

## **Book Review**

### **Demonizing the Corporation**

Naomi Klein,  
*No Logo: Taking Aim at the Brand Bullies*  
(Toronto: Knopf Canada, 2000).

Edwin Black,  
*IBM and the Holocaust: The Strategic Alliance between Nazi Germany and America's Most Powerful Corporation*  
(New York: Crown Publishers, 2001).

Kurt Eichenwald,  
*The Informant: A True Story*  
(New York: Broadway Books, 2000).

John LeCarré,  
*The Constant Gardener*  
(New York: Scribner's, 2001).

Reviewed by Howard A. Doughty

### **"Ye cannot serve God and mammon"**

#### **Matthew 6:24**

The title of this essay was set in late summer, well before the language of good and evil came so thoroughly to dominate public discourse. Whether it was Osama bin Laden calling down the wrath of Allah upon the alleged wickedness of the "infidels" or George W. Bush promising to punish the "evil-doers," international conflict and its accompanying rhetoric certainly intensified. In the process, a new phrase entered our vocabulary and threatens to stay awhile. It is "September 10th". It means "retro," with vengeance. It allows a person to dismiss immediately the opinions of others, particularly if those opinions are at variance with existing social, political and economic arrangements. So, those who still wonder who really won the last US presidential election, or speak about continuing corporate crime, or worry about the fate of the poor at home or abroad can now be rejected with one simple expression: "How very September 10th!" On every side, we hear the mantra: "The world has changed forever." The implication is that all issues apart from the so-called "war on terrorism" may be set aside.

Regarding the response to the attack on America, the writer Susan Sontag learned quickly that, in this changed world, there is a price to pay for skepticism, much less opposition. In an article in the issue of the New Yorker that hit the streets on September 17, she responded to George W. Bush's statement that the terrorists had committed a "cowardly" act. She asked if dropping bombs by

pushing a button at 30,000 feet wasn't more cowardly than riding a plane to one's death. She was vilified in media outlets from The *New Republic* to Rupert Murdoch's *Fox News Channel*. She was called a "traitor" and worse. Likewise, when the comic Bill Maher echoed her sentiments on his television show, *Politically Incorrect*, the penalties in the form of local station cancellations and withdrawals of advertising from corporate stalwarts such as FedEx and Sears Roebuck were instant. Mr. Maher apologized and has been apologizing ever since.

In Canada, Sunera Thobani, the former leader of the National Action Committee on the Status of Women, continues to suffer ferocious attacks for her refusal to be locked into the zero-sum politics of George W. Bush. She made remarks that have, according to Judy Rebick, been willfully distorted by newspaper columnists and by public figures such as British Columbia Premier Campbell. On October 3, a *Globe and Mail* editorial cartoon suggested that Sunera Thobani was in the camp of the Taliban. "This," says Ms. Rebick, "smacks of a new kind of McCarthyism." Shame on the *Globe and Mail*! "In his war speech," she continues, "President George W. Bush said, 'You are either with us or you are with the terrorists.' Ms. Thobani, and many who share her critique of American foreign policy, are with neither." To dissent in public, however, is to invite reprisals.

Likewise, NDP leader Alexa McDonough rose graciously in the House of Commons to suggest that it might have been better if Canada had adopted its traditional Pearsonian stance and urged that any reprisals against Afghanistan and any attempts to bring bin Laden to justice be undertaken under the leadership and with the moral authority of the United Nations. For her pains she was castigated in the Commons and in the pilloried in the press. A scant sixty years ago, historian Frank Underhill was called a traitor and threatened with dismissal from the University of Toronto for musing that Canada's future might well be tied to the USA. Now, anyone who hesitates to march (or to talk about marching) shoulder-to-shoulder all the way with the USA is invited to go to Kabul and join the Taliban.

Meantime, as fear over anthrax attacks (and new horrors only at the moment to be imagined) spread after people in Tom Brokaw's office were put "in harm's way," CNN graphics shifted stepwise from "America Under Attack" to "America's New War" to "America Strikes Back." Even mentioning that the US Constitution reserves to Congress the right to declare war (a nicety conveniently side-stepped in the Vietnam and other conflicts) was enough to earn the retort: "How very September 10!"

So great is the pressure on North Americans to speak with a united voice and to tolerate no caviling on any side that even the aforementioned *Globe and Mail* has expressed vicarious concern about the suppression of disagreement. It reprinted Simon Houpt's meditation on whether or not urging unanimity of opinion may lead to the sacrifice of the very freedoms Americans purport to defend. Good for the *Globe and Mail*! Nevertheless, in the current climate, a curious blend of patriotism and paranoia can be counted on to trump thoughtful reflection and honest debate almost every time. The world, we may hope, has not changed forever, or at least no more so than it does at every severe bump in the road from the past to the future. What have certainly changed for the moment are government budgets and policy priorities.

Things had been tough enough for "progressives" before the events of 9/11. For over two decades, neoliberal theory and practice had eroded citizens' confidence in public solutions to ostensibly

private problems. Neoliberal economists, right-wing commentators and political leaders eager to champion "personal responsibility" and to counter "cultural permissiveness" exercised increasing influence and eventually won control of governments throughout the western world. In the wake of the initiatives of Ronald Reagan, Margaret Thatcher and Brian Mulroney, even parties of the moderate left shrank from the tag of "liberalism" and ran madly away from the label of "socialism." Under the leadership of Tony Blair, Bill Clinton and Jean Chrétien, centre-left parties put a premium on fiscal responsibility. Social investment, governmental regulations and increasing tax burdens became the prime targets of neoliberal ideologues, governments of all stripes acquiesced, and the implications for public sector innovation became clear.

Government downsizing and reorganization went so far that acceptable innovations became those "of" the public sector rather than "by" the public sector. Indeed, innovation has largely been "contracted out" as the Government of Ontario, for instance, spent about \$200 million for private consultants to root out welfare cheats while a pregnant "welfare cheater" died under "house arrest" in Premier Mike Harris' own riding. Now, entrepreneurs, who are eager to find a market for their "smart cards," will do well to contact the federal Department of Immigration, CSIS or the RCMP. Bolstered by prizes from the Fraser Institute, innovative national identity cards are being readied to build the communications infrastructure of the national security state. Meantime, although the much-touted federal "innovations program," which catered largely to business but also provided some needed educational opportunities and "incentives" to the poor, may have had a good deal to recommend it, we'll never know how well it might have worked. Such luxuries have been put aside in the interest of public safety and will probably resurface, if ever, only in an eviscerated form. For some innovative entrepreneurs, the attention focused on domestic security, anti-terrorist intelligence and military rebuilding promises sizable material rewards. In the alternative, innovators eager to apply their creativity to such matters as social equity, environmental protection and cultural development will have to wait until the world settles down and conversations about things other than Al Qaeda will again be possible in polite company.

When that happens, we will again pay heed to structures of wealth and power in our society and, when we do, we will notice how those structures frame the debate about how to address and resolve our social problems. When we again concern ourselves with policies to alleviate suffering at home and abroad by other than military means, we will need to know about the major institutions that are responsible for the production and distribution of goods and services in our civilization. This knowledge will be essential for devising innovative methods to come to grips with social issues from the abundance of poverty to the absence of civility, from media concentration to public educational, from individual emotional distress to universal health care, from the challenges of technology to the degradation of the environment.

Imaginative innovations in all areas of social concern may be both more necessary and more difficult than in the recent past. Problems may have to be solved in conditions of greater material and ideological constraint than those that predated September 11th. Still, the discussion must begin, and we would do well to begin it sooner rather than later. As a preliminary, it is important to examine the institutions that have shaped the "new world order."

Private business corporations are near the top of any list of hegemonic institutions that we are will called upon to reconsider. The books discussed here deal with them and their contentious place in the modern world. The role of the global corporation is a matter of always sententious and

sometimes acrimonious debate. From one perspective, corporate rule is inevitable, irresistible and ultimately benevolent. It promises not only prosperity but also peace and liberty to all. Oxford historian Niall Ferguson says that, at the least, it will bring the rule of law, and that would help a little bit. This is the optimism of planners, politicians, pundits and APEC emissaries who endorse free trade deals, encourage international financial arrangements and promote multilateral agreements dedicated to creating uniform social and environmental policies. Skeptics demur, sometimes stridently.

Under consideration are four very different books that treat, each in its own fashion, deeply divisive issues. The first is a broad ideological call to democratic action. The second is a painstaking historical treatment of what almost everyone but the opinion leaders at the *Toronto Sun* calls the worst horror of the 20th century. The third is a fine piece of journalism that is written with the energy of a novel but that gives an accurate account of contemporary corporate crime. The last actually is a novel, but one that documents a gritty spy novelist's conversion to the passionate advocacy of reform. Each one regards the corporation with nothing less than distrust. Each one underlines the need for innovative strategies to bring corporate behaviour to account. Each one gives encouragement to forensic accounting as an increasingly challenging profession which is likely to be in ever greater need around the world.

*Naomi Klein's* book, *No Logo*, has quickly become the literary centerpiece of the anti-globalization movement. So, it is worth mentioning that much of what Ms. Klein has to say has been said before and said well. Attention will therefore be paid to the question of why this particular critique of corporatism has gained such notoriety.

First, however, two preliminary issues must be addressed: (1) What are corporations? (2) What do corporations do?

### **Adam Smith against the Corporation**

Almost three-quarters of a century ago, Gardiner Means and Adolph Berle's book, *The Modern Corporation and Private Property*, presented the then-novel thesis that free enterprise, based on unhindered competitive individualism, had already been displaced by the rise of the modern corporation as a bizarre legal innovation. True, concentration of capital had been noticed before and some liberal democracies had made modest efforts to limit the power of monopolies, combines and trusts. Few, however, had expressed the view that corporations were, by nature, inimical to the practice and inconsistent with the theory of private enterprise and the free market. The view begs explanation.

Virtual before virtuality, corporations are created in law by governments as "artificial persons" and are treated much like (and often better than) human individuals. They have similar rights and obligations to those of real people; but, of course, corporations are not real people. They are associations of shareholders who, unlike whole persons or even business partnerships, enjoy a special status. They are protected by the principle of limited liability. They are dissociated from the management of the venture. They have no obligation of loyalty to the enterprise. They are unique in that they can finesse even the inconvenience of death, since corporations continue in perpetuity regardless of the demise of any of their particular shareholders. Corporations, thus, are

unnatural. They are aberrant legal fictions. According to Gregory Bateson, they are "self-maximizing entities which are precisely *not* persons and are not even aggregates of whole persons. They are aggregates of *parts* of persons." They are not unlike carcinomata.

When governments created corporations, writes *Toronto Star* columnist Richard Gwyn, they made "an immortal thing unlike individual entrepreneurs—capable of limitless growth, virtually unchecked by shareholders or government. It was a new entity, unaccountable and untouchable, vulnerable only if it failed to earn profits, a task easily accomplished by the devices of oligopoly and quasi-monopoly. Add globalism," he continues, "and you can jump to today in a single leap."

This wisdom is received, albeit grudgingly, by academicians and mystery novelists alike. Sometimes they write grumpy briefs on political economy, which attempt to find historical antecedents for current circumstances. So, as early as 1970, Kari Levitt wrote in *Silent Surrender* about "the new mercantilism" and, more recently, Scott Turow sought a medieval link to globalism in his 1993 best seller *Pleading Guilty*. "Somebody ought to sit down and think about this, because your corporate types are soon going to be a stateless superclass," mused Turow's hard-bitten hero, Mack Malloy. "It's the Middle Ages all over again," he said, "these little unaffiliated duchies and fiefdoms, flying their own flags and ready to take in any vassal who will pledge his life to the manor. Everybody patting himself on the back because the Reds went in the dumper is going to be wondering who won when Coca-Cola applies for a seat in the UN."

Well, people *have* been sitting down and thinking about such things for quite some time, and some people have had some remarkable thoughts. Adam Smith, the foremost thinker in the hagiography of neoliberalism, was among the first. Just as Jesus ought not to be held wholly accountable for 15th century Inquisitions, nor Marx for 20th century Gulags, nor the prophet Mohammed for Osama bin Laden, so Adam Smith does not deserve *all* the blame for the misanthropy that is currently being carried on in *his* name. Faithless disciples such as Milton Friedman, for example, have seriously distorted his views. Adam Smith, we should recall, was a professor of *moral* philosophy and author of the literary sensation of 1759, *The Theory of Moral Sentiments*, well before he penned *The Wealth of Nations*. A century prior to the implementation of such ideas in Canadian public policy, Smith endorsed universal public education. Even in economics, he advocated the principle of self-interest only with limitations and only insofar as it promoted the common weal. He regarded private firms as constituting an injustice against the poor, rejecting corporations as anything but "a lamentable exception to the free market system."

### **Hegemony on the Right**

Corporations, then, can be provisionally understood as the freaks of free enterprise, but what is it that they do? The simple answer is that the freaks have taken over the circus. They exercise economic hegemony, dominate domestic and international politics and impose their ideological preferences through the increasingly integrated education, entertainment and advertising industries upon populations from Singapore to Chicago, from Manchester to Montréal. They have even insinuated themselves into areas once thought exempt from the maelström of corporatist modernity.

Forty years ago, Tommy Douglas famously quoted William Blake's complaint against the rise of industrial capitalism: out of public pensions, medicare, and generous social assistance, he wished to build "a new Jerusalem in this green and pleasant land." But industrial capitalism has evolved into postindustrial corporatism. The freaks have become monsters. So, argues Harvard's leading geneticist Richard Lewontin, "what was then a struggle against the rise of its dominance is now a struggle against its last consolidation in spheres of life that seemed set apart." Under the leadership of Archer Daniels Midland, Monsanto, Exxon and John Deere, we are forced to witness "the growing dominance of industrial capital in agriculture. It is not Jerusalem that has been built in the green and pleasant land," he says, "it is the dark Satanic mills."

Moreover, just as agribusiness wipes out family farms, so Wal-mart destroys local shops, chain pharmacies do in local druggists and supermarkets demolish neighbourhood butchers, bakers and green grocers. Economic diversity is increasingly anachronistic. But, surely this is not news. Karl Marx was fussing about capitalist concentration half a century before the creation of General Motors. V. I. Lenin had hit on the notion of international corporate conglomerates half a century before OPEC and the entertainment aggregates that have the temerity to announce that mergers, vertical integration and so on are in *our* interest!

Now, calls for corporate consolidation in agriculture, resources, manufacturing, finance and services are universally explained and justified according to the alleged realities of the competitive global marketplace. Likewise, establishing seamless investment markets, creating harmonized labour laws, and imposing the business mentality on anything remotely salable are global corporate goals. And who is there among us to object?

### **Apostasy on the Left**

Normally, it would be reasonable to look to the political left for critical comment; however, the left is self-admittedly in disarray. Official communism in the form of Soviet state-capitalism has self-destructed. Official communism in the form of Maoism is eager to self-destruct. And Fidel? Well, friendless after 42 years in power, he's doing the best he can. As for Canadian social democrats, the triumph of Blairism has made Clintonesque new Democrats out of most New Democrats. Apostasy in the name of realism has rendered most democratic socialists mute. In short, the left has, with a few noble exceptions (Tommy Douglas' daughter Shirley comes prominently to mind), adopted former Ontario Premier Bob Rae's agenda. The issue is not whether to accept capitalism; it is merely what kinds of capitalism are acceptable.

For those who see deeper and feel more deeply the slings and arrows of the outrageous Fortune 500, there is little to be gained by seeking refuge in the ideologies of "outmoded" left. Attempting to retain rhetoric already abandoned as gauche by the *gauchistes* seems fruitless. Reciting litanies about the iniquities of capitalism may not have been the most popular act on the public stage of the past century or two, but it did persist and sometimes won polite applause before the ushers escorted the declaimers from the theatre. Today, the light of moral outrage has dimmed. Exit: stage left.

Indeed, even articulating progressive ideas, while remaining fastidiously aloof from partisan politics, seems futile. Authors such as Jane Jacobs from time to time advance sensible arguments

in thoughtful books such as *The Nature of Economies*, but few in authority act on them. We should bear in mind that charming concepts such as "small is beautiful" and "spaceship earth" also enjoyed a few months on the list of hot new ideas. Once, however, the profits were wrung from the paperback sales of books by E. F. Schumacher, Buckminster Fuller and anyone who hinted at "limits to growth," the interest of the powerful in such picturesque propositions was slim and the influence of such sentiments on power was none. Indeed, it sometimes seemed that appearing to take such ideas seriously was just part of an elegant practical joke that business and government leaders enjoyed playing on earnest academics and ecologists.

Today, therefore, a peculiar symbiosis of corporate rulers and postmodern critics holds sway. It allows the carpers to retreat into comedy shops where wit, irony, calculated shrugs and petty puns are appreciated and the exercise of domination by the dominant is left unfettered. The contest between "them" and "us" seems to be over: "them" won.

### No Logo

Or, did they? Is fashionable pessimism the only available response to corporate control? Are there glimmers of imagination beyond sulkiness, self-interest and despair?

What certainly purports to be new, and what has given Naomi Klein her special *cachet*, is partly her persona. Barely thirty, attractive and media-friendly, she is demonstrably disengaged from hoary images of Trotskyist conspirators, affected *artistes*, sexually reoriented right-brainers, union goons, mewling social workers, professional victims and white wine & spinach salad socialists, capped off by a few hairy oddballs and the last remaining quasi-Stalinist demagogue in a trench-coat still playing to an shrinking crowd of RCMP informants.

*Maclean's*, in a favourable front-page story by Brian D. Johnson, says *No Logo* "inspires another generation of protest." In the UK, *The Observer* calls *No Logo*, "the *Das Kapital* of the growing anti-corporate movement" and *The Times* of London pronounces Klein to be "probably the most influential person under the age of 35 in the world." As leftist ideologues go, Naomi Klein is certainly marketable.

Even more engaging than her style is her substance. She does not disdain the "auld causes." Trade unions are to be valued. Free speech is to be valued. Public services are to be valued. Klein, however, has re-jigged the rhetoric just enough to be noticed and has refocused attention on issues that catch the imagination of the only people who matter or, at least, who will soon matter: people thirty or forty years younger than me. Yes, especially on the left, there is a generation gap.

Older leftists have their issues. Privatizing public sector functions from correctional facilities (formerly jails) to vintage outlets (formerly liquor stores) is high on the list of offences noted by offended public servants. Similarly, attacks on public funding of the arts, the CBC and provincial educational television have gained the attention of artists and audiences alike. Petitions get signed. Speeches get made. Legislators get lobbied. Occasionally, there are worthy results. In Ontario, the privatization of highly visible entities such as the LCBO and TVO has been delayed, if not dropped. All has not been lost. Naomi Klein, however, pays more attention to shopping.

Klein reminds us (and informs younger people) that there were once attractive public spaces in towns and cities. Leon Trotsky spoke in one in Hamilton, Ontario in the 1930s. Emma Goldman was once similarly accessible in Toronto. Klein is especially upset about privatizing town squares with the result that local communities have been eclipsed by commercial malls. She highlights the "privatization of public space taking place through the proliferation of superstores, theme-park malls and branded villages like Celebration, Florida." Hers is no simple slap at consumerism. Privately owned and privately policed malls present "troubling implications for civil liberties." Free speeches could occasionally be heard in town squares; in commercial concourses, there is no room for "peaceful protest." A point of potential tension has been identified.

Naomi Klein expresses concern about brand names. But she is not just peeved that adolescents confuse self-esteem with corporate images and feel humiliated if their clothes don't carry the coolest labels. Klein demonstrates that in the new branded world, the brand supersedes the product itself. Manufacturing is replaced by marketing; so, Nike "does not own any of its factories." All power and profits go to the image; jobs go elsewhere. One result is the proliferation of "free trade zones" (almost 4000 in 1997) that are familiar in the case of assembly plants along the Mexico-USA border but are also plentiful in Indonesia, China, Vietnam, and the Philippines. Klein gives personal testimony from her visit to Rosario, about 150 kilometres from Manila, the site of the Cavite Export Processing Zone. There she writes compellingly of a 276 hectare, walled-in industrial area. It houses 207 factories that produce goods strictly for the export market. Armed guards keep out union organizers and snoops. ID cards are mandatory. To those who scoff that this is the cost of doing profitable business, she warns that "as an economic model, today's export processing zones have more in common with fast-food franchises than sustainable developments, so removed are they from the countries that host them." What is more, she insists that "fear pervades the zones. The governments are afraid of losing their foreign factories; the factories are afraid of losing their brand-name buyers; and the workers are afraid of losing their unstable jobs. These are factories built not on land but on air." The supposed North American beneficiaries, minimum wage sales clerks, routinely get their bags checked, so pervasive is the fear of retail employee theft. They should feel lucky; in Nike Indonesia, the guards have guns.

*No Logo*, however, does not stop at criticizing economic relationships, employment practices and real or imagined threats to civil liberties. It offers a potent review of strategies and tactics for taking the fight against perceived injustices away from well-established organizations such as trade unions and social democratic political parties. These groups are, of course, courted and occasionally provide welcome support, but the object of Klein's disaffection is not just economic and political; it is deeply cultural as well. While the redistribution of wealth and the democratization of politics remain among the objectives of the "new" new left, attention is also paid to what Klein provocatively calls "culture jamming," the promotion of semiotic bandits cheerfully engaged in pasting over billboard signs and messing around with internet sites.

Taking back the streets is major theme. Playing politics with performance arts, staging street parties as a form of resistance may not seem like much. Open displays of impudence, however, can elicit brutal police retaliation, thus further radicalizing the participants and making middle class on-lookers more than a little queasy. Considering the apoplexy of the authorities when confronted with squeegee kids and after-hours parties, Klein enthuses that "the combination of rave and rage has become contagious." If self-consciously outrageous actions evoke the unctuous twittering of liberal officials and prissy leftists who whine that fringe groups and "anarchists"

undermine their cause, little remorse is shown. If Prime Ministers, Premiers, Mayors and Police Chiefs huff about the insolence of the underachievers so generously treated to welfare and public schools, so much the better. The bipolar distribution of wealth and power will be matched by the increasingly hostile baiting of the well connected and the well-to-do. It may not betoken "the final conflict" but it at least makes for a little commotion; from the perspective of the otherwise comatose left, this would be something.

Of course, the leveling of the World Trade Center seems to have put much of the graffiti politics of street radicals at least temporarily "on hold" and reminds us that rebellion that is nothing but theatre will not bring significant change alone. But, this, too, shall pass. For instance, on the day and at the time when Mike Harris announced his intention to leave politics the Toronto financial district was temporarily disrupted by hundreds, perhaps thousands, of anti-poverty activists blocking traffic beneath the steely bank towers near Bay Street. What is more, other venues exist and other methods are available. Though the authorities can be counted upon to come down heavily on welfare activists, native activists and anyone seen carrying a can of spray paint too close to a convenient factory wall, radicals of Klein's bent are not wholly without respect for law and order. Though the institutions of law enforcement and adjudication can easily and accurately be accused of reactionary opinions and political biases, the rule of law has not entirely disappeared from western democracies and the rule of law, according to the influential Marxian historian Edward Thompson, "is an unqualified human good."

Sometimes the gains are substantive, as when the courts have surprised even the petitioners and upheld native land claims. Sometimes, the courts have provided priceless publicity, as when the authorities in Québec were chastised for their overzealous prosecution of Jaggi Singh for threatening to lob teddy bears at riot police. Sometimes, the corporate world shoots itself in its litigious right foot. From McDonalds' disastrous action against two insolvent wellness enthusiasts in the UK to the Texas beef industry's poxy suit against the iconic Oprah Winfrey, "McLibel" cases have made industry look worse than bloody-minded; they have been made to appear desperate and foolish.

Less foolish have been the host of criminal charges brought against some of the most prestigious companies in the world economy. "Racketeering" charges have been successfully laid against seventeen US retailers including Gap and Tommy Hilfinger for luring South-east Asian women to the US territory of Saipan in the Marianas Islands with promises of good jobs and providing, instead, "America's worst sweatshop." Numbers of "top-dollar" prosecutions have been launched against companies for various criminal violations of financial, environmental and business law. Less expensive have been efforts to drive "local foreign policy." Using 1960s-style tactics such as sit-ins, university undergraduates have triumphantly stopped the importation of goods such as school sweaters for sale to students if those items came from countries permitting child labour.

*Naomi Klein* has issued a description of diverse accomplishments to date and a rallying cry for future "ethical shareholders, culture jammers, street reclaimers, McUnion organizers, human rights hacktivists, school-logo fighters and Internet corporate watchdogs." She wants them to join in a gladdening conspiracy "as global, and as capable of coordinated action, as the multinational corporations it seeks to subvert." Only Conrad Black (and the millions who are like him or who would like to be like him) would wish her ill. From Klein's broadside, however, it is time to turn to something more historical, written by a different man named Black.

## IBM and the Holocaust

It is routinely said that the Germans in general and Nazis in particular have been scrupulous record-keepers. However, no number of obsessive-compulsive archivists alone could account for the speed and efficiency with which Jews, Gypsies, communists, homosexuals and untold others among the mentally, physically and morally challenged were rounded up and processed through the death camps of Nazi Germany. In today's world of computers, of course, the task of identifying people and maintaining detailed and up-to-the-minute information about them is no chore. Governments, marketing firms and credit bureaus do so routinely. Those obsessed with national security are now assessing the latest technological innovations capable of identifying people and tracing their movements with fingerprint scanners. Soon, DNA samples and currently barely imaginable nanotechnologies will trace us as we carry on our personal affairs in or out of hotels and airports.

In 1933, there were no computers. There did exist, however, machines commonly called counter-sorters, the products of the creative mind of Herman Hollerith. In 1911, he sold his company for what was then the impressive sum of \$1.21 million and a ten-year consulting contract worth \$20,000 a year, to an American named Charles Flint. Hollerith's firm was the most valuable component in Flint's loose conglomerate called the Computing-Tabulating-Recording Company. CTR made everything from cheese-slicers to factory time-clocks.

At about the same time as Hollerith was liquidating his assets, a former door-to-door sewing machine and piano salesman named Thomas Watson was making a name for himself by destroying competition on behalf of the National Cash Register Company. In 1912, he and several dozen other NCR executives were convicted in Ohio of "criminal conspiracy to restrain trade and create a monopoly." Unlike his more fainthearted colleagues, he wore his conviction as a badge of honour. Moreover, he not only managed to escape serving his jail sentence but he also became something of a national hero that year by organizing relief trains to carry medical supplies, food and bottled water to 90,000 people left homeless by a flood in Dayton. Clutching a governor's pardon, he next moved to CTR, where, with Charles Flint's support, he became CEO in 1922 and in 1924 re-invented the company as IBM.

*In IBM and the Holocaust*, Edwin Black offers a meticulously researched account of what he calls IBM's "strategic alliance" with Hitler, an alliance that began just weeks after the Führer won power in 1933.

Reflections on this relationship have the potential to re-open an important discussion that conservative philosopher George Grant raised for a time in Canada. Grant used some of the insights of Martin Heidegger (guilty himself of Nazi affiliation) to expose the liberal fallacy that technology is morally neutral. He succeeded in explaining that technologies carry inherent values. Computers transform complex reality into binary units. Quantification undermines quality. Databases destroy individuality. As Josef Stalin is reported to have said: "the death of one man is a tragedy; the death of a million is a statistic." This point is mainly implicit in Black's story, but it is enough in evidence for readers to consider the deeper issues at stake. On the other hand, having counter-sorters frame an explicit debate on the ontology of technology would have been too great a digression from Black's main narrative; the historical record deserves to be followed without serious distraction.

Black's history reveals much about "the spoils of genocide." It is not the immorality of IBM's collusion in Hitler's horror that offends as much as its amorality. After Adolph Eichmann's trial in 1961, Heidegger's former student and ex-lover, Hannah Arendt, left Jerusalem writing of the banality of evil. I am not sure if the "profit motive" can sensibly be labeled "banal," but it certainly was associated with evil. Black convincingly argues that "IBM's business was never about Nazism. It was never about anti-Semitism. It was always about the money." Hitler paid well. That was the bottom line.

Before the war, "by an elaborate technique, that [was] kept rigorously up to date, the police [were] able to trace the movements of practically everyone in the country." The job was done by IBM-trained technicians, on IBM's leased Hollerith machines, using IBM punch cards. "During the war," Black explains, "the Reich needed IBM subsidiaries in Nazi Europe to continue operating in a reliable, profitable mode," so it placed them under an enemy property custodian who "simply re-appointed IBM's most trusted managers in all the territories." As an Allied victory became certain, the US expressed a particular interest of "the smooth running of the railroad systems." For its part, the UK was especially worried that, if the German statistical system at the Ministry of Economics was disrupted, it would be a "long and arduous, though necessary, task to reconstruct it." IBM's technical experts, its machines, its records, its profits and its physical plant-in short, its corporate value-were thus preserved. As a result, Black reports that IBM's German subsidiary, Dehomag, "emerged from the Hitler years with relatively little damage and virtually ready to resume business as usual."

None of this means that IBM favoured a German victory. Black reminds us that "within sixty days of the December 1941 attack on Pearl Harbor, IBM through a subsidiary, the Munitions Manufacturing Corporation, was producing 20 mm anti-aircraft cannon." By 1943, "two-thirds of IBM's entire factory capacity had shifted from tabulators to munitions." Record keeping, of course, remained the core activity. Hollerith machines organized the US draft, tracked service personnel so extensively that the physical location of "every serviceman anywhere in the world, from George S. Patton to the most anonymous buck private, could be determined by punching a request into a Hollerith."

Meantime, at Auschwitz, Bergen-Belsen and other concentration camps, appropriate holes were being punched in their IBM cards. Black writes:

Sixteen coded categories of prisoners were listed in columns 3 and 4 ... hole 3 signified homosexual, hole 9 for anti-social, hole 12 for Gypsy. Hole 8 designated a Jew. ... Column 34 was labeled 'Reason for Departure.' Code 2 simply meant transferred to another camp for continuing labor. Natural death was coded 3. Execution was coded 4. Suicide coded 5. The ominous code 6 designated 'special handling,' the term commonly understood as extermination ...

Other business opportunities emerged in the areas of military intelligence and encryption. "It is," Black comments, "an irony of the war that IBM equipment was used to encode and decode for both sides of the conflict." IBM always knew "that it was courting and doing business with the upper echelon of the Nazi Party." It just didn't care. Black tells us that Dehomag's top management was comprised of "openly rabid Nazis" who were arrested after the war for their Party affiliation. They, too, could be replaced as long as the corporate structure remained operational. Black concludes: "No matter who won, IBM would prosper. Business was its middle name."

## The Informant

Quite a different offering is made by prize-winning journalist and Pulitzer Prize nominee, Kurt Eichenwald. His is a case study of the enormous agricultural corporation, Archer Daniels Midland. Its chief character, the "informant" of the title, is a very peculiar man named Mark Whitacre. Before discussing the book, some background information might be useful. According to Russell Mokhiber's detailed study of the top 100 corporate criminals of the 1990s, the FBI estimates that street crime (burglary and robbery) costs the USA \$3.8 billion dollars a year. Even leaving aside the savings and loan scandal that cost US taxpayers somewhere between \$300 and \$500 billion, corporate crime remains impressive. Auto repair fraud alone totals \$40 billion annually, securities fraud \$15 billion, and so on. The subject of this book, Archer Daniels Midland, agreed to pay a fine of \$100 million for its involvement in a global price fixing scheme. At the time, it was the largest criminal antitrust fine in history. It was the cost of doing business. In a little over five years, ADM's record criminal fine has been beaten six times, most impressively by the Swiss pharmaceutical company, F. Hoffman-LaRoche (previously an ADM co-conspirator). The Swiss druggists agreed to pay \$500 million after the US Justice Department charged it with price fixing and related misdeeds involving the sale of vitamins. Someone skilled at arithmetic might be able to determine whether or not the combined fines collected from the 100 largest corporate criminals would be sufficient to rebuild the WTC. I digress.

ADM advertises itself as the "supermarket to the world." It used to sponsor ABC television's Sunday morning display of Washington's chattering classes, *This Week with David Brinkley*. Now, Brinkley fronts its television commercials. It boasts of an abiding concern for farmers and for the poor. Its ostensible mission is to improve the quantity and quality of farm produce in the interest of domestic prosperity and of alleviating global hunger. The company doesn't produce food for the retail market. It produces food additives, fertilizers and such fare as lysine, an artificial amino acid used in hog feed.

Eichenwald tells the story of ADM "golden boy" Mark Whitacre. Of his own volition, Whitacre "had become a confidential government witness, secretly recording a vast criminal conspiracy spanning five continents." Through his testimony, documents and secret recordings, Whitacre supplied the FBI with damning information about price fixing and market sharing conspiracies involving corporations around the world. Indicative of their business philosophy was this comment by an ADM co-conspirator: "The competition is not the enemy; the customers are the enemy." Adam Smith might be forgiven an "I told you so."

Mark Whitacre helped the FBI discover ADM's "scheme to steal millions of dollars from its own customers." In the process, according to Eichenwald, Whitacre "became sucked into his own world of James Bond antics, imperiling the criminal case and creating a web of deceit that left the FBI and prosecutors uncertain where the lies stopped and the truth began." Therein lies the human aspect (some would call it the tragedy) of the story.

Still, despite Whitacre's erratic and occasionally unfathomable behaviour, it was plain that he had led the agents to something important. So good was his information that political strings had to be pulled. At one point, the FBI investigators were "told to limit their investigation." At another, the Justice Department made a "false announcement that ADM was not a target," and apparently followed it up by telling the FBI "to take out the chief witness against the company as fast as

possible." Whitacre, the informant, was to be prosecuted but not the corporate executives on whom he was informing! Made aware of the political interference, one agent exclaimed: "The fix is in ..." Noting that ADM and President Clinton used the same law firm, Eichenwald says that the investigators faced a dilemma. If they ignored their superiors, their careers were finished; if they ignored Whitacre's leads, they were open to subsequent prosecution for obstruction of justice. For a time, they had nowhere to turn.

In that time, a deal was cut. A special committee of ADM's Board of Directors negotiated a settlement with the Justice Department. ADM Chairman Dwayne Andreas was given immunity in exchange for his grand jury testimony. ADM also agreed to pay a \$100 million fine and to plead *nolo contendere* to price-fixing. From an airport phone, Brian Mulroney, one of the ADM directors, participated in the deliberations leading to the deal. "We need to do the right thing," he said, though he expressed sorrow that the US government would stoop so low as to make a father (Dwayne Andreas) testify against his own son (ADM Vice-Chairman Mick Andreas). His ethical concerns and moral outrage at US government's lack of respect for family values were moot, however, for in midst of the discussion, he abruptly said: "I'm sorry, I have to run." Mulroney was gone. He never even voted on the deal.

At an ADM shareholders meeting two days after the bargain was announced, Dwayne Andreas was subdued. He offered an apology for ADM's crimes, but he did not mention his son or another ADM official. A reporter asked Brian Mulroney about their future. "They no longer work here," the former Canadian Prime Minister tersely replied. Ultimately, Mick Andreas and Terry Wilson, who "ran corn production" and was, in Whitacre's opinion, "a poorly educated boor, a man who only liked to drink, curse and play golf" were imprisoned, as was Whitacre. Further ADM evidence of price-fixing in the citric acid market led to guilty pleas from numerous multinational corporations-including giants like the aforementioned F. Hoffman-LaRoche and an affiliate of Bayer AG-which had participated in the conspiracies.

Eichenwald's book is an example of excellent business journalism of the sort not normally provided by Dierdre McMurdy and Jeannie Lee. Read as a crime novel, it would be an outstanding entertainment. It also provides a useful segue into the reconstructed world of John LeCarré.

### **The Constant Gardener**

An extraordinary old Cold Warrior, LeCarré spent sixteen years in British Intelligence. Beginning by snitching on his left-wing university pals, he eventually joined MI5 and then MI6. His books' dust jackets confine themselves to the mention of five years in the British Foreign Service, but his unreported activities gave him enough information to bring forth such popular novels as *The Spy Who Came in from the Cold*, *The Looking-Glass War*, *Smiley's People* and about fifteen more.

With the collapse of the Soviet Union, however, some of LeCarré's fans worried that he might fail for want of appropriate material. Veteran spies can always turn to domestic surveillance, but what does a spy novelist do when the enemy gives up? After several valiant efforts, LeCarré showed that he had found his feet with the publication of the 1999 novel, *Single & Single*. An unwavering account of iniquity, it defines the underbelly of a new world disorder as a combination of corruption on a rising ladder of influence from customs agents through police officers,

bureaucrats, politicians and lawyers to financiers in cahoots with what is conventionally called the "Russian Mafia." Illegal trade in scrap metal, human blood supplies, military hardware and heroin (to say nothing of grand-scale money laundering and occasional murders) are the stock-in-trade of LeCarré's new enemies. So far, however, there is nothing especially remarkable: the spy novelist has successfully turned full-time crime novelist, albeit on an international level.

With *The Constant Gardener*, however, a real difference emerges. LeCarré probes a fictional international pharmaceutical company. He reveals its "pitch-dark underside sustained by corporate cant, hypocrisy, corruption and greed." Rape, brutal murders, and the use of human guinea pigs in an effort to speed up bad science are all part of a tale of corporate avarice and failed revenge as a British diplomat quixotically takes on the firm that defiled and killed his young wife. He is made to pay the price.

In the past, writers who defected from official communism such as André Gide, Arthur Koestler, Ignazio Silone and Stephen Spender could be assured of a warm welcome and, for some, a blank cheque. They complained of "the god that failed," expressed personal agony and revulsion at the ideology in which they had placed their faith, and took their special places among the members of the Congress for Cultural Freedom. It is not quite the same when the disillusionment is with the corporate economy. Assuming he is sincere, LeCarré seems to be suffering the angst of those apologists for capitalism who, in late middle age, finally discover its capacity for depravity yet retain their basic ideals, seeking only to reform and not to destroy what they previously uncritically endorsed. So, LeCarré offered this guileless advice to the readers of Britain's *Sunday Telegraph*:

Perhaps we do indeed need a great new movement, an international, humanitarian movement of decent men and women, that is not doctrinal, not political, not polemical, but gathers up the best in all of us: a Seattle demo without the broken glass.

Alas, broken windows in the Seattle have already been superseded by blown-out brains in Genoa.

## **Demons and Demonstrators**

"War," said Clausewitz, "is the pursuit of politics by other means." Demonstrations, protest and civil disobedience fall far short of war but are plainly based on the perception that established political systems are incapable of responding to authentic public interests and that other means must be sought. Black and Eichenwald have something to say about the ways in which corporations have acted with indifference to morality and in defiance of the law. We should remember, however, that neither Nazi Germany nor specific antitrust conspiracies go on forever (though IBM and ADM remain robust). Klein and LeCarré have something to say about how people may respond to corporatism as citizens rather than as mere consumers. Both call for a righteous new political movement.

As for the real demonstrators already in the streets, it is uncertain whether they will heed the admonition to engage in respectful dissent or will respond to the cry for an eclectic mix of civil and somewhat less than civil disobedience. In either case, their ignorance of history may mean that they will repeat many, but not necessarily all, of its mistakes. At the same time, their self-

indulgent moral conceit may protect them from unnecessary compromise. Social democratic curmudgeons may dismiss them as irrelevant to "real" politics and note that, for all their swaggering cynicism, people under thirty are more likely to vote for established right-wing parties than they are for the putative left, and most, in fact, do not vote at all.

The hollowness of that criticism will not be lost on the young who are aware, for example, that (for all its potential) organized labour in Canada has never been able to deliver its own vote, much less influence anyone else. The activists, therefore, will not easily be seduced by [www.newpolitics.ca](http://www.newpolitics.ca), an attempt by fifty-something New Democrats to reinvent the not-so-new party by forging a coalition of white whiners and raving "youth." (As Glenn Wheeler pointed out in *NOW* [14 June, 2001, p. 29] the only people who use the word "youth" aren't.)

Against hierarchy, leadership and political dogma, Klein's kids may quickly become exhausted or turn tail like their 1960s predecessors did in the wake of the killings at Kent State University. In the post 9/11 world, they may be befuddled by the scripted media or intimidated by the national security state. "Not doctrinal, not political, not polemical," LeCarré's legions may not show up at all. In some hearts, however, there is a sense of deprivation that could find an actionable form of dissent. Ben Agger put the challenge of building a bridge from the 1960s to the 21st century this way: critics need to know "how deeply people are manipulated and manipulate themselves and how social change needs to spring from [the] subjective and inter-subjective level if it is to have lasting significance and proceed democratically." He elaborates Herbert Marcuse's argument "that social change needs to begin at home; if it does not do so, if liberty is sacrificed to liberation, then social change merely replaces one authoritarian order with another."

Social change needs to begin but it doesn't need to stay at home, nor to stay home alone. It needs poetry and humour, but it needs to know that politics is more than performance art. It needs to recall that power is necessarily cruel. It needs to contemplate the serious work that a parliamentary Social Democratic Party could and should perform. It needs to remember Carlo Giuliani, shot dead and run over by the Carabinieri on a street in Genoa. It needs to remember Jean Chrétien's complaint about "the lack of attention [being paid] to the substance of the summit" and his promise, made almost before Giuliani's corpse was cold, that such anarchists would not be allowed to overthrow democracy. It needs to be reminded of the pitfalls of self-absorption that, as political philosopher Robert Albritton advised superannuated hippies thirty years ago, results either in "quietism" or worse, in "terrorism." It needs, though it may not realize it, the worldly wisdom of sympathetic public servants who are no longer shocked but may still be appalled by the nature and extent of corporatism's dark side.

## Coda

"Mack Malloy" isn't the only sage to comment on global corporate power. *Harper's* magazine editor, Louis Lapham, wrote this in his September, 1988 column:

As yet, nobody has drawn up a map of the new order, but if somebody were to do so, I suspect that it would look more like medieval France than nineteenth-century Europe. Despite the systems of modern communication (or perhaps because of them), the hierarchies of international capitalism resemble the feudal arrangements under which an Italian noble might swear fealty to a German prince, or a Norman

duke declare himself the vassal of an English kind. The lords and barons of the transnational corporation become lieges of the larger fiefs and holding companies, owing their allegiance less to a government (any government) than to Sony, McDonnell Douglas or Citicorp. It is the company that pays their pensions, insures their lives, bestows on them their titles and badges of identity.

The good news? We have abandoned trial by battle and bear-baiting. We no longer burn witches. We still enjoy limited freedom of speech. Most peasants are no longer tied to the land. Canadians can still get simple fractures repaired in ERs without paying cash or showing an HMO card.

As for corporations and the problem of evil, for those unimpressed by the theological notion of "original sin" the search for origins goes on. Some, like Jared Diamond, scientist and author of *The Third Chimpanzee*, point to the first agricultural communities and declare the bartering of our wildness for self-domestication, self-imposed hierarchy and social inequity to have been the "greatest catastrophe" ever to befall our species. Others, such as Karl Polanyi, the extraordinary polymath and author of *The Great Transformation*, look to the ancient separation of the market from other benign social institutions and witness its development as "the malignant devourer of almost all the other ones." Whatever the ultimate origins of the corporate economy, its evolution has been marked by conflict. Throughout history, there have been patricians and plebs, royalists and roundheads, lords and levelers, crown princes and communards, the privileged and the poor, each draping their arms in the cloak of righteousness. In the current go-round, it remains to be seen if the young activists will become the spiritual successors to the English Peasant Rebellion of 1381 and whether they will fare any better than Wat Tyler and his followers. Current and emerging forms of corporatism, of course, will pass (everything does), but whether the structures of power and authority that replace them will be more humane is anybody's guess.

Until we find out, those "infidels" who still cherish some aspects of liberal democracy-its religious tolerance, its attachment to individual rights, its commitment to rational thought and scientific inquiry, its espousal of open education and its notions of gender equity, all admittedly only partially fulfilled-now is a time for forbearance but not for capitulation. There are many things that need to be done.

As William Safire, former speech-writer for Spiro Agnew, put it in an insightful meditation on the Biblical Book of Job:

I think Job has attracted artists and thinkers because it demonstrates the power of dissent to wear down the resistance of Authority. Not to overthrow it necessarily; only to wear down the center of command to the point of compromise. ... [S]ubversion, the tool of the dissident ... has its saving graces. It is a way of doing combat with Authority without openly fomenting revolution; it is a way of gradually leveling the playing field of power. Artists and writers particularly, empowered by their ideas and genius of expression, are natural subverters of order.

Artists whose work attains political relevance are balanced against those who would abandon politics in favour of apocalyptic illusions, quasi-religious rhetoric and the terrorism it sustains. Subversion, therefore, maybe our last, best hope against corporatism together with those who insist on condemning the contemporary corporation as demonic. For those hesitant to embrace

Job, subversion can be seen to represent compassion as well as courage. It can be captured in the four most generous words ever uttered in a motion picture. After Katharine Hepburn denounced the turpitude of her character's brother, played by Robert Morley, Humphrey Bogart, effortlessly portraying the reluctantly heroic Canadian boat captain in *The African Queen*, said this: "He didn't invent it." Corporatism is surely culpable; it is not unique. Social injustice will persist after it is gone. And subversives will still as necessary as ever for the sake of sanity and society.

**About the Author:**

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