse gas emissions, and by sometime around 2025, on current projections, developing countries will be emitting more greenhouse gases than the developed world.”

Were Stiglitz arguing that a crash nuclear development program must be implemented globally to meet the energy needs of an industrializing world without pollution, his insistence on stopping industrial pollutants could be justified. However, Stiglitz insists on the exact opposite, demanding that “only countries that are fully non-nuclear” should be allowed to participate in his proposed global utopia. His plan to deal with the imagined global warming crisis is to stop energy usage. “The way to do this,” writes Stiglitz, “is to have all the countries of the world impose a common tax on carbon emissions, or, equivalently, a tax on oil, coal, and gas at rates reflecting the emissions they generate when burned. *Firms and households would respond to this tax by reducing usage, and thereby emissions. The tax would be set high enough to achieve a global reduction in emissions equivalent to that envisaged in the common targets approach of Kyoto.*”

Destroy the United States

At the heart of Stiglitz’s program is the big lie that the current globalized economy is of great benefit to the United States, at the expense of the poor nations. Nowhere does Stiglitz reference the collapse of U.S. manufacturing, the collapse of infrastructure across the nation, the collapse of health care for a population suffering from steadily declining wages. Nor does he warn of the bubble economy, now bursting at several points of vulnerability, especially the housing bubble, which props up the derivatives bubble.

In fact, he lies outright that the U.S. economy is in great

shape, and should be cut down to size. American workers are overpaid and greedy, writes Stiglitz: “Americans bemoan the loss of jobs at home, and do not celebrate a larger gain in jobs by those who are far poorer abroad.” In Stiglitz’s utopian world of perfect free trade, “wages of unskilled workers will be the same everywhere in the world, no matter where they live. The likelihood is that the single wage to which they will converge will be closer to that of China and India than to that of the United States or Europe.”

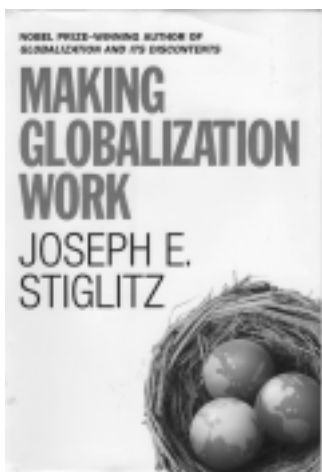
To achieve this descent back to a more primitive age, Stiglitz demands that all global restrictions on labor migration be lifted. “Developing countries have an abundance of unskilled workers,” writes this supposed friend of the poor nations, “who want to move around the world in search of better jobs.” Perhaps Mr. Stiglitz has not observed the economic and social destruction of societies like Mexico and the Philippines, where millions of poor unskilled workers, left destitute by globalization, have been forced to leave their families behind to seek work in the United States or other advanced countries, leaving broken families and deepening poverty behind in their homelands.

Stiglitz does not shy away from acknowledging why he favors this policy of selling a nation’s labor to the colonial master: “Workers employed in the developed world send remittances back home—already billions of dollars are being sent back every year.”

As Stiglitz well knows, the international financial institutions are imposing this system of virtual slavery on poor nations as the only means for them to pay their foreign debts—debts which are largely illegitimate in the first place. The remittances do absolutely nothing to change the degenerating national economies of the labor-exporting countries, while the social consequences are devastating.

It should be noted that the newly elected President of Ecuador, Rafael Correa, in his historic inaugural address of Jan. 15, identified this forced migration policy as one of the most odious of globalization’s crimes, which must be eliminated. Describing the “citizen’s revolution” of Ecuador’s people, who had “decided to free themselves from the groups that have held our Fatherland captive,” Correa declared: “With one hope: that our Fatherland is returning, and with it, jobs return, justice returns, the millions of brothers and sisters who have been expelled from their own land by that national tragedy called migration, return.”

The only beneficiary of Stiglitz’s globaloney is the syndrome, which he intentionally misidentifies with the actual national interests of the United States. The international financial institutions, he insists, “are not to blame.” “They are run by the United States and the advanced industrial countries.” The United States, he says, “reshaped the global system based on its own self-interest and that of its multinational corporations.” If that is so, why has the United States been reduced to the collapsing junk heap and social decay we see today? The point is, that the multinational banks and corpora-



'Free Trade' Always Meant Imperialism

Advocates of the American System of Economics, pioneered by Alexander Hamilton, and followed up by the likes of Mathew Carey, his son Henry Carey, and their German collaborator Friedrich List, waged systematic campaigns against the fraud of "free trade." The following quotes from List's National System of Political Economy, written in 1841, show that these economists were taking on the very same frauds which are promoted by today's leading economists, including "critics" of the International Monetary fund such as Joseph Stiglitz.

The popular school [Adam Smith—ed.] has assumed as being actually in existence a state of things which has yet to come into existence. It assumes the existence of a universal union and a state of perpetual peace, and deduces therefrom the great benefits of free trade. . . . That, however, under the existing conditions of the world, the result of general free trade would not be a universal republic, but, on the contrary, a universal *subjection* of the less advanced nations to the supremacy of the predominant manufacturing, commercial, and naval power, is a conclusion for which the reasons are very strong and, according to our views, irrefragable [emphasis added].

Thus the popular school, which had begun by ignoring the principles of nationality and national interests, finally comes to the point of altogether denying their existence, and of leaving individuals to defend them as they may solely by their own individual powers. . . .

The system of the school suffers, as we have already shown in the preceding chapters, from three main defects: firstly, from boundless cosmopolitanism, which neither recognises the principle of nationality, nor takes into consideration the satisfaction of its interests; secondly, from a dead materialism, which everywhere regards chiefly the mere exchangeable value of things without taking into consideration the mental and political, the present and future interests, and the productive powers of the nation; thirdly, from a disorganising particularism and individualism, which, ignoring the nature and character of social labour and the operation of the union of powers in their higher consequences, considers private industry only as it would develop itself under a state of free interchange with society (i.e., with the whole human race), were that race not divided into separate national societies.

Between each individual and entire humanity, however, stands *the nation*, with its special language and literature, with its peculiar origin and history, with its special manners and customs, laws, and institutions, with the claims of all these for existence, independence, perfection, and continuance for the future, and with its separate territory; a society which, united by a thousand ties of mind and of interests, combines itself into one independent whole, which recognises the law of right for and within itself, and in its united character is still opposed to other societies of a similar kind in their national liberty, and consequently can only under the existing conditions of the world maintain self-existence and independence by its own power and resources. As the individual chiefly obtains, by means of the nation and in the nation, mental culture, power of production, security, and prosperity, so is the civilisation of the human race only conceivable and possible by means of the civilisation and development of the individual nations [emphasis in original].

tions are run not by nation-states, but by an oligarchy which is intent on destroying the Westphalian system of sovereign nation-states altogether—and Stiglitz represents their interests in achieving precisely that.

Global Dictatorship

Stiglitz does not hide his adoration of supranational courts and institutions, with powers to enforce policies and penalties upon nations which refuse to accept imperial demands. "Increasingly we will have to think globally, think of ourselves as part of a global community," he intones. "And it will entail thinking carefully about when we need to improve rules and regulations to make the global system work, and when we should respect national sovereignty."

Who is the "we" who shall decide when to deny the sover-

eign rights of nations, we may well ask? Stiglitz has multiple proposals for such supranational overlords. We've already seen his call for an international taxation board, to punish the development of hydrocarbons or nuclear energy capacities. He wants to include all global resources under such a central taxing agency, to "auction off fishing rights, or the right to extract natural resources beneath the sea, or carbon emission permits."

Also required is an "International Credit Court," to assure that nations currently on the hit-list of the international financial institutions (he names Sudan as his example) are denied credit, and that loans for sovereign defense should be restricted across the board. He calls for keeping a "list of countries for which contractors and creditors would be put on notice that their contracts and debts will be reexamined once

the regime is gone.” Stiglitz’s meaning is clear: If the United States, currently under the direction of the synarchy, decides to implement regime change on some targetted nation, those countries which supported that nation’s development should forget about their investments. Iran comes to mind.

The most laughable aspect of this snake-oil salesman’s product is his solution to the crisis in the global financial system, which he at least acknowledges is “not working well.” Does he recommend ending the usurious and speculative insanity of floating exchange rates, or a write-off of the illegitimate debt manufactured through manipulated exchange rates and manipulated commodity prices? Far from it. The problem, he claims, lies in the “global reserve system,” and he drags out his beloved John Maynard Keynes (second only to British imperialist Adam Smith, the enemy of the American System, in Stiglitz’s pantheon) and Keynes’s special drawing rights, which, in an expanded form called “global greenbacks,” would replace the dollars in the reserve holdings of developing countries, supposedly allowing their dollar holdings to be used for other things.

The absurdity of this is self-apparent, but Stiglitz rubs it in by arguing that, because of the “world of variable exchange rates” in which we live, setting the value of the global greenbacks may be a problem. So, he says, let individuals buy and sell global greenbacks, rather than only central banks, so that

a “market price like any hard currency” will be established by speculators!

The China/India Myth

One last fallacy must be noted: Stiglitz points to China (and to a lesser extent, India) as proof that “globalization works.” Although there has been significant economic growth and poverty reduction in Asia, nowhere does Stiglitz address the fact that these huge nations, with more than half of their populations still living in abject poverty, have become dependent on exports, mostly to the United States, and mostly sold on credit, taking in return several billions of increasingly useless dollars every single day. As the bubble bursts, and the “importer of last resort” can no longer run up its collective credit card, Asia is facing a social and economic catastrophe.

In the case of India, Stiglitz even praises the dependence on Internet technologies at the expense of physical infrastructure. “New technologies meant at least that India could reap the benefits of its long-term investments in education,” he writes, “and *inadequacies in infrastructure were less of a hindrance*,” adding that the wonders of high-tech meant that “infrastructure problems were either irrelevant or could be sidestepped.”

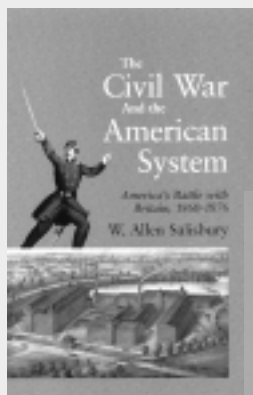
Such is the brave new world of Joseph Stiglitz, *sans* nuclear, *sans* infrastructure, *sans* progress and *sans* sanity.

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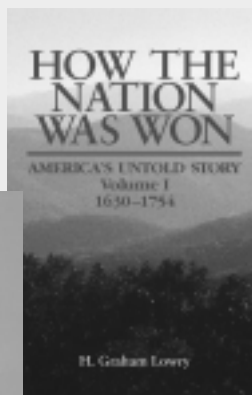


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