

# The Economics of Climate Change

By Noam Chomsky

Last June, a group of MIT scientists released the results of what they describe as the most comprehensive modeling of how much hotter the Earth's climate will get in this century. It shows that "without rapid and massive action, the problem will be about twice as severe as previously estimated" a couple of years ago. It could be even worse than that because their model does not fully incorporate positive feedbacks that can occur, such as the melting of permafrost in the Arctic regions caused by the increased temperature. It will release huge amounts of methane, which is worse than carbon dioxide.

"There's no way the world can or should take these risks," says the lead scientist on the project. "The least-cost option to lower the risk is to start now and steadily transform the global energy system over the coming decades to low or zero greenhouse gas-emitting technologies."

At present there's very little sign of that happening. Furthermore, while new technologies are essential, the problems go well beyond that. In fact, they go beyond the current technical debates in Congress about how to work out cap-and-trade devices. We have to face something more far-reaching—the need to reverse the huge state-corporate and social engineering projects of the post-Second World War period, which very consciously promoted an energy-wasting and environmentally destructive fossil fuel economy.

## The Conspiracy that Shaped Our Economy

The state-corporate program began with a conspiracy by General Motors, Firestone Rubber, and Standard Oil of California to buy up and destroy efficient electric transportation systems in Los Angeles and dozens of other cities. They were actually convicted of criminal conspiracy but given a mere rap on the wrist with a \$5,000 fine. The federal government then took over—relocating infrastructure and capital stock to suburban areas and creating a huge interstate highway system under the (usual) pretext of defense. Railroads were displaced by government-financed motor and air transport.

The public played almost no role, apart from choosing within the narrowly structured framework of options designed by state-corporate managers, who were supported by vast campaigns to "fabricate" consumers with "created wants," to borrow a term from Thorstein Veblen's *Theory of the Leisure Class*.<sup>1</sup> These efforts grew out of the recognition—over a century ago—that democratic achievements have to be curtailed by shaping attitudes and beliefs towards the superficial things of life, such as fashionable consumption. It was necessary to ensure that the opulent minority are protected from the ignorant and meddlesome populace. A direct result was the atomization of society and the entrapment of isolated individuals with huge debts.

While state-corporate power was vigorously promoting the privatization of life and maximal waste of energy, it was also undermining the efficient choices that the market cannot or does not provide. To put it in concrete terms, if I want to get home from work in the evening, the market does allow me a choice between, a Ford and a Toyota, but it doesn't allow me a choice between a car and a subway, which would be much more efficient. Even if everybody wants it—and that's a social decision—the market doesn't allow that choice. Now, in a democratic society, it would be the decision of an organized public, but that's just what the elite attack on democracy seeks to undermine.

### Retrofitting the Future: The D-I-Y Approach

The consequences of our state-corporate decisions are now before us in ways that are sometimes surreal. A couple of weeks ago, a *Wall Street Journal* article reported that the United States Transportation Secretary was in Spain to meet with high-speed rail suppliers. Europe's engineering and rail companies are lining up for some potentially lucrative contracts for high-speed rail projects. At stake is \$13 billion in stimulus funds that the Obama administration is allocating to upgrade existing rail lines and build new ones that would one day rival Europe's.

Consider this: European countries are hoping to get United States taxpayer funding to build high-speed rail and related infrastructure, even as Washington is busy dismantling leading sectors of United States industry and in the process, ruining the lives and communities of workers who could easily do the work themselves. You couldn't conjure up a more damning indictment of the economic system that's been constructed by state-corporate managers.

Surely, the auto industry could be reconstructed and its highly skilled workforce used to produce what the country needs. It's been done before. During World War II, we had a semi-command, government-organized economy. Industry was reconstructed for the purpose of war. It not only ended the Great Depression, it initiated the most spectacular period of growth in economic history. In just four years, industrial production just about quadrupled, laying the basis for the Golden Age that followed.

Warnings about the purposeful destruction of United States' productive capacity have been made for decades. The late Seymour Melman<sup>2</sup> was among those who pointed the way to a sensible way to reverse the process. Even if the state-corporate leadership has different priorities, there's no reason for passivity on the part of the public. With enough popular support, the so-called stakeholders—workers and community—could just take over the plants and carry out the task of reconstruction themselves.

One of the standard texts on corporations in economics literature points out that “Nowhere... is it written in stone that the short-term interests of corporate shareholders in the United States deserve a higher priority than... all other corporate stakehold-



ers”—that is, the workers and community. In other words, state-corporate decisions are not determined by economic theory.

It's also important to remind ourselves that the notion of workers' control is as American as apple pie. In the early days of the Industrial Revolution, working people in New England just took it for granted that those who work in the mills should own them. They also regarded wage labor as being different from slavery, in that it was temporary—a view shared by Abraham Lincoln. There have been immense efforts to drive such thoughts out of people's heads, to win what the business world calls “the everlasting battle for the minds of men.” On the surface, these efforts appear to have succeeded, but the ideas are latent in the American psyche and they can be revived.

For instance, about 30 years ago in Youngstown, Ohio, when United States Steel prepared to shut down a major facility that was at the heart of this steel town, there were substantial protests from the workforce and the community. There was an effort led by Staughton Lynd<sup>3</sup>, albeit unsuccessful, to bring to the courts the principle that [worker and community] stakeholders should have the highest priority. With enough popular support, such efforts could succeed, and right now is a propitious time to revive those efforts. But first, it would be necessary to overcome the effects of the concentrated campaign to drive our own history and culture out of our minds.

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Noam Chomsky speaking at York University.

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## Forgetting the Past

There was a very dramatic illustration of the success of this campaign just a few months ago. In February, President Obama went to Illinois to give a talk at a factory to show his solidarity with the working people. The factory he chose—over the strong objections of church groups, peace activists, and human rights groups—belonged to Caterpillar, a corporation known for its role in providing (what amount to) weapons of mass destruction to the Israeli occupied territories.

Apparently forgotten was Caterpillar's decision in the 1980s—following Reagan's dismantling of the air traffic controllers' union—to rescind their labor contract with the United Auto Workers (UAW) and bring in scabs to break a strike. It was the first such occurrence in generations and a practice that was illegal in other industrial countries, apart from South Africa, at the time.

Obama was a civil rights lawyer in Chicago at that time and he certainly must have read the *Chicago Tribune*, which ran quite a good study of the events. They reported that the union was stunned to find that unemployed workers crossed the picket line with no remorse and Caterpillar workers found little moral support in their community. This is one of the many communities where the union had lifted the standard of living. Wiping out these memories is another victory in the relentless campaign to destroy workers' rights and democracy, which is constantly waged by the business classes.

Unfortunately, even the union leadership failed to understand the campaign. It was only in 1978 that UAW president Doug Fraser recognized what was happening and criticized the leaders of the business community for waging a "one-sided class war... against working people, the unemployed, the poor, the minorities, the very young and the very old, and even many in the middle class of our society," and for having "broken and discarded the fragile, unwritten compact previously existing during a period of growth and progress."

In fact, placing one's faith in a compact with owners and managers is a suicide pact. The UAW is

discovering that right now, as the state-corporate leadership proceeds to eliminate the hard-fought gains of working people by dismantling the productive core of the economy, while at the same time, sending the Transportation Secretary to Spain for help—at taxpayer expense—to do what American workers could do themselves.

## Strategies for a Functioning Democracy

The importance of short- and long-term strategies to build—in part, resurrect—the foundations of a functioning democratic society cannot be overstated. One vital short-term goal should be to revive a strong and independent labor movement. In its heyday, it was a critical base for advancing democracy and human and civil rights—the primary reason why it has been subjected to such unremitting attacks in policy and propaganda. Another immediate goal is to pressure Congress to permit organizing rights with the long promised Employee Free Choice Act legislation.

A longer-term goal is to win the educational and cultural battle that's been waged with such bitterness in the one-sided class war. It means tearing down the enormous edifice of delusions about markets, free trade, and democracy that's been assiduously constructed over many years, and to overcome the marginalization and atomization of the public.

Of all the crises that afflict us, the growing deficit of democracy may be the most severe and unless it is reversed, Arundhati Roy's forecast might prove accurate in the not-so-distant future. The conversion of democracy to a performance in which the public are only spectators might very well lead inexorably to what she calls the "endgame for the human race." ■

## Endnotes

1. First published in 1899, *Theory of the Leisure Class* was the first detailed critique of consumerism.
2. Author of *The Permanent War Economy* and *Pentagon Capitalism*, Melman was a professor of industrial engineering and operations research at Columbia University, who wrote extensively on "economic conversion."
3. The son of sociologists Robert Staughton Lynd and Helen Lynd, Lynd is a historian, professor, author, and lawyer who, during the 1960s and 70s earned a reputation as conscientious objector, tax resister, and civil rights activist.

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*Noam Chomsky is a linguist, philosopher, cognitive scientist, political activist, and author of over a hundred books. He is also professor emeritus of linguistics at the Massachusetts Institute of Technology. This article is based on a transcript produced by Democracy Now! of a speech given by Chomsky at Riverside Church in New York on June 12, 2009 at an event sponsored by the Brecht Forum.*

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Founding co-editor of the journal *Race Poverty & the Environment* and founder of the Center for Race, Poverty and the Environment.



**Photos:** (Above) Montage from the Luke Cole memorial booklet published October 25, 2009. Courtesy of Nancy Shelby.

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