

HISTORY

An Attack on Classical Liberalism > Noam Chomsky, Professor, MIT

The courts accorded corporations the rights of persons. That's a very sharp attack on classical liberalism in which rights are inherent in people, people of flesh and blood. Not corporate entities like states or something like that. In fact it's kind of, this grew out of a kind of a new Hegalian concepts of the right of, the rights of organic entities over individuals.

Actually it had three major outgrowths in the 20th century. One is fascism, another is bolshevism and other is corporatism. They're rather similar in their character and the reasoning behind them.

The End Of Freedom > Noam Chomsky, Professor, MIT

When these systems did begin to take shape a century ago they were very sharply condemned by conservatives. It's a breed of people that doesn't exist anymore but they did at that time. A conservative meant classical liberal. They were condemned as a kind of a reversion to feudalism, or even as a form of communism which was not unreasonable. By communism you mean Bolshevism, yeah it was rather similar in conception.

And the same by their advocates like say progressives like Woodrow Wilson who was a big proponent corporatization never the less pointed out correctly that this is the end of freedom. It's the end of private enterprise. It's the end of freedom, it's a new America in which people will not be working for themselves but will be servants of corporate entities

Gain Wealth Forgetting All But Self > Noam Chomsky, Professor, MIT

You go back to say the mid 19th century. There was a very lively independent working class press run by young women from the farms called Factory Girls. Artisans from the town, you know, shoe makers, Irish immigrants and so on. And it's interesting reading. I mean they very bitterly condemned what they called, 150 years ago, the new spirit of the age. Gain wealth forgetting all but self. That's the doctrine of the modern system.

And they recognized it, they condemned it. It was the new spirit of the age then. They said it was totally dehumanizing. They did not want to be the kind of people who would gain wealth forgetting all but self. Namely what they're taught to be. And by now a huge indoctrination system tries to force them to be. They

regarded it as degrading, destructive of culture of independence of freedom. They described themselves as being the subjects of a monarchical, or feudal system losing their rights as Americans.

Adam Smith: Poster Boy For Greed > Ira Jackson, Director, Center for Business & Government, Kennedy School at Harvard

Adam Smith who is undeniably the father, the godfather, the George Washington of capitalism has been expropriated as the poster boy for greed. Because Smith who believed very much in the efficacy and the efficiency of the invisible hand also wrote as a moral philosopher about the obligation and need for business to also extend a helping hand.

So there we are at the birth place of the system that created the modern corporation and its architect and principal author saying at the outset that there has to be a moral dimension to markets. And there has to be a moral obligation and engagement by the firm. And I think it's inappropriate and bemusing that he's so often invoked by Friedman and others as the papal invocation for corporations not engaging in public issues. Not engaging in corporate philanthropy. And pooh-poohing generally the notion of civic engagement by the private corporation.

I think not only is that inappropriate for the modern corporation in the context of a global society but if we go back and actually read Adam Smith we see that the author, the father, the brilliant mind who conceived this system which is now really our new global theology, in fact was a moralist himself.

Adam Smith > Mark Kingwell, Philosopher, Cultural Critic, Author

The fact is all markets are regulated in some way. The real question is not, "Is the market regulated or not?" It's rather, "To who's interest is it regulated?" Is it regulated to the interests of the citizens who make up a country?

Or is it regulated to the interests of people who are in the business of making profit? You know, this is something I always think when I think of Adam Smith and the Wealth of Nations because Smith has been very unfairly appropriated by a couple of generations of right-wing economic thinkers, mainly American, as the great harbinger and defender of free markets.

But in fact if you read the Wealth of Nations and more importantly, if you read the Theory of Moral Sentiments which is his greater book, Adam Smith was an Eighteenth Century Scottish moralist. He believed in justice and he believed in subsidization of education, of the postal service, of garbage removal. In fact, if you read him, I think properly, he's a welfarist liberal.

And this is very important because what he reminds us of is that all markets are unfree. The question is really, "How are they unfree and who benefits from the way that they're unfree? Who benefits from the constraints that will always be there?"

Triangle Shirtwaste Fire > Charles Kernaghan, Director, National Labor Committee

If you go back to the Triangle Shirtwaste fire in 1911, that was an incredible shock to the country when 146 women were trapped, many of them leapt to their death, blood ran in the streets. But the interesting thing is, after the Triangle Shirtwaste fire on March 25, 1911, 100,000 people marched in the funeral procession. 400,000 people lined the streets. There was outrage. And the motto was, who is going to protect the working girl? Who is going to protect the working woman? We've lost that. And, in fact, sweatshops have come back.

Sweatshops were wiped out of the United States in 1938. They are back now, with a vengeance. 65% of all apparel operations in New York City are sweatshops. 50,000 workers. 4,500 factories out of 7,000. And we're talking about workers getting a dollar or two an hour. So it's back and back with a vengeance because of the global economy. We're talking about people working 100 hours a week.

The Haymarket Affair > Howard Zinn, Historian

Now it might be worth talking about what the labour movement was doing in the 1880's and 1890's. And the labour struggles against the corporations after 1877. I mean one, one of the most important moments in the history of the labour movement, of course was more than a moment, it was several years in the 1880's when the labour movement of which the AF of L, CIO was sort of the leading part, but not the only part.

But in which the labour movement decided to work for the 8 hour day. People had been working 10, 12 and 14 hours a day. And they discovered there was nothing in the constitution to prevent employers from working people 12 and 14 hours a day. No economic bill of rights in the constitution. And so workers had to do it for themselves. And so they organized and went on strike all over the country for the 8 hour day.

And this exploded in 1886 in Chicago with the Hay Market Affair. Where workers were out on strike against one of the most powerful corporations in America, the International Harvester Corporation. And in that strike the police were called out, workers were killed, a protest meeting was held. The police attacked the protest meeting. A bomb was thrown in the midst of the police. Policemen were killed. Anarchist leaders in Chicago were arrested, although there was no evidence

connecting them to the bomb. There never was but still four of them were executed.

And it was, it became a national, national issue, a national scandal for working people. It became an international issue. In fact George Bernard Shaw sent a telegram at a time after the Illinois Supreme Court had okayed the conviction of these anarchists on no evidence. George Bernard Shaw said if the United States must lose eight men, there were eight Hay Market accused in prison, said if the United States must lose eight men it could better afford to lose the eight members of the Illinois Supreme Court than the eight anarchists who are in jail.

But the Hay Market Affair had a very powerful affect on a lot of people. You know I'm thinking of, I'm thinking of Emma Goldman, the anarchist feminist who became one of the most important labour leaders and speakers, and organizers of the late 19th, early 20th century. And her, one of the defining moments of her rise to radical thought was the news that the four men had been executed in Chicago.

So in 1886 we had huge number of strikes all over the country. And the 8 hour day became more and more won, again not by government action but by strike action, direct action as the anarchists would put it, direct action against the employer. It wasn't until the 1930's that the government stepped in under the New Deal and actually enacted 8 hour legislation. But it was the unions that did it first.

And in the 1890's we began to get a series of important labour struggles against the corporate interests in the country. And in 1892 a great strike against the steel mills. By then the steel mills, the Carnegie Steel Corporation had become huge. In 1900's the Carnegie Steel Corporation was going to combine with other steel corporations under the kindly tutelage of JP Morgan. Who made probably a few hundred million dollars on the deal.

The Strike Is Born > Howard Zinn, Historian

In the years before World War I we saw the, probably the greatest labour struggles in American history. And there are two very important organizations which devote themselves to fighting the power of the corporation which is greater at this point than any other point. And those two organizations are one, the socialist party which is very powerful. Has a million, two million readers of its newspapers all over the country. Has 35 locals in Oklahoma and elects a socialist to legislatures, even to Congress.

Socialist party is one of those groups. And the other is the IWW, the Industrial Workers of the World which sets up in 1905. A radical labour organization, one big union. No craft unions like the AF of L' you're all workers who work in one establishment, join one union. And fight the employers, not just for improved wages and conditions, but to eventually take over the economy. Take over the

corporation. I mean, they're serious the IWW.

Anyway they, with these two organizations and support workers all over the country, go on strike in various ways. In 1912 probably the most successful of these strikes, Lawrence Massachusetts textile strike. Mostly immigrant women striking against the great textile corporations of New England. And it looks hopeless because they're fighting enormous power.

The IWW comes in to help them and organize them. And they organize these 20 different nationalities into an amazing determined group of strikers who go through the winter of 1912 and hold out and they refuse to give in. And they send their children off to other cities so that they can be fed because they will starve if they stay in Lawrence Massachusetts. And they're helped by people in other cities who take care of their children. And the children going to the train station are clubbed by policemen.

And the amazing thing about it is that they win, they refused to submit. And what they learned is that against the power of corporations, if you can withhold your labour and withhold it long enough, the corporations will see their profits dwindling, dwindling, dwindling. And you can pull in your belt with more determination than they can see their profits sacrificed. So they win in Lawrence.

In 1913/14 there's a very bitter strike in southern Colorado. Coal mine strike against the Rockefeller interests. But by now Rockefeller has moved from oil to railroads to coal mines and so on, huge corporation. And they strike, very bitter long strike. Culminating in 1914 what is called a Ludlow massacre. There is an attack on the 10th colony of the miners by national guardsmen paid by the Rockefellers. And they lose the strike. But it becomes a national, national issue.

And World War I really leads to the real destruction of the IWW and the socialist party and for a while, the workers movement, because wars have a way of galvanizing the power of the national government. Everybody for the war and forgetting about everything else and putting protest against war in jail which is what happened.

And so we come into the 1920's with a very weak labour movement but still powerful corporations, even having their own personal representative as Secretary of the Treasury, Andrew Mellon, who sees to it that the tax plans of the 1920's benefit the corporations and not ordinary people.

So we, the so-called prosperity of the 1920's is very much a distortion because its prosperity well, very like, very much like prosperity, the so-called prosperity of the 90's. Prosperity for people who own a lot of shares, or stock. Prosperity for Wall Street but not prosperity for ordinary working people living in tenements or in Appalachia or in small farms, or in the south all over the country. So that was the 20's and so in a certain sense the Depression was not the opposite of the 20's, it was an intensification for the whole country what was already happening to many, many people in 1920's.

What happens in depression is that there's a kind of interesting interplay of pressures on the New Deal administration by corporations on the one hand, and

working people on the other. The rise of the CIO and the strikes, this reburgeoning of the labour movement. The sit down strikes of '36 and '37. Tenants movements, Unemployed Council movements. All of these acting on Roosevelt to get him to pass some legislation on behalf of ordinary people.

And the same time corporations on the other side fighting this legislation but some corporations actually siding with Roosevelt and saying no, we need to pass reforms. Or we will not just have our profits lowered, we will have our profits eliminated, there'll be a revolution. And so it's in response both to the workers and their strikes and to those, you might say far-sighted business people who see it would be a good idea to begin to do something on behalf of all of these agitated people, that we get the reforms of the New Deal.

General Motors never imagined that it could lose a strike to its workers. Ford Motor Company never imagined that it would lose a strike to its workers. But that is what happened in 1936 and 1937 when the CIO began to organize along industrial lines and organize the workers in these plants. And carried on these militant labour struggles. So this was very definite and very bitter contests between huge corporations and newly organized, newly militant workers. Very conscious of the fact that they were fighting large corporate interests.

As far as understanding that the corporations were perhaps responsible for the economic crisis by amassing large sums of money while the purchasing power of most people was going down, down, down. Well the fact was that corporations became the target of radical groups in the 1930s.

Socialists and communists they were the ones who pointed out to other people that the big business, and that was the phase that was used more often than anything else. Big business was behind the economic crisis and big business had to be fought. And that big business really controlled the agencies of the state and of the federal government.

And in fact, in the 1930's the radical movements really reached the height of their power and influence over the American people. In a certain sense McCarthyism was based on a half truth. That is McCarthyism exaggerated the existence of a communist movement in the United States. But it was also true that the communist and socialist movements had influenced a lot of people and gotten them to think about the power of big business and the need to organize against it.

Backlash To The Future > Howard Zinn, Historian

But I'd suggest one strong possibility which might turn out to happen fifty years from now, is that it might have developed out of the first stirrings in the year 2000 and 2001.

They might have developed a powerful anti-corporate movement in the United States which would take down the power of the corporations and lift up the power

of organized working people or middle-class people all over the country.

Because what happens in the year 2000 is we get unprecedented protests against corporate power in Seattle, in Washington D.C., in Philadelphia, and crossing over into other countries, in Prague. For the first time, a movement in which the labour movement which in the 1960's was kind of quiet in the protest movements. But now the labour movement in Seattle is taking centre stage, joined to the environmental movement and the feminist movement. And if that kind of anti-corporate movement can be joined also to a hispanic and black movement, understanding that by the year 2050 the majority of people in the United States will be non-white, it is possible to conceive of a social movement in the year 2050 which would dwarf the social movements of the 1960's or the 1930's.

And what you have in the year 2000/2001 are perhaps just the first stirrings of that. And the fact that it takes place with international connections. Understanding that now corporations are global, and understanding now that anti-corporate protests must also be global and connected to one another. That I think, may be a particularly important development of the year 2000.

Mark

So from a historical prospective, does this kind of feel like the real thing?

Howard

It could be the real thing. It's like asking me after the four Black guys students sit in the Greensboro, North Carolina in February, 1960, is this the beginning of a great civil rights movement? And I'd have to say, maybe, possibly. But movements have to act on the basis of possibilities. If they didn't, nobody would do anything.

IBM's Unique Role In WWII > Edwin Black, Author, IBM and the Holocaust

There were dozens of companies that were also trading with the Hitler regime. There were companies in Canada. There were many companies in the United States. Standard Oil continued to sell petroleum and refinery goods and services to the Third Reich right through the war. But Hitler understood about the internal combustion machine. And refineries and petroleum before he ever made a deal with Standard Oil.

Ford and GM of course produced cars but Hitler knew how to drive a car. There was a, there was a department store in Great Britain that sold uniforms to the Hitler regime. But Hitler knew how to sew a uniform. But IBM was in a special position. IBM controlled by monopoly its technology. It was the holder of the magic of tabulation and data processing.

They controlled 95% of the market place worldwide and they litigated against anyone who tried to horn in on their profit stream. As late as 1942, IBM was suing printers in Germany for trying to print punch cards that were compatible with IBM machines.

Throughout the late 40's, excuse me, the early 40's, during the war time years IBM was suing a Bull company in France to prevent them from selling machines to the Third Reich. Only IBM could provide these machines to the Third Reich. Only IBM could print billions of punch cards.

Only IBM could provide the spare parts and only IBM could lease these machines, not sell them and repair these machines. And service these machines once a month on site. Even if that site was Dachau, Buchenwald or any other concentration camp.

...Even if Hitler had amassed millions of these machines they only had a two to six week supply of punch cards. If Watson only would have stopped and I refer now to Thomas J. Watson the president of IBM, if Watson at IBM had only stopped printing the punch cards then Hitler's operation would have ground to a halt.

Now no one is saying, it's important to include this, no one is saying that the Holocaust would not have happened without IBM. 'Cause the Holocaust would have occurred under any conditions and any circumstances. In the east Jews were marched one by one out of town and shot with simple bullets. And they were laid crisscross in tank trenches.

...It's true only people killed not machines. But there was a point when the Nazi's understood that they needed a technologic solution to the murder of the Jews and they stopped shooting them in trenches one by one and they started gassing them in gas chambers thousands at a time. That was a technologic improvement.

The Reich was organized. Of course we've all heard of Nazi efficiency but here we also had American ingenuity. And that American ingenuity was in the name of IBM.

IBM: Blood Money > Edwin Black, Author, IBM and the Holocaust

IBM after the war facing the enormity of the destruction of World War II and the Holocaust never said it's not our money. It's not our equipment. It's blood money. It's illegal. IBM told the State Department and told all the countries of Europe that's our equipment and our money.

And IBM recovered all the money and all the bank accounts and all the equipment from all the camps that were salvageable.

What IBM Knew And When They Knew It > Edwin Black, Author, IBM and the Holocaust

The European managers of IBM in Europe had a complete understanding of what was going on in Europe at all times with its machinery due to the fact that billions of punch cards were being provided. And that new applications were being done that billing was coming in, the machines were insured. And this all has been done pursuant to permission from New York.

The specifics. I don't think that IBM in, in New York had an understanding that its machines were in concentration camps involved in this practice. But what they did know was that their machines were in concentration camps generally. And they knew that Jews were being exterminated.

How did they knew? Because as at about December of 1942 the allies published in forty countries that five million Jews are about to be the exterminated. And anyone who continues to cooperate with the Nazi regime will be guilty of war crimes. A little girl hiding in an attic in the summer of 1942 wrote in her diary they're gassing Jews in Poland says British radio.

IBM: Hiding History > Edwin Black, Author, IBM and the Holocaust

Where are these archives today?

There is no document with Hitler's signature on it that says kill the Jews. But by the IBM rationale which says all information in its archives is somehow sacrosanct. There could be an actual correspondence with Hitler. There is none. But there could be an actual correspondence with Hitler. And in an IBM archive and it would be protected.

Why is it protected in a corporate archive? But it's not protected in any other archive in existence. And I think what the world needs to say is that anyone who was involved in genocide loses the right to confidentiality and, and protection.

For heaven sakes a man can fall down the steps in Hoboken, New Jersey and die and no information is protected. Six million Jews were killed, millions of other Europeans were massacred and murdered. The continents were enslaved and these documents are protected.

IBM will not tell us where they are, there are archives in Poland, archives in France, archives in Switzerland. There are archives in Somers, New York. They will not open these archives and they will attempt to confuse journalists, journalists will say well we want these documents. And IBM will say, well we gave our documents to New York University.

They gave them to a biblical archeologist. About a thousand pages. There are thousands of other documents which have never been given to anyone to examine. These documents must now follow the course of all other Nazi era

documents. They must become public. Not some of them, not a token trickle but thousands and thousands of them across America and across Europe.

IBM's Statement

IBM Statement on Nazi-era Book and Lawsuit

February 2001

A recently published book, as well as a recently filed lawsuit* against the company, speculate on the uses of Hollerith equipment by the Nazi government and IBM's role.

IBM and its employees around the world find the atrocities committed by the Nazi regime abhorrent and categorically condemn any actions which aided their unspeakable acts.

It has been known for decades that the Nazis used Hollerith equipment and that IBM's German subsidiary during the 1930s -- Deutsche Hollerith Maschinen GmbH (Dehomag) -- supplied Hollerith equipment. As with hundreds of foreign-owned companies that did business in Germany at that time, Dehomag came under the control of Nazi authorities prior to and during World War II. It is also widely known that Thomas J. Watson, Sr., received and subsequently repudiated and returned a medal presented to him by the German government for his role in global economic relations. These well-known facts appear to be the primary underpinning for these recent allegations.

IBM does not have much information about this period or the operations of Dehomag. Most documents were destroyed or lost during the war. The documents that did exist were placed in the public domain some time ago to assist research and historical scholarship. The records were transferred from the company's New York and German operations to New York University and Hohenheim University in Stuttgart, Germany -- two highly respected institutions with the appropriate credentials to be custodians of these records. Independent academic experts at these universities now supervise access to the documents by researchers and historians.

The lawsuit was filed against IBM over the weekend, apparently timed to coincide with the publication of the book. The lawsuit appears largely to be based on the claims contained in the book. Based on everything the company has seen to date, there appear to be no new facts or findings that bear on this important issue and period.

IBM takes the allegations made by the author and the plaintiffs very seriously, and looks forward to and will fully cooperate with appropriate scholarly assessments of the historical record.

*The lawsuit has been dismissed.

Addendum to IBM Statement on Nazi-era Book and Lawsuit

March 2002

Recently, a paperback edition of the Edwin Black book has appeared with additional speculation regarding the use of IBM-made equipment in Poland during World War II.

As we said last year when the book first appeared: The Nazi regime used equipment manufactured by IBM's German subsidiary; that has been well-known for decades. That, and other well-known facts about IBM, were the basis of allegations in last year's book and appear to be used in similar fashion in the new segments in the just-issued paperback. There are no new findings here.

Since its publication, the research behind the book and the conclusions reached by its author have been questioned. A review in The New York Times concluded that the author's "... case is long and heavily documented, and yet he does not demonstrate that I.B.M. bears some unique or decisive responsibility for the evil that was done." Another assessment of the book by a well-regarded academic expert called the original charges "implausible" and the book "deplorable."

In addition, Mr. Black is asserting that IBM is withholding materials regarding this era in its archives. There is no basis for such assertions and we deplore the use of such claims to sell books.

IBM will continue to cooperate and support legitimate research. IBM turned over archival materials on this subject to reputable universities, and Mr. Black is well aware of this fact, despite his claims to the contrary. The company has also made it clear that if additional documents related to this era are found, IBM will make those materials available as well.

IBM: Watson Acted Morally > Peter Drucker, The First Management Guru

Mr. Black simply does not understand the 30s. Mr. Watson acted on orders from his President Roosevelt. So did all American companies. The policy was to appease. And Watson himself was - I don't know.

But GM's Opel was equally at the service of the Third Reich and Ford's Cologne plant and everybody else. And in the first place they had no choice under Hitler. You didn't control your company. If you were the manager of, take Coca Cola Germany, and you didn't do what your orders you got from government, you were in a concentration camp. And very fast.

... It was American policy 'til the war actually broke out, not to provoke the Germans. But to appease. We were committed to neutrality with an enormous isolationist pressure on the administration and nobody was more isolationist than the man who was in charge of international economic affairs in the State Department and Assistant Secretary of State. His name was Messerschmidt. I knew him well. Who had orders from Roosevelt directly. Our Secretary of State

Cordell Hull was much less - but Roosevelt had strict orders to Messerschmidt. I discussed it with Messerschmidt many times. To make sure that no American company would provoke the Nazis.

There's no moral problem once you are at war. You have no control. What do you mean? But Watson could have given orders after the war had broken out to a German subsidiary? Don't be... Are you crazy? The German subsidiary, the shares, they are put into a special deposit. The commissar for foreign property was the boss. And if Watson had tried to be in touch with them he would have been in jail in this country for treason.

It would have been grossly immoral for Watson to make his own foreign policy against his, illegal for an American citizen. The foreign policy of the US was to appease Hitler and this was the order. Roosevelt didn't suggest to Mr. Watson to appease Hitler. He ordered him. It is your duty. Oh, no. Nothing immoral. The policy of the government may have been the wrong policy. I thought so and said so.