

Michael Parenti: Capitalism as Totalitarian Social Order (KPFA, 1993)

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Political analysis Michael Parenti discusses the relationship of capitalism and the social structure. He analyzes the role of the media in maintaining the private power elite, how private research is funded by public funds, and the nature of the plutocracy.

Interviewed by Philip Maldari and Kris Welsh
Recorded: KPFA, 16 Feb. 1993.

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the big welcome to Michael Parenti who's just joined us in studio in fact he's joined us on the west coast the guy has actually moved out here you feel like a Berkeley resident yet her yes look like a Berkeley resident okay what is a Berkeley resident look right now Michael Parenti author of the sword and the dollar democracy for the few and here on the west coast he is doing almost the same thing as you were doing on the East Coast which was doing a great job of telling the world that what we see in our newspapers and on TV and here on the establishment media is make-believe frequently or it's an it's really not the reality when we asked you what you wanted to talk about this morning you said capitalism and of course we all know that capitalism is responsible for saving the entire planet from any number of dastardly possibilities do you want to pontificate on just what capitalism has meant to you well I don't want to pontificate but I would like to just remind people that capitalism is more than an economic system it's an entire social order and when we talk about capitalism we're not talking about an economy only as such but a system of class power and that class power reaches into all the other major institutions of society so that if you look most of the other major institutions the churches the media the museums the sports teams the hospitals health industry they're all run by boards of trustees of the universities who are who arm and sometimes women but almost always manned by by members of the corporate elites and the very rich

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the corporate elites and the very rich who laid down the major policies for these institutions all the policies if they want to and there is an enormous an enormous oligarchic power a plutocracy is the I use in my book democracy for the few it Pluto cracy means ruled by the rich and for the rich it doesn't mean that everyone of the decision makers is a rich person though eventually they usually are but that all of them will serve end up serving the corporate owning class a Henry Kissinger originally wasn't rich he's a multimillionaire now but he he was plucked out of his academic career his modest academic career cause he was writing the kinds of things that David Rockefeller and Nelson Rockefeller liked and he was brought up and became a big policymaker advisor and eventually in the Nixon administration and that kind of thing is the way it operates this this owning class that owns the land labor the resources the capital the controls the markets of our country they don't own the labor they employ the labor labor power they they also are largely self recruiting

when it comes to the top decision-making positions so that the top the president's vice presidents secretaries of state defense Treasury and commerce the CIA head the Federal Reserve had and a few others like this are almost all members of the Council on Foreign Relations or the trilateral commission like mr. Clinton himself or the Bilderberg conference and all these are organizations that were formed by by plutocrats like Nelson Aldrich and John D. Rockefeller senior back in the 20s and 30s and JP Morgan so there is an remarkable cohesion of interest of these people and they generally rule their their their job is

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generally rule their their their job is to keep is to keep the government and the state especially actively engaged in in maintaining existing social relations and class power relations yeah but the myth the major myth well there there's an underlying theme which is if you're so smart why ain't you rich it's good to be rich but the major myth is that anybody could be rich this is that's the nature of capitalism that all you have to do is be hardwired and you too can be smart there are there are cases in people who do get rich that way either the agency created how many new millionaires well the 80s with the help from Reagan and the help from a tax policy and a subsidy policy and a government welfare for the corporations policy that that helped a lot there was an awful lot of that that brought brought much of that around and there are individuals who someone who can wiggle their their anorexic little frame across the stage like a Michael Jackson you can become a multi-millionaire if you can hit a spherical horsehide object three hundred and fifty feet with any regularity you get you can get a five million dollar contract as a baseball store and then you can use some of that money other things and if you invent something and there's some entrepreneurs who still to this day can sometimes get in on something and make a million or ten million whatever they are the notable exceptions and in any case I'm not measuring the system by how many of us can get rich I don't want to get rich I just want to see the people of the United States living a decent life drinking clean water breathing clean air having jobs living with some measure of security not in the kind of misery that exists now they say that thirty four million people are below the poverty level those are very cooked figures because the original poverty line was calculated almost what was it about 30 years ago where it was a family of four had to have about \$7,000 or something

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had to have about \$7,000 or something and what they've done is they've changed that figure every year according to the cost of living allowance but the cost of living index does not take in the fact that the four major essentials have gone up vastly higher than the rest of us goods and services I'm talking about shelter food food food fuel housing and health have gone up something like a hundred percent more than the other items there's no longer a pollution we don't talk about a pollution problem as such we talk about an ecology crises it's not just a matter of cleaning up this or that Bay it's a matter of it's a matter of determining whether or not the planet will survive or not survive with ozone depletion and global warming let me ask you something there was a remarkably revealing article on the front page of the business section of the San Francisco Chronicle of all places last week in which they interviewed three former CEOs of major corporations and asked them very specifically who they primarily worked for and how they could represent the interests of their employees and in all three cases they said well of course we work for the stockholders our job is to guarantee the stockholders a maximum return on their investment dollar so when it comes to talking about the the benefits the wages hours benefits of our employees we have to make the case to the stockholders that by paying our employees a little more money that in the long run the stockholders will benefit because these employees will be harder working more diligent more you know all those good things and then the same week last week Bank of America announces that they are going to reduce the hours of all the tellers at Bank of America which absorbs

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tellers at Bank of America which absorbs security Pacific from full-time people to 19 hours a week so that they no longer would have to pay them benefits right and I'm thinking uh-huh this is an interesting picture and by the way Bank of America also reported record profits 1.5 billion right 1.5 million in profits so it wasn't an austerity necessity it was rapacity it was just to to make more and more well my reading of history could I just could I just jump back to the Roman Empire for a minute Phil it's not much of a leap no okay it's your people okay thought I should ask your permission before doing it is reading um I was reading how in about the first century BC the Roman aristocracy went after the I think it was called the agraria plebe um which was the land owned by where's me the owned by the please but used by the plate what we would in this era call the Commons of the common lands in England where people where people raised food and farmed and used the resources of these lands game whatever else just as the just that just as the British financial industrial class wiped out the British yeoman airy and peasantry and drove them off the Commons the more resources that people have and they can just use directly for their own sustenance their own themselves the less is your wealth and power because you need those people you need their dependency and poverty to to get them to work hard for very little so you can accumulate wealth off their labour if they're working for themselves if they're doing okay then that becomes a potential threat furthermore those were good lands and I was sitting there on I was reading and I'm saying what do the owning what do the ruling classes what do the owning classes what do the rich throughout history what do they want and it came to me like a boat like a revelation in one word they only want one thing and that's everything they want everything if there's any area

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want everything if there's any area where they can squeeze it a little more and there's nothing no countervailing power to stop them to squeeze it then they'll squeeze it Bank of America employees are not are not unionized data they don't have collective bargaining rights they don't know so you can just treat them like this you can just cut them off and tell them to kiss off and that's that's that's too bad they're listening to Michael Parenti joining us in studio as indeed he's joined us on the west coast the author of many x' the vol democracy for the few the sword and the dollar and make-believe media the titles that i recall without looking at your list that inventing reality is out in a new edition finding reality the politics of news media and i've also just finished a book last week called well it won't be out for a while so but it's called land of idols political mythology in america if you don't mind i get up this hour just to be able to make a plug here whatever works once again Michael Parenti our guests speaking of inventing reality and how this all fits into capitalism as we've come to know it if not love it the folks we just spoke to a last hour with fairness and accuracy in reporting we're talking about the spectrum of debate and how there isn't one and that 45% really of the spectrum of political debate in this country is absent from our major media sources what role does the media play in your version of capitalism here you've been describing well I think was pointed out very well by norman solomon and jeff cohen your previous guests that the media are not really free and independent they're owned by the same people who are the top decision makers or who select the top decision makers and who own the rest of the economy and so their perspective is one which will amputate political discourse and the

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amputate political discourse and the political spectrum so that the whole left and progressive viewpoint is not given any kind of any kind of exposure and I don't want to reiterate what they what they just said so well well there is this notion of course capitalism is based on this notion of the marketplace and in the marketplace allegedly the true value of a commodity or a person's labor is determined by by competition or an idea right so then we have the marketplace of ideas the marketplace of ideas modeled on the same notion of capitalism would presume that the better idea whatever better means will win out because it's had to compete with those inferior ideas mm-hmm that would be okay with me if the if the ideas that have been muted and shunted to the side were allowed to honestly compete but those I have a lobbyist for ideas frequently write those ideas don't get on I think as Mark said that in every epoch the ruling ideas are the ideas of the ruling class that those who control the material means of production also control the ideational and intellectual means of production so that our ideas can get on a small and valiant radio radio stations from

time to time and in small circulation magazines but but the mass market the mass TV the the the markets that reach not not twenty thousand people but twenty million people we can't get on or if we do it's very limited very irregular and we're facing three conservatives who are screaming at us and we can hardly get a word in so our ideas are really not given fair

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so our ideas are really not given fair play if they were if we could reach millions of people I noticed for instance with my tapes which is circulated by people's video in Seattle and people I still get calls and letters from people saying this is amazing Ill gee this makes sense I never heard anything like this before now that's a very revealing comment I never heard anything like this before because what I tell them is not some occult esoteric knowledge that I gleaned from the Himalayan mountains I talk about things that are in the news and all that but putting them together and giving a level information that you're just not gonna usually get well it's making connections that are not made that there's this whole which which which man just say that which points out the point of making of that capitalism is more than an economic order it's a whole social and cultural order and it's a very controlled order and it's a very in a sense totalitarian order in that it doesn't have to have absolute control over the entire communication universe all it needs is overwhelming crushing advantage it doesn't have to control 100 percent but 98 percent will do quite well and that 2 percent serves as a legitimating thing you can say see well you got your radio show another 2 percent right well right you're part of the 2 percent well this is part of the whole mythology is this notion of freedom we think that we live in the land of the free we have a free trade we have free markets we have free ideas we're free here well free markets and free trade is freedom for people who have lots of money in a lot of economic power that's that's for whom there is freedom but that's how the 98% is controlled because they've got this concept that hey if they wanted to they could they could do this it's just their own they blame themselves if they're not rich there certainly is that popular mythology that the millionaire is self-made you know but people are a little more complex than that the same people who will sometimes adhere to

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people who will sometimes adhere to horatio alger also known their gut that there are people born I mean even my dad my late dad who was a kind of an Archie Bunker kind of guy but he used to talk about those who were born with a silver spoon in their mouth so they do know that there is favoritism he used to talk about how the working man always gets it in the neck and and and you know with a last on line and all that sort of thing so we do have that and the question is how do you galvanize and and bring that consciousness to the fore so it's not just a implicit gripe but it's mobilized for political action that could bring us a greater share of social justice I'm sorry Chris you say we have a president yeah I was just thinking you know Clinton is an example of somebody who rose from poverty to the greatest office in the land tell us what your impression is thus far of what he's doing is he strictly the servant of the wealthy classes or is there any mixed message here well I mean I think it is a it's a bit it's a bit better than than what we would have had George Bush I remember coming into this very station with and saying that I was gonna hold my nose and vote for Clinton when I said hold my nose I wasn't being cute I mean the guy stinks in some ways and his appointees are some of them are just terrible the national security state retreads who are definitely reflect no new way of thinking about the world about the third world about u.s. interventionism about a lot of those kinds of there's that problem you got a a Secretary of Interior Bruce Babbitt who's should be in jail I mean this is the guy who did the cover-up on the murder of the radio journalist Dan ball when they got the guy who did the shooting they they they they copped let him cop a plea and they railroaded two innocent people his book just out reviewed in the nation on this and it was bet it was babbitt who played a key

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was bet it was babbitt who played a key role in all this covering up what dan ball was doing dan ball was in arizona you remember that written he was uncovering some very powerful interests in arizona and this guy is now Secretary of Interior in fact he should be investigated so you got that kind of thing going on and you've

got and you've got a few a few little shops to to the populist movement in the sense he's gonna increase he's gonna give a minor increase in corporate taxes but meanwhile 15 billion dollar and investment credits to the same business aliens explain what an investment credit is well that if they if they invest in certain things and and and retooling and all that they will get that they will get tax credits for it they will get not a tax not a tax deduction but something better than that I mean it's just cash yeah that they will get it means you won't get it doesn't mean a million dollars of your income will not now be taxed it means a million dollars of the taxes you had to pay will be given back to you so that's a million dollars I mean you you get you get right great straight money yeah it's gonna be money and but often what happens is these companies take it on retooling that they were going to do anyway they don't just suddenly then do all sorts of new things and increase their production and hire 500 new workers if there's no market out there to buy these new refrigerators and all and so so it really becomes a tax windfall and these tax create these tax credits and these these investment credits and all inducements and so forth they've been every administration has been handing those things out and it hasn't it hasn't led to can I point that that's another myth about capitalism that is the self-willed entrepreneur of whom there are some and who are inventive and who do by the way create jobs NOLA and they're usually very small capital but if you look at the corporate 500 and the big corporations they've created very few jobs in fact they're getting very good at cutting back thousands tens of thousands of jobs right before our eyes

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thousands of jobs right before our eyes but most of their much of their funding in many industries and whole industries have not come from their own resourcefulness and pockets it has come from the US government whole industries the telecommunications industry was built by socialism that is by the by the public by public subsidy by the from the person of the taxpayers of America the Aaron Eric Aeronautics industry I mean all through World War two after the war the whole the whole military buildup from 1948 on the Aeronautics industry and that included Laurance Rockefeller and the DuPont's and and and the Morgan and the JPMorgan groups and so forth invested in all these areas General Electric the biggest the biggest single Aeronautics the biggest single military contractor in America for decades they put they put up about ten percent of the equity the other ninety percent came from the Pentagon so you see and and they would always calculate profits on general costs and say well it cost this much to make this bomber and we made just ten percent profit but if you don't if you put aside general costs if you don't tell anybody that ninety percent of those general costs were picked up by the taxpayer and you put only ten percent then you didn't make ten percent profit you may close it to 100 percent you doubled your investment or you made fifty percent or 60 percent and that's still going on today so these very same people who tell to preach to us on Sunday every Sunday that we should practice self-reliance we should not go to the government for a handout and all that they themselves through the rest of the week are living high off the public hog I'm thinking of two corporations close-to-home Bechtel and Kaiser both of whom obviously made their money off of government contracts from the get its Ross Perot we mentioned him he also made his billion of course off government contracts Medicare right Medicare he took a whole Medicare system computer system that hadn't worked out by the government by the US

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worked out by the government by the US taxpayer and it was privatized handed over to him and he it was just a it was just a license to print money practically and he made his minions marketing that and then spends the rest of his time talking about the rugged individual private entrepreneur and the blessings of capitalism there in a previous interview we did about a week ago we talked to a man who wrote the book the lobbyists and he said there are 80,000 lobbyists in Washington DC cut both in the hill and going after the executive branch and I was thinking that if in fact in the marketplace of ideas the better idea wins out because it's obviously the better idea then of course you wouldn't need lobbyists because lobbyists are in essence influence peddlers people that try to push a bad idea down people's throats because somebody's going to make money off of it so in essence what kind of system do we have is it just a bribe taking bribe giving kind of system is that what we're talking about here well I think there are two things there what you're

talking about our issue politics here where specific issues are pursued by specific lobbyists for specific advantages sometimes it's the haves versus the have you know the trucking industry versus the airliners or something like that and but but generally the one group left out of all that is the broad unorganized public that our interests generally aren't aren't represented that's part of the system the other part of it is the system as a totality which you might not call interest politics but class politics that over and above any one interest group you need a state which is a conscious agent for control and and for doing the things that no one interest in the society can do for itself that is I mean the state also has other functions which are public safety the ordinary accommodations for any civilized society but besides that its

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civilized society but besides that its other function is to make sure that the existing property relations and the existing system of corporate capitalism will exist this includes sometimes ignoring the interest of specific capitalists because they're pursuing the interest of the total society for instance those companies that want to trade with Cuba are regularly ignored and people say well you see the corporation's don't run everything their corporations that want to trade with Cuba but the US government won't let them because the US government the least of that portion the government known as the state the national security state its function is not for a particular corporation to make a killing in a particular market its function is to make sure that those systems of markets are maintained as they are and that entails rolling back and getting rid of any kind of country or system that has an alternative way of of using land and labour and investment and the end so they had their eye on the larger systemic function of the system so we should make a distinction between systemic politics or class politics if you want and on one hand and and specific issue politics on the other of course in the specific issue politics is always a class interest dimension in in them I'm not denying that there's overlap I'm hearing echoes of conversation we had earlier this week with Noam Chomsky who was pointing out the possibilities for any real health care reform and mentioning that the one way to make sure that single-payer Canadian style health care did not become the model for us would be to destroy the Canadian model by forcing them to raise the prices of their pharmaceuticals because it's unfair to have such low price pharmaceuticals just across the border from our high price to pharmaceuticals well that might be one thing that's going to happen what we have to do is mobilize a contrary opinion and point out how the pharmaceutical industry prices are rate of what they're going up 20 30 % faster

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of what they're going up 20 30 % faster than inflation itself which means that their price gouging and I think there are people in Congress who are attuned to that and I've even seen one or two stories in the mainstream media there are a lot of corporations that want to see some kind of a change because the health industry the price gouging and the profiteering in the health industry is really incredible it's become one of the single biggest costs for corporations with the benefits for their workers which is why you're getting something like the Bank of America knocking off of these people to get them below fifty percent work week so they don't have to pay their health benefits anymore so that what you have is the the capitalist the capitalist portion of the health the health industry is a portion of the capitalist class cutting into the profits of the rest of the capitalist class so you're getting you're actually getting corporations now saying we need a different system they're saying it because they don't want to pay this anymore and there's two ways they can do that one you can get a really good public support system or two you can just cut these benefits for your own employees and the hell with everything and let them let them sink or swim I'm going back to that chronicle article where what who does a CEO of a corporation in fact work for and obviously it's the stockholders right given that the CEOs job is to maximize the profit for the stockholders then what happens to the workers in that particular corporation is totally secondary to that and so if in fact the the tellers at Bank of America branches throughout the state are unorganized they can't go on strike because they don't have any way of acting in solidarity with one another maybe the CEO of whose name I don't even know of Bank of America is doing his job when he attacks them based on their benefits I mean that's what he's paid to do that's what he's paid to do that's his job well you're absolutely correct

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his job well you're absolutely correct because his job is not to make a profit for the stockholders but it is as you put it to maximize but to make the maximum amount of profit and if I am making 1.5 billion and I could make 2.3 billion by cutting out all health benefits cutting back on this and and and you know when you cut those kind of hours that means other people are going to have to work harder you're doing what is right i David Roderick made that point in his head of the US Steel now USX he said the function of us it was you it was a us X he called you know when US Steel became us X when I was a kid in school and I studied algebra X was an unknown quantity you know what do we make we make we make X we make what is X money we just make money and Roderick made that point he said USA a US Steel is not in the business of making steel when I was still US Steel that's right it's not in the business of making steel it's in the business of making and you didn't say profit is at the highest possible profits for its stockholders so they'll sell do they'll do this still do that they'll do whatever it takes so not only does the work is interest are secondary but the workers interests are in fact in opposition to those of what I have to do there are interests that have to be counted and minimized in every way and attacked I was going to say the workers interests were irrelevant but they're totally relevant because the workers interests are diametrically opposed liminal right right we're talking with Michael Parenti and we're just about out of time and Chris has another question I can tell by the look on our face well I'm just I don't understand how I feel like Rodney King why can't we just get along I mean you know the workers interest I would think would be vital to the continuing and long-lasting health of the business no I don't just made the point no the the more I have to pay my workers the more you're cutting into my profits because my workers are my source

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profits because my workers are my source of profit these are your consumers the worker contributes yeah but that's way down the road there'll always be someone else to buy you're right I mean you know you lay off these a number of workers they're gonna have less bank accounts for Bank of America and they're gonna have less money to put in to Bank to the Bank of America so eventually that might happen but capitalism operates proportionately always in terms of rates and ratios and if I can increase my rate of profit even if I'm way down line cutting out some portion of my base then then that's fine with me there's also the business of short term profit versus the long run and with all these leveraged buyouts the long run isn't even considered I mean if you're macsam corporation that bought Pacific lumber up on the north coast your bills are coming due you're paying huge interest bills and all that money you borrowed and you better chop down every damn tree now or yesterday because you got to maximize the profit right does anybody think about the long run that you know ten years down the road there's not gonna be a tree to cut down anymore or is that somebody else's problem well that's that's the other myth of capitalism then to how efficient they are that in fact they dumped their diseconomies onto the public we are the ones who have to think about the unemployed we are the ones who have to think about about the breadline districts where people can't even get decent housing we are the ones who have to think about the devastated economy and we have the ones who have to think about the clean-up on the toxic waste that they leave behind them they skim the cream and then the government and the public has to do the rest and then they turn around and say you see how much more efficient we are then government is but but that's really all of that is a part of capitalism with what Clinton's doing now this mess that he's shoveling out to us now is a representation of the last 12 years and the kinds of levels of exploitation that we have suffered as working people as taxpayers and as ordinary citizens and as consumers we get we get exploited and

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as consumers we get we get exploited and ripped off in all four of those areas

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