

The Sorrows of Empire: Militarism, Secrecy, and the End of the Republic

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[This is not quite an exact copy]

In the late 1990s, under the EU'S Common Agricultural program, the 15 EU countries spent \$42 bn annually subsidizing their farmers, while they allocated to the Third World only \$30 bn in developmental aid for all purposes. The level of overall subsidization of agriculture in Western countries rose from \$182 bn in 1995, when the WTO was born, to \$280 bn in 1998. By 2002, EU subsidies to agriculture were six times the total amount of foreign aid that all rich countries gave to the poor. The result in the First World was the overproduction of a vast range of agricultural products, including cereals, beef, pork, milk, butter, tomatoes, sunflower oil, and sugar. These commodities were then unceremoniously 'dumped' (that is, sold below the costs of production) in developing countries. Joseph Stiglitz's conclusion is unavoidable: "The well-to-do countries that officially praise free trade frequently use tariffs and subsidies to limit imports from poor countries, depriving them of the trade they need to relieve poverty and pursue their own economic growth."

Having deprived the Third World countries of access to agricultural subsidies and crippled their ability to build competitive industries, the WTO proceeded to prevent them from using the foreign technology employed by the industrialized nations and to lock in the monopoly profits of companies that owned patents on indispensable products such as medicines. The Trade-Related Intellectual Property Rights Agreement (TRIPS), which instituted these barriers, proved to be a gold mine for transnational corporations. Its purpose was to prevent developing countries from copying or stealing proprietary technology in the same manner the currently advanced countries had done in their processes of economic growth. The agreement provides transnational corporations with a minimum patent protection of 20 years and places the burden of proof in a dispute on

the presumed violator. It is a clear example of the rich nations kicking away the ladder to keep the poor nations from catching up.

The chief profiteers have been American and European pharmaceutical companies and agribusiness conglomerates. On the drug front, Third World countries have demanded that they be allowed to import or manufacture cheap generic copies of patented medicines to deal with acute public health problems, something currently barred by the WTO. All members of the WTO except the US have in fact favored relaxing a strict interpretation of TRIPS for medicines. The US instead demands that exemptions be restricted to treatments for AIDS, malaria, tuberculosis, and a few tropical diseases, claiming that the pharmaceutical industry must continue to receive high prices in order to finance future research. With regard to agriculture, the TRIPS system has for the first time given corporations the right to patent life-forms, particularly seeds. Companies that produce GM food lobbied strenuously for this provision. Monsanto, for example, holds the patent on Roundup Ready soybean seeds, which, until recently, tolerated Monsanto's weed-killing herbicide Roundup. Monsanto is a major player in the corn and soybean markets in North America, Latin America and Asia and in the European wheat market; one of the ways it and other companies, such as Novartis and DuPont, use the TRIPS system is to develop and patent GM plants that will not produce seeds for succeeding years' crops and that must be fertilized with expensive products made by those same companies. These corporations are thus in a position to extract monopoly profits from poor countries by dominating their agricultural sectors and dictating what they will eat, if they eat at all.

Another abuse of the TRIPS system has come to be called 'biopiracy'. In this practice, some firms and universities obtain patents on plants that Third World countries have known about and used, often for centuries, and then extract royalties if these countries want to continue growing them. A classic case was the 1997 attempt of RiceTec, Inc., of Alvin, Texas, to patent a hybrid of India's basmati rice, which has been harvested for two centuries throughout the subcontinent; so far its patent is good only in the US and had been denounced by the Third World. Given these abuses of medical and agricultural technology, even some supporters of the WTO now argue that it would have been better not to include agriculture in its purview and not to extend patent rights over life forms.

In all, the WTO system is a deceptive but extremely effective tool of economic imperialism wielded by rich nations against poor ones. Within a few years after it was launched, however, the system started to fall apart. Post-September 11, the overemphasis on militarism and unilateralism in the US has radically weakened the effectiveness of international law, eroding the façade of legality that supports the WTO rules. At the same time, the interests of American militarists and economic globalists have begun to clash, particularly over the use of an obvious future superpower — China. The economic globalists have invested more heavily in manufacturing in China than in any other place outside the Anglo-American world. The militarists, on the other hand, are already plotting to contain China, militarily if necessary, to decide future global supremacy.