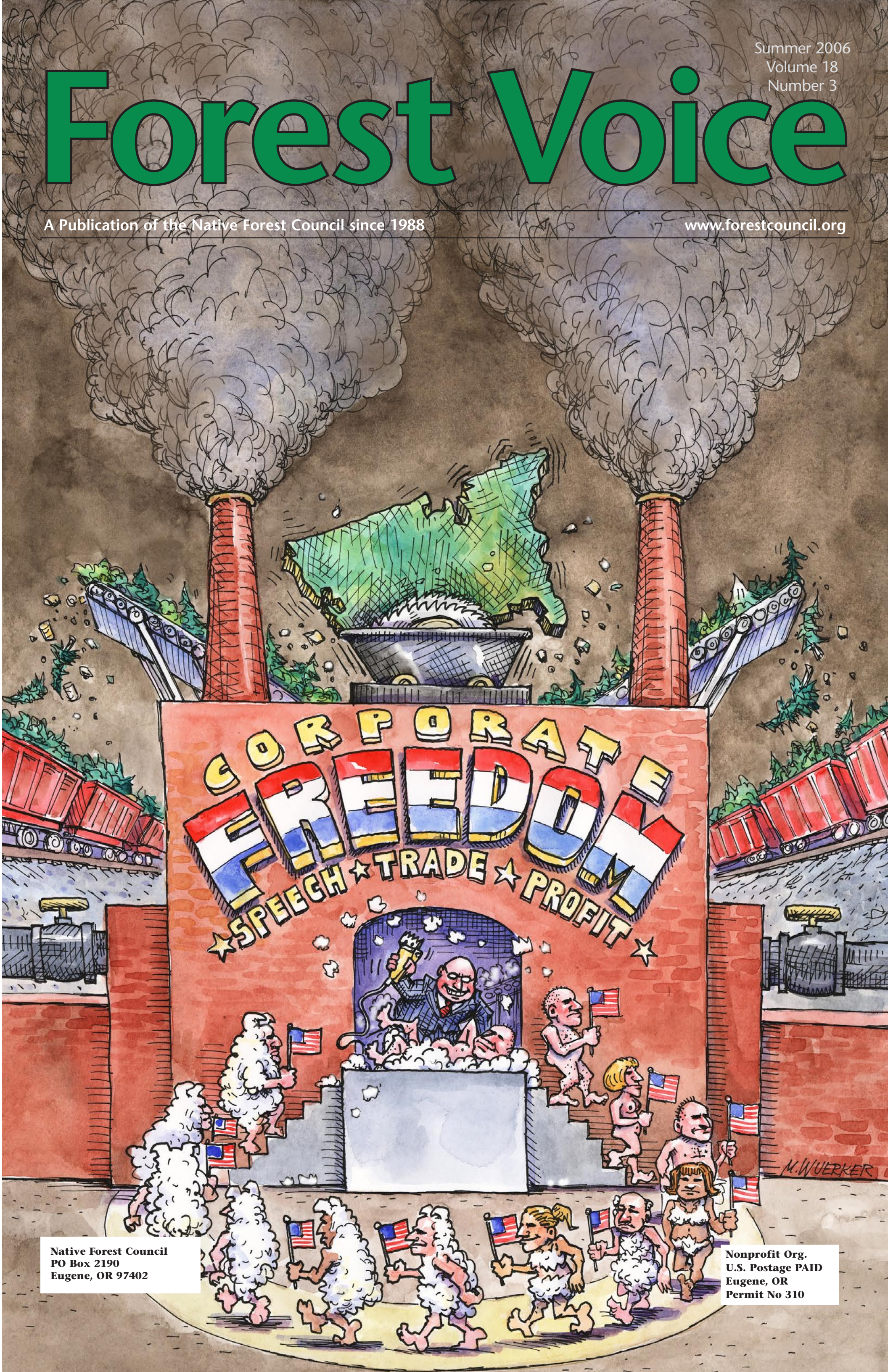


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# Forest Voice

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## Native Forest Council

The Native Forest Council is a nonprofit, tax-deductible organization founded by business and professional people alarmed by the wanton destruction of our national forests. We believe a sound economy and a sound environment must not be incompatible and that current public land management practices are probably catastrophic to both.

The mission of the Native Forest Council is to protect and preserve every acre of publicly owned land in the United States.

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# News and Views

## More Roadless Areas Under Logging Threat

Bush's Forest Service is following through with its plans to log in the first roadless area in the United States since Clinton's establishment of the Roadless Area Conservation Rule in 2001. On the chopping block is the largest unprotected roadless area on the west coast, in the Kalmiopsis region of Oregon's Siskiyou National Forest, affected by the 2002 Biscuit fire.

Logging of these remaining intact ecosystems is likely to have a domino effect, opening up roadless forests throughout the rest of the United States.

Despite litigation by environmental groups and even several governors, the first of these sales, "Mike's Gulch," is slated to be logged August 7 [and logging may still be going on when you read this].

## Berkeley Puts Global Warming Measure on Ballot

The Berkeley, California, city council voted to place a measure on the November ballot that asks voters to set an 80 percent greenhouse gas reduction target and direct the mayor to work with the community to develop a plan to meet that goal.

## Bill Would Allow Cutting in Sequoia National Monument

On July 11, Republican Congressman Devin Nunes of California's 21st District introduced bill HR 5760 titled the "Giant Sequoia National Monument Transition Act of 2006," which would allow expired timber sales to be implemented in the monument.

Also, a pending rider by Rep. Conrad Burns (R-MT), modifying the Interior Appropriations Act in Congress, would allow the Bush administration to reverse court orders that prevented logging projects.



# Put Public Well-being Above Corporate Interests

## by Teddy Roosevelt

"In our day it appears as the struggle of free men to gain and hold the right of self-government as against the special interests, who twist the methods of free government into machinery for the defeating the popular will. At every stage, and under all circumstances the essence of the struggle is to equalize opportunity, destroy privilege, and give to the life and citizenship of every individual the highest possible value both to himself and to the commonwealth.



"This means that our governments, national and state, must be freed from the sinister influence or control of special interests. Exactly as the special influence of cotton and slavery threatened our political integrity before the Civil War, so now the great special business interests too often control and corrupt the men and methods of government for their own profit. We must drive the special interests out of politics. This is one of our tasks today.

"Every special interest is entitled to justice — full, fair and complete. The Constitution guarantees protection to property, and we must make that promise good. But it does not give the right of suffrage to any corporation. Not one is entitled to a vote in Congress, a voice on the Bench or representation in public office.

"The true friend of property, the true conservative, is he who insists that PROPERTY SHALL BE THE SERVANT and NOT THE MASTER OF THE COMMONWEALTH, who insists that the creature of man's making shall be the servant, and not

## Oregon Gets Two Campaign Finance Initiatives on Ballot

Two Oregon campaign finance reform initiatives were approved for the November ballot.

The first is a constitutional amendment allowing the Legislature to adopt limits — or even a ban — on campaign contributions and expenditures by individuals, corporations, labor unions or other entities to influence an election.

The second measure is a statutory measure intended to enact specific limits for campaign contributions.

Oregon currently has no limits on campaign contributions, regardless of the source.

## Report Faults EPA on Clean Air Regulation

The government is failing to reduce health risks from toxic air pollution as required by law, according to congressional investigators. The Environmental Protection Agency has not met 30 percent of the Clean Air Act's requirements and regularly misses deadlines, they said.

EPA scientists issued their own report Wednesday, saying the agency should consider tightening its national health-based standards for smog-forming ozone to a level similar to California's, though not as restrictive as what the Swiss-based World Health Organization recommends. They said the risks of asthma and other respiratory ailments are greater than previously believed. EPA is under court order to propose a decision on this by next March.

## New Eco-Terrorism Legislation in Pennsylvania

Pennsylvania Governor Edward G. Rendell signed House Bill 213 into law. The bill amends the state's crimes code to include the offense of "eco-terrorism." Broadly defined, eco-terrorism will refer to a crime that involves animals, plants, or natural resources.

the master of the man who made it. The citizens of the United States must effectively control the mighty commercial forces which they themselves have called into being.

There can be no effective control of corporations while their political activity remains. To put an end to it will be neither a short nor an easy task, but it can be done.

"I believe that the OFFICERS, AND ESPECIALLY THE DIRECTORS, OF CORPORATIONS SHOULD BE HELD PERSONALLY RESPONSIBLE when any corporation breaks the law.

Combinations [mergers] in industry are the result of an imperative economic law which cannot be repealed by political legislation. The effort at prohibiting all combination has substantially failed. The way out lies not in attempting to prevent such combinations, but in completely controlling them in the interest of public welfare.

"What this country needs is what every free country must set before it as the great goal toward which it works — equal opportunity for life, liberty and the pursuit of happiness for every one of its citizens. To achieve this we must put a stop to the improper political dominion, no less than to the improper economic dominion, of the great special interests. This country, its natural resources, its natural advantages, its opportunities and its institutions, belong to all its citizens. They cannot be enjoyed fully and freely under any government in which the special interests as such have a voice. The supreme political task of our day, the indispensable condition of national efficiency and national welfare is to drive the special interests out of public life."

*Theodore Roosevelt was the 26th President of the United States. A celebrated "trust buster," he is one of history's most vociferous proponents of the corporate death penalty.*

[Article compliments of [Wild South Magazine](#)]

# Humbolt Says “Enough is Enough”

by Jeff Milchen

In 1999 Eureka, California became one of the first communities to fight Wal-Mart at the ballot box and win — soundly defeating a ballot initiative that would have forced a zoning change and allowed a new “superstore” near the city’s waterfront.

Residents celebrated a hard-won victory, but some questioned why a corporation could force them to fight a purely defensive campaign in which “victory” meant merely maintaining the status quo.

Three years later, another global corporation, Maxxam, funded an attempt to recall the District Attorney for Eureka’s Humboldt County, who had the audacity to aggressively watchdog and even sue the corporation for alleged fraud.

Voters thwarted the intimidation and kept the man they elected in office, but again at enormous cost of time and money. More people began to question why citizens could be forced to defend against the political agenda of corporate executives with no personal connection to their community.

Locals wondered what could be accomplished if they could preclude absentee-owned corporations from bankrolling candidates and ballot questions and enable citizens to focus their energy on proactive work instead of reacting against corporate agendas.

They soon may find out.

On June 6 Humboldt County residents passed Measure T, a ballot initiative that forbids non-local corporations and other outside organizations from contributing money to political campaigns within the county. In a hotly contested battle, citizens passed into law perhaps the most significant challenge to corporate political “speech” since Montana citizens voted to ban corporate expenditures on ballot questions in 1996.

Like Montanans, Humboldt citizens likely will face a second hurdle in their quest for self-governance: corporate lawyers (perhaps including some now serving on the U.S. Supreme Court).

**Humboldt citizens likely will face a second hurdle in their quest for self-governance: corporate lawyers**

Soon after the people of Montana decided elections should be a corporate-free activity, the state Chamber of Commerce and other groups successfully challenged the law as a violation of corporations’ “free speech” rights.

A federal appeals court sided with the Chamber and discarded Montanans’ efforts. The judges cited the U.S. Supreme Court’s First National Bank of *Boston v. Bellotti* ruling, which nullified a Massachusetts law that forbade corporate spending on ballot initiatives.

As with other key challenges to precedents that suppressed democracy and human rights, the outcome may depend more on social circumstances than legal points. Virtually every advance for human rights in the Supreme Court (e.g. *Brown v Board of Education*) has been preceded by shifts in public opinion and visible demonstrations of demand for change. At least in part due to fear of social upheaval and undermining the Court’s authority, the Court follows.

It’s time to instill that concern in the justices again.

For judges, overturning the will of citizens in a single community — especially one that corporate interests marginalize as a hippie enclave — is no cause for concern. For judges to overturn an ordinance replicated in dozens of communities

dispersed around the country is a different equation altogether. In other words, it’s up to citizens to build pressure for judges to do the right thing.

Citizens should consider such local ordinances that erode corporate political power as a means toward building the movement necessary to subordinate corporations to democracy.

**...our courts have subordinated the rights of citizens by repeatedly elevating corporations to entities with political “rights.”**

In those states and communities permitting ballot questions, revoking corporations’ ability to corrupt what should be the purest form of democracy may be the most vulnerable point of attack.

But such organizing must be approached as a long-term commitment, not a quick fix. Measure T was preceded not only by two instructive local lessons in corporate power, but by years of local educating and organizing by Democracy Unlimited of Humboldt County [www.duhc.org]. The small non-profit built awareness of the destructive impacts of corporate political power on the lives of local citizens and helped convince people that they could change the status quo.

That’s not to say such ordinances can’t be accomplished sooner, especially in communities where people already have witnessed corporations overturning democratically-enacted decisions through running initiatives backed by overwhelming advertising. Wal-Mart alone has created fertile ground in communities nationwide, from Bennington, Vermont to Flagstaff, Arizona.

Such local organizing must be accompanied by ongoing education nationally. As many individu-

als and organizations hype the importance of who gets elected in 2006, the need grows for more energy and funding to go toward changing **how** elections occur. Breaking the downward spiral of the election trap can come only through shifting our focus, not through our votes.

Through wildly creative interpretation of the Constitution, our courts have subordinated the rights of citizens by repeatedly elevating corporations to entities with political “rights.” Building a grassroots democracy movement is the only viable path to overturning those precedents.

Let’s ensure Humboldt County’s ordinance is joined by dozens more by the time judges must decide whether to further advance corporate rule or help restore the long-unrealized ideal of government of, by and for the people.

*Jeff Milchen directs ReclaimDemocracy.org, a grassroots organization working to revoke illegitimate corporate power, especially corporate “free speech.” The group created a large library of resources on corporations and ballot initiatives [http://reclaimdemocracy.org/corporate\_speech/ballot\_spending\_overview.php] and is eager to assist communities with related efforts.*

**“I hope we shall crush in its birth the aristocracy of our monied corporations which dare already to challenge our government to a trial by strength and bid defiance to the laws of our country.”**  
-Thomas Jefferson





# Paul Hawken on Corporate Organics

Grist Magazine

**Grist:** What are some companies that you think are successfully forging new, sustainable corporate practices?

**Hawken:** There aren't too many, and people don't know them so well. Hartmann in Denmark, they do molded-fiber packaging. Natura in Brazil is a cosmetic company that works very closely with indigenous people and farmers in Brazil. It works with poor people to develop cash crops that are productive and sustainable for their cultures. Novo Nordisk, they do a lot of work with enzymes that save energy and eliminate chemical use. There's Plambeck in Germany that does great wind parks. STMicroelectronics is a company doing very interesting stuff with a new solar photovoltaic technology that could make solar energy cheaper than all other forms of electricity. Svenska Cellulosa is doing some great things with respect to sustainable forestry. Vestas, the big wind company in Denmark. Easto, a large organic produce company in Europe which does a lot of biodynamic stuff. And of course there is ShoreBank, the enterprise work that Ecotrust is doing, Patagonia, Cooperative Bank in England, and more.

**Grist:** So it doesn't sound like there are many companies in America that you're excited about. Can you compare some of these European companies to American companies? For instance, can you elaborate on why, say, Whole Foods doesn't strike you as an example of a good company?

**Hawken:** Whole Foods dismantles local food webs and doesn't foster what the organic movement is about. The organic and natural-food movement that I helped kick off in the late '60s was the beginning of recreating regional food webs. Local stores started all around the country and they began to source locally, and whatever they couldn't get locally they got regionally, and whatever they couldn't get regionally they got nationally. In terms of produce and bakery goods and other food items, there was a huge diversity of suppliers in the United States because there was a huge diversity of stores. Whole Foods went in and bought out the bigger, more successful stores and then re-branded them and did centralized purchasing for produce, which now comes from Chile and New Zealand and places like that. In the process, many

local organic producers went out of business. Massive scale and centralization of power and capital is the antithesis of what we had in mind when we started the natural and organic food business in the U.S.

**Grist:** But does that totally discredit the positive things they are doing?

**Hawken:** Good deeds don't erase bad outcomes. But let's talk about the positive things they are doing.

**Grist:** Well, let's say they use recycled packaging and keep pesticides out of the soil. Isn't large-scale organic farming better than non-organic factory farms?

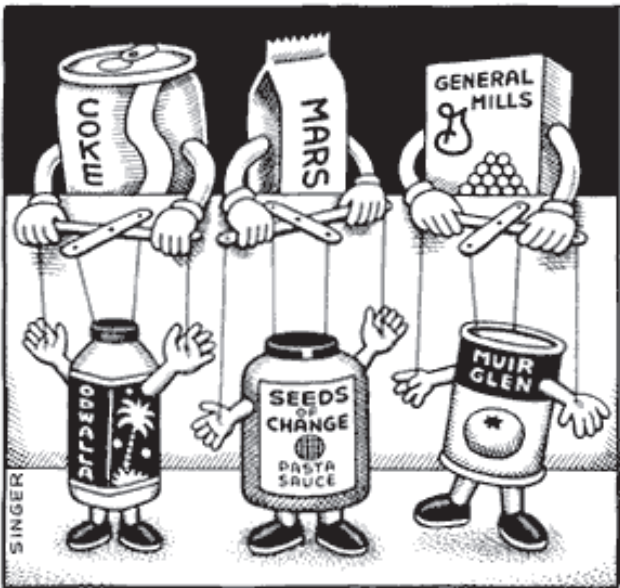
**Hawken:** Yes, but still it's large-scale agribusiness.

**Grist:** But they're better than Safeway.

**Hawken:** They are guided by profit. So are small companies. So far so good. But when a company gets large and dominant, the same instincts to survive and prosper can become unintentionally harmful. The natural-food movement is being bought up by Phillip Morris and H.J. Heinz and Jimmy Dean. That dog won't hunt. It leads to a lowering of standards, and emphasis on price as opposed to cost. It leads to uniformity, power, concentration, and control. Luckily, there's a slow food movement in the U.S. and lots of things happening that counter that.

**Grist:** And I guess what's more troubling is that Whole Foods can get away with it more easily than Safeway because everybody thinks of them as green. The branding is so powerful that nobody thinks to question it.

**Hawken:** To me the company that is exemplary is the New Seasons Market in Portland, Ore. They buy everything they can locally. These are real community food stores with wonderful food and fresh produce and fish. They know the purveyors, they talk about them. They really feed and enhance the local food web of Oregon and southern Washington and Northern California. They are to me your model of what a grocery store can do to help farmers and citizens and communities. And they're price-competitive. I asked them why they



didn't come to the Bay area [where I live] and they said, "No! We're local!"

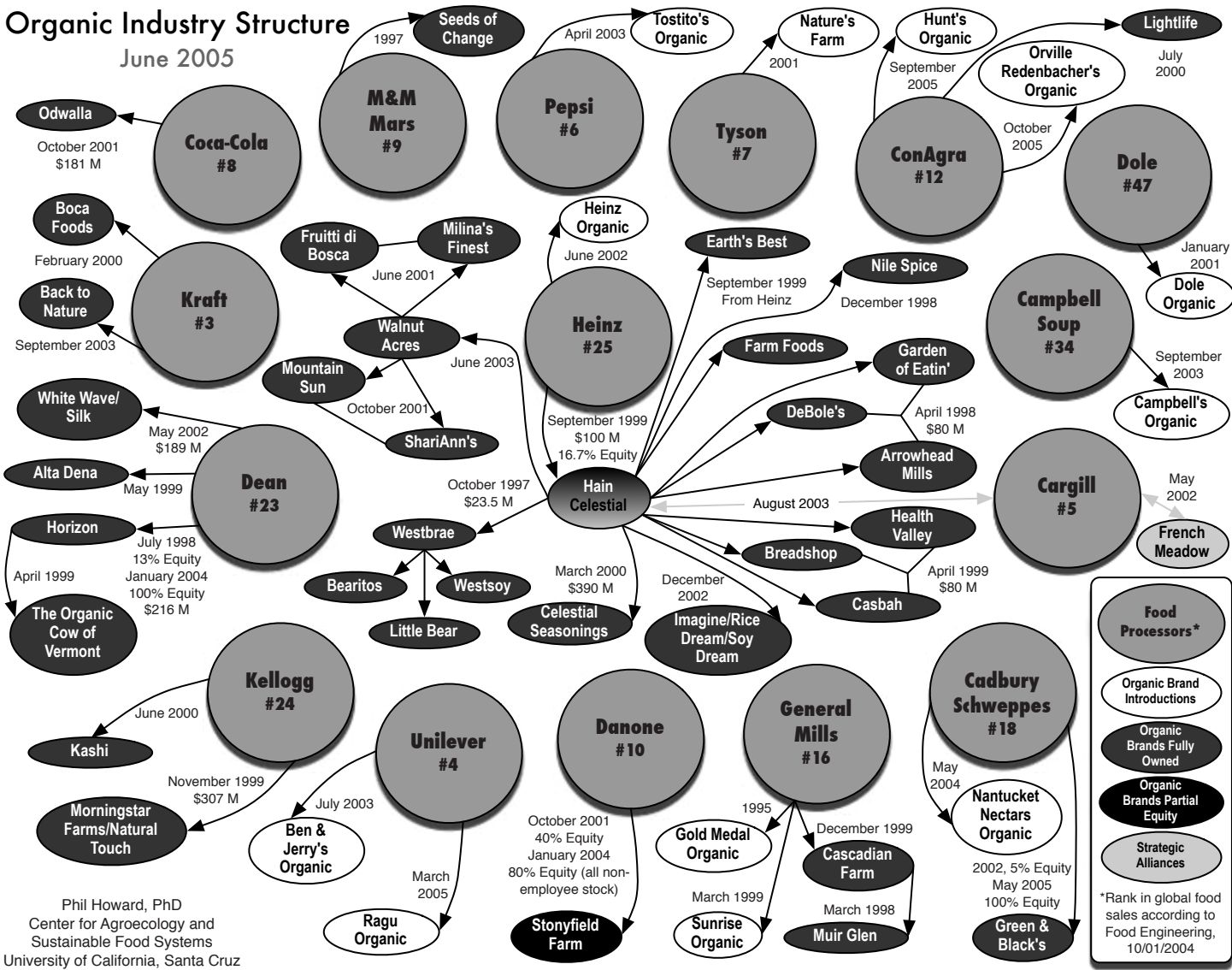
**Grist:** So how could we push this model nationally? Can we introduce federal-level incentives?

**Hawken:** Not really — it's about culture and community. Anyone can do a New Seasons if they are in a community that wants it. And the people who started it, they understand what it means to be socially and culturally responsible.

*Paul Hawken is an environmentalist, entrepreneur, journalist, and best-selling author. At age 20, he dedicated his life to changing the relationship between business and the environment, and between human and living systems in order to create a more just and sustainable world.*

*"In general, the art of government consists in taking as much money as possible from one class of the citizens to give to another."*  
-Voltaire

## Do You Know Who Owns Your Favorite Organics?





# Dismantling Corporate Rule

by Dave Henson

For decades, the U.S. mainstream environmental movement has used a strategy of regulatory and administrative law remedies to address the litany of environmental harms caused by industry. Environmental organizations have focused campaign attention on arguments with corporations over how many parts per billion of a particular pesticide can be put in our rivers, how much of our public lands can be exploited, or how many individuals of a particular species it is acceptable to kill. The arenas of these struggles have been the courts and regulatory agencies, with occasional passage of legislation that restricts corporate harms.

**If a corporation does not like our terms, it can disappear — there will be plenty of others willing to do good business on the terms we have defined.**

What have we won? Indeed, the environmental movement has won some major legislative victories: the National Environmental Protection Act, an Endangered Species Act, a Clean Water Act, a Clean Air Act, and dozens of other laws that limit the damage that corporate agriculture and industrial society in general can do to nature and to people.

However, an honest assessment of the overall effectiveness of this strategy of regulating corporate harms must conclude that it is a limited strategy and that it has ultimately licensed an unsustainable and unacceptable level of ecological destruction and marginalized our most fundamental concerns. We have been fighting corporate assaults against nature timber harvest plan by timber harvest plan; factory farm by factory farm; dying stream by dying stream. We are constantly being called to fight against new and more virulent crises. If we win one, there is little time to celebrate because there are many more crises created every day. Corporations have grown and become far more powerful in this regulatory environment. In short, corporations have successfully framed both the arena of struggle and the terms of the debate, and have limited us to incremental compromises.

## CORPORATE VS. DEMOCRATIC DECISION MAKING

The real struggle is about public, democratic decision making versus private, corporate decision making. The norm is that private capital, amassed as the wealth of multinational corporations, exerts more decision-making authority than the people of this country.

The issue is not just putting profit over people and ecosystems, but governments and courts legally defending corporate decisions over democratic

decision making, and corporate private-property rights being ruled as supreme over individual or communal property, and human and environmental rights.

The big questions here are (1) what the appropriate role of institutions of economic enterprise in a democratic society is; and (2) what economic and cultural decision making should be public and what should be private.

## CORPORATE PERSONHOOD AND CORPORATE “RIGHTS”

What happens when we try to reassert democratic, public control over major economic decisions? What happens when we seek to halt corporate abuses or insist upon the “precautionary principle,” the “polluter pays principle,” or even the “right to know?” Corporate attorneys respond with legal defenses based on the fiction that a corporation is a legal “person” in terms of constitutional protections. They use the interstate commerce clause of the U.S. Constitution to assert that states, counties and cities have no authority to restrict interstate and transnational commerce. They assert for the corporation the property rights, due process and equal protection guarantees meant in the Constitution for real, human persons.

They have used Fourth Amendment constitutional protections (intended to safeguard natural persons against unreasonable search and seizure by the state) to limit environmental, health, and safety inspectors from investigating conditions in industrial farms and factories.

They have claimed, and legally achieved, First Amendment free speech protection as a way to overturn public initiatives and legislation aimed at limiting billboards, banning advertising in schools, and controlling the information agenda of our public airwaves. They have won major U.S. Supreme Court rulings equating financial contributions to political campaigns and political ads with political free speech, disabling “we the people” from keeping corporate money out of our elections. Once the corporations strategically acquired personhood status, Philip Morris (Corporation) and your grandmother, for example, are both treated as people, with the same constitutionally protected rights.

While real people die, “corporate persons” live forever. Corporations also receive extensive limited liability, making it nearly impossible to imprison individual corporate managers, board members, or shareholders for far worse crimes than those that often result in incarceration of real human persons. If a real person steals a motorcycle for his/her third felony (“third strike”), California mandates a sentence of 25 years to life in prison. But if, for example, the UNOCAL Corporation, based in California, is convicted for the 15th time for breaking the law (as it has been), it suffers a very small fine and goes on with business as usual.

Under World Trade Organization (WTO) rules, this logic of corporate personhood is extended to its grandest illogical conclusion. Multinational corporations can sue nations for “lost future profits” if a country limits that corporation’s “right” to extract, exploit, and pollute more than the lowest common denominator “harmonization” of international WTO deregulation.

It is very important to remember that nearly all of the rights of natural persons, which corporations now enjoy, were handed to them by courts, not legislatures. Most of these rights were neither granted in the U.S. Constitution nor ever voted on by the people.

## HOW DID CORPORATIONS ACQUIRE SO MUCH AUTHORITY?

In the 135 years since the Civil War, the corporate class has succeeded in constructing a corporate form, empowered with the rights of natural persons, that is essentially outside the control of the sovereign people. While they have been strategically molding law and culture to favor their control of economic and governmental decision making, “we the people” have been struggling to ensure that all real people are legal persons, fully protected by the U.S. Constitution. In a nation that was founded with only white, land-owning males defined as “persons,” people of conscience have struggled mightily to bring African Americans, women, Native Americans, Asians, debtors, men without property, and all other classes of human beings to full personhood at the roundtable of democratic sovereignty.

Corporations, on the other hand, have no business being present at that decision-making table. Or rather, they only have business. A corporation has concern for only growth and profit. It is our duty to set the parameters for economic activity. If a corporation does not like our terms, it can disappear — there will be plenty of others willing to do good business on the terms we have defined.

Does this seem too idealistic? It was not so long ago, in nearly every state in the Union that corporations were all given limited charters of incorporation (as opposed to today’s general charters that grant corporations perpetual life).

**...we will create a safe and open space for sustainable practices to become the norm only if we dismantle the mechanisms of corporate rule that stand in our way.**

Corporations are chartered, given the basic license to do business, by the states. A typical early attitude toward charter incorporation was stated in 1834 by the Pennsylvania legislature: “A corporation in law is just what the incorporating act makes it. It is the creature of the law and may be molded to any shape or for any purpose that the Legislature may deem most conducive for the general good.”

## IS “CORPORATE RESPONSIBILITY” AN OXYMORON?

When we speak of corporations, we must make a distinction between private corporations and public corporations; between small, community-based corporations and multinational corporations; and between for-profit corporations and not-for-profit corporations. Small, family, or community-scale corporations are most often privately held and have much more flexibility in how they do business (for example, not being forced to yield high quarterly profits — no matter the environmental or social cost — for shareholders). The corporate owners and managers most often live locally, where the company does its work, and the surrounding community can more easily hold them accountable to local democratic decision making.

These corporations are more likely to be of a human scale at which each worker can have a personal stake in the business and a relationship with the owner and with the community. Conversely, the largest of the multinational corporations have gross net income greater than many nation states and are at such an inhuman scale that “enlightened” managers can rarely temper the giant organization’s insatiable urge toward growth and short-term economic returns.

For decades, many environmentalists, ecological farming advocates, and other social movement activists have focused on campaigns for “corporate responsibility” — trying to convince the leaders of







huge, polluting companies to be “better corporate citizens.” But trying to change the hearts of CEOs very rarely works. Courts often rule that shareholder “rights” to maximum profits limit management’s prerogative to do the “right thing,” like stopping the factory farm from polluting the river, or pulling the business out of Burma, or building a child-care center for employees.

**We have to fight them off forever.  
They just have to win once.**

When a multinational corporation signs some voluntary code of conduct it usually results in the movement’s stopping a boycott campaign and celebrating the corporation as a model good citizen. Yet there often comes the day come when the corporation’s managers decide they can no longer afford to abide by the codes. They were only voluntary codes, after all. We then have to start the campaign all over again.

**DEVELOPING AN EFFECTIVE COUNTER-STRATEGY**

The fight against corporate chemical-industrial agriculture, against corporate control of the global food system, against corporate ownership of life, and against corporate control of economic decision making is the fight on this planet. All the cultures of the world, and all ecosystems, have a common interest in replacing corporate rule with democratic rule in service of diversity, cooperation, sustainability, and the common wealth.

To win this fight — much of it needing to be fought in the United States, which is the source of so much of the corporate problem — our movements must rapidly evolve new strategies. Specifically, we must do three kinds of activism at once.

**1. Fight Fires**

For the past 30 years, our conservation and environmental movements have been focused on “fighting fires.” We have built ten thousand local or national groups to fight ten thousand corporate assaults on nature and people. David Brower often said that “there are few real environmental victories, only holding actions.” He meant that, for example, after a five-year campaign using much of our local movement time and resources, we may stop a clearcut or new dam, but the corporation will be back to take the trees or the river as soon as it can maneuver a change of judge or politician, or a lull in our vigilance. We have to fight them off forever. They just have to win once.

**2. Create Alternatives**

We must provide an articulated, accessible platform of specific vision and practices that reflect the values of ecological, economic, and cultural sustainability.

But as we work to build alternatives and as we become effective at modeling “how it might be,”

we must be clear that the corporations can be and always are ruthless in buying out, making illegal, marginalizing, or destroying people’s most successful efforts at getting off their treadmill.

**3. Dismantle the Mechanisms of Corporate Rule**

A group of people was bathing by a river. One saw a baby floating by and yelled for the others to help pull it out. As they were giving resuscitation to the baby on the riverside, they spotted another floating downstream, then another, then another... They were all working feverishly to rescue each new baby that floated by. This went on for some time, until someone thought to go upstream and stop the people who were throwing babies into the river. While we must fight the fires (save the babies) that get forced upon us, we cannot confuse reaction to a problem with proactive strategy. And while we must build sustainable alternatives, we will create a safe and open space for sustainable practices to become the norm only if we dismantle the mechanisms of corporate rule that stand in our way. We need to focus on defining the authority — and the legal limits to that authority — that corporations are allowed. We need to stop yielding to them the rights of personhood while we try to regulate their harms from the edges.

Our movement is full of activists who know all about the legal maximum for chemical pesticide applications, the details of timber harvest plans, and how to file injunctions to stop a polluting factory farm. But how many of us have read our state constitution or corporations code, or know the last time the corporations rewrote key clauses of either of those documents? While we have become experts at the game of fighting to regulate corporate destruction, the corporations have been writing and rewriting the rules of the game.

**BY WHAT AUTHORITY? DIRECTLY CHALLENGING CORPORATE RULE**

We can get considerable mileage by asking the refrain, “By what authority?” By what authority do large corporations wield so much power over nature, our lives, cultures, and economies? “By what authority?” or “*Quo warranto?*” is also a legal writ. In state constitutional law, when a corporation is acting outside of its charter, we can file a motion in court that demands to know by what authority this corporation poisons our rivers or steals our seeds. We demand a ruling of *Ultra vires* — or “beyond its authority” — and the revocation of that corporation’s charter.

We in the United States have the responsibility to take the lead in new campaigns to dismantle the mechanisms of corporate rule, for it is in our nation that so many of the world’s most criminal and destructive corporations are incorporated and headquartered.

Our best strategy is to act at the local and state levels, at the scale where we can possibly win initial campaigns. We need to pass local and state laws

that declare our sovereignty over economic decision making in our communities and in our states. To do this, we will need to choose the fights that can organize a voting majority to democratically declare our decision. There is no shortcut to get this done. This is about community organizing, about motivating people to take history into their own hands and create their own destiny.

There are dozens of ways we can begin dismantling the mechanisms of corporate rule from the local level on up. Some of these strategies have been tried and are holding up against corporate counterattack; others are ideas waiting to be tried for the first time. Among them: (1) Amend state constitutions by inserting defining language that will declare that a corporation does not have the constitutional rights of a person, that patents on life are not allowed, and that the polluter pays. (2) Amend state constitutions and state corporation codes to revive restrictions on corporate charters, declaring (among other things) that it is a felony for corporate officers of a corporation to finance political campaigns or try to influence elections; that corporate charters are for a limited number of years; that corporations cannot own property outside the specific needs of the business they are chartered to do; and that corporations cannot own other corporations. (3) Ban corporate ownership of farmland, as has been done at the state level through constitutional amendment or legislation in Nebraska, South Dakota, and seven other U.S. states. (4) Attack so-called “corporate free speech” head-on at the local level — at school boards, ban the use of corporate logos on campus; at city or county council, ban billboards and ban corporations from running political ads. (5) Disallow criminal corporations from doing business within a jurisdiction: prohibit “repeat offender” corporations, those with multiple criminal convictions, from conducting business within a city or county jurisdiction (i.e., corporate “three strikes” laws); and initiate *Quo warranto* charter revocation proceedings against the worst criminal corporations.


**While we have become experts at the game of fighting to regulate corporate destruction, the corporations have been writing and rewriting the rules of the game.**

All of these practical strategies require substantial campaigns and a lot of strategic forethought. When we move to disable the global corporate system, we had better have a well thought-out strategy! In this corporatized culture that steers all radical thought toward short-term compromises, we need to revive a sense of long-term struggle. We are not going to “win” in a few years. As every branch of our environmental and social justice movements must continue to “fight fires” and create sustainable alternatives, we each must also dedicate a substantial part of our day-to-day and long-term work to these new strategies that aim to dismantle the mechanisms of corporate rule. We do this for our ancestors and our descendants, and we do this for our Mother Earth.

*Dave Henson is the Director of the Occidental Arts and Ecology Center (OAEC), an 80-acre farm, ecology education center and intentional community in Northern California. OAEC's programs work in support of ecological agriculture, sustainable food systems, and democratic communities.*







Would You Pay  
Someone to  
Rob You?

## You already do!

**Every day, with your tax dollars, you pay industry to steal from you. Steal your forests and air, your water and soil, your heritage and legacy — even your lives.**

### **They Claim They Act Responsibly.**

Decades of lies and abuse have proven otherwise. The deceptively named “Healthy Forests Initiative” gives the go-ahead to clear-cut log under the guise of “forest health.” They continue to trash your land, leaving behind only stumps, deadly landslides and ruined watersheds, all without an honest accounting of the true costs involved. Costs borne by our environment, our health, and our taxes.

### **They Claim They Didn’t Know.**

Sure. Just like big tobacco didn’t know. **They know very well** the damage and devastation they cause. They’ve known for centuries. But like big tobacco, they just want more and they’re willing to lie to get it. Congress and the White House are willing to oblige as long as the timber barons keep up the bribery.

### **What More Do They Want?**

Your trees — at your expense. With no regard for

your water, your air, your fish, your wildlife. The timber industry spends billions on propaganda to pull the wool over your eyes. They line their pockets with profits from your loss. Let’s work together to save the last of America’s once great forests. Tell Congress to do what’s right — not what their campaign contributors demand.

### **Put An End To The Lies**

95% of our nation’s native forests have been logged. One-third is permanently deforested, yet industry demands more. Join the Native Forest Council to stop the rape of your land by the timber industry. They won’t stop stealing from you, your children and your grandchildren until you take the responsibility to stand up and make them.

### **SUPPORT**

The Forever Wild Act: Honest and Full Cost Accounting and Zero Cut on Public Lands.

### **OPPOSE**

Oregon Senator Smith’s S-2079 “Forests for Future Generations Act,” which mandates clearcut logging immediately after insects, fire and disease, eliminating environmental review and avoiding public comment.



**Please, use the form on the back cover and join the Native Forest Council. Help end a century of waste, fraud and abuse. It’s your money or your life... your future.**

**Native Forest Council**  
*Defending Nature — Saving Life*

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To learn more about how you can help, call us at:

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PO Box 2190  
Eugene, OR 97402  
[www.forestcouncil.org](http://www.forestcouncil.org)

Help defend America’s forests by becoming a member of the Native Forest Council. As a member, you’ll receive Forest Voice, our quarterly publication that exposes the truth about logging in America and how you can do something that matters.



# Why Is Killing for Capital Not a Capital Crime?

by Jeff Milchen  
and Jonathan Power

By knowingly sacrificing human lives for corporate profit, executives at the Ford and Firestone Corporations recently surpassed Timothy McVeigh's body count for American citizens lives taken over the past five years. Unlike McVeigh, these executives have received no punishment for their actions. Indeed, there has not been a single indictment of either corporation, nor of any culpable corporate officers to date.

The National Highway Traffic Safety Administration (NHTSA) has recorded 185 deaths (McVeigh killed 168), and more than 700 injuries, amid thousands of complaints involving rollover-prone Ford Explorers that crashed following sudden tread separation on factory-installed Firestone tires. The deadly duo also was implicated in at least 48 deaths in Venezuela and the Middle East.

Last August, tire manufacturer Bridgestone/Firestone Inc. announced a voluntary recall of 6.5 million tires, most of them original equipment on Explorers. By that time, Firestone had been replacing the defective tires in 16 other countries for up to a year, all the while concealing the danger from U.S. citizens.

Ford and Firestone officials received complaints as early as 1997 and knew of at least 35 deaths and 130 injuries before the federal government launched a probe early last year. Ford and Firestone were defending lawsuits from scores of survivors and the families of dead victims.

It is clear that executives at Ford and Firestone willfully and knowingly kept unsafe products on the market that they knew would kill many more innocent people — ultimately more than McVeigh's bomb.



The two cases provide graphic illustration of a dual standard for accountability and justice in America. Nearly every candidate for public office talks tough on street crime, but then ignores the fact that corporate crime costs our society more than street crime in both dollars and lives taken. If you loan your friend a car you know to be unsafe while withholding that information, you could be convicted of involuntary manslaughter in the event of a fatal accident. Yet we permit corporate officers to commit the same offense with impunity if they do it on the job.

Corporate executives regularly deploy cost-benefit analyses that weigh the potential cost of civil lawsuits or fines for the rare criminal convictions

(such fines are tax deductible as a cost of doing business) against the cost of recalls or other safety measures. Their job simply is to decide which option is more profitable, as demonstrated by the famous 1973 memo that Ford executives wrote about the Ford Pinto gas tank problem.

Then-president Lee Iacocca and other Ford executives estimated a human life's value at \$200,000 — a number created by the NHTSA at the auto industry's urging — and calculated the company's cost from severe burn injuries at \$67,000 per incident.

Next they calculated the cost of saving an estimated 180 people from being burned to death (actually, more than 500 were killed) and preventing scores of serious injuries by recalling the Pintos and fixing the fuel tank. Ford executives chose to sacrifice 180 lives, maim hundreds more and shatter families' lives rather than spend \$11 per auto (Ford's own estimate) to make them far safer.

So how can we prevent corporate crimes from killing more innocent people? First, we must change laws that exempt corporate employees from liability for crimes committed on company time. Officials like Ford CEO Jacques Nasser, Masatoshi Ono (who since resigned as Firestone Inc.'s CEO) and their respective boards must be held accountable for fatalities, injuries, and illnesses caused by their actions.

But we'd deceive ourselves to think that serious corporate crime could be blamed on a few bad actors. Rather, we must change radically a system that permits cost/benefit analyses to take precedence over human health and life.

To reclaim democratic authority over corporations, we can learn much from our country's founders. They protected citizens from recidivist corporations by regularly exercising a corporate "death penalty," i.e. revoking the charter of a corporation if its products or actions harmed society, and refused to let individuals hide from personal accountability behind the corporate form.

By their nature, terrorist acts like the Oklahoma City bombing often are unpredictable and difficult to prevent, but the criminal actions in corporate boardrooms that kill many more Americans are neither. A smart cost-benefit analysis would direct us to focus more attention on these larger, preventable threats.

Let's better protect ourselves by reinstating appropriate punishments for criminal corporations and those who run them.

*Jeff Milchen is the founder of ReclaimDemocracy.org, a non-profit organization devoted to revitalizing grassroots democracy and revoking illegitimate power of corporations. Jonathan Power is a volunteer with the organization.*





# It's Time To End Corporate Welfare As We Know It

by Ralph Nader

The issue of concentration of power and the growing conflict between the civil society and the corporate society is not a conflict that you read about or see on television. So unfortunately, most of us grow up corporate; we don't grow up civic.

If I utter the following words, what images come to mind: crime, violence, welfare and addicts? What comes to mind is street crime; people lining up to get their welfare checks; violence in the streets; and drug dealers — the addicts.

And yet, by any yardstick, there is far more crime, and far more violence, and far more welfare disbursement (and there are far more addicts) in the corporate world than in the impoverished street arena.

The federal government's corporate welfare programs number over 120. They are so varied and embedded that we actually grow up thinking that the government interferes with the free enterprise system rather than subsidizing it.

It's hard to find a major industry today whose principal investments were not first made by the government — in aerospace, telecommunications, biotechnology and agribusiness. Government research and development money funds the drug and pharmaceutical industry. Government research and development funds are given freely to corporations, but they don't announce it in ads the next day.

Corporate welfare has never been viewed as debilitating. Nobody talks about imposing workfare requirements on corporate welfare recipients or putting them on a program of "two years and you're out." Nobody talks about aid to dependent corporations. It's all talked about in terms of "incentives."

## Nobody talks about imposing workfare requirements on corporate welfare recipients

At the local community level, in cities that can't even refurbish their crumbling schools, where children are without enough desks or books, local governments are anteing up three, four, five hundred million dollars to lure very profitable baseball, football and basketball sports moguls who don't want to share the profits. Corporate sports are being subsidized by cities.

Corporations have perfected socializing their losses while they capitalize on their profits. There was the savings-and-loan debacle; you'll be paying for that until the year 2020. In terms of principal



and interest, it was a half-trillion-dollar bailout of 1,000 savings-and-loans banks. Their executives looted, speculated and defrauded people of their savings — and then turned to Washington for a bailout.

Foreign and domestic corporations can go on our land out west. If they discover gold, they can buy the acreage over the gold for no more than \$5 an acre. That's been the going rate since the Mining Act of 1872 was enacted. That is taking inflation-fighting too far.

There's a new drug called Taxol to fight ovarian cancer. That drug was produced by a grant of \$31 million of taxpayer money through the National Institutes of Health, right through the clinical testing process. The formula was then given away to the Bristol-Myers Squibb company. No royalties were paid to the taxpayer. There was no restraint on the price. Charges now run \$10,000 to \$15,000 per patient for a series of treatments. If the patients can't pay, they go on Medicaid, and the taxpayer pays at the other end of the cycle, too.

Yet what is the big issue in this country and in Washington when the word "welfare" is spoken? It is the \$300 monthly check given a welfare mother, most of which is spent immediately in the consumer economy. But federal corporate welfare is far bigger in dollars. At the federal, state and local levels there is no comparison between the corporate welfare and poverty welfare programs.

We have 179 law schools and probably only 15 of them (and only recently) offer a single course or seminar on corporate crime. You think that's an accident? Law school curricula are pretty much shaped by the job market, and if the job market has slots in commercial law, bankruptcy law, securities and exchange law, tax law or estate planning law, the law schools will oblige with courses and seminars.

One professor studying corporate crime believes that it costs the country \$200 billion a year. And yet you don't see many

congressional hearings on corporate crime. You see very few newspapers focusing on corporate crime.

## When you grow up corporate, you don't learn about the reality of corporate welfare.

Yet 50,000 lives a year are lost due to air pollution, 100,000 are lost due to toxics and trauma in the workplace, and 420,000 lives are lost due to tobacco smoking. The corporate addict has a very important role here, since it has been shown in recent months that the tobacco companies try to hook youngsters into a lifetime of smoking from age 10 to 15.

When you grow up corporate, you don't learn about the reality of corporate welfare. The programs that shovel huge amounts of taxpayer dollars to corporations through inflated government contracts via the Pentagon, or through subsidies, loan guarantees, giveaways and a variety of clever transfers of taxpayer assets get very little attention.

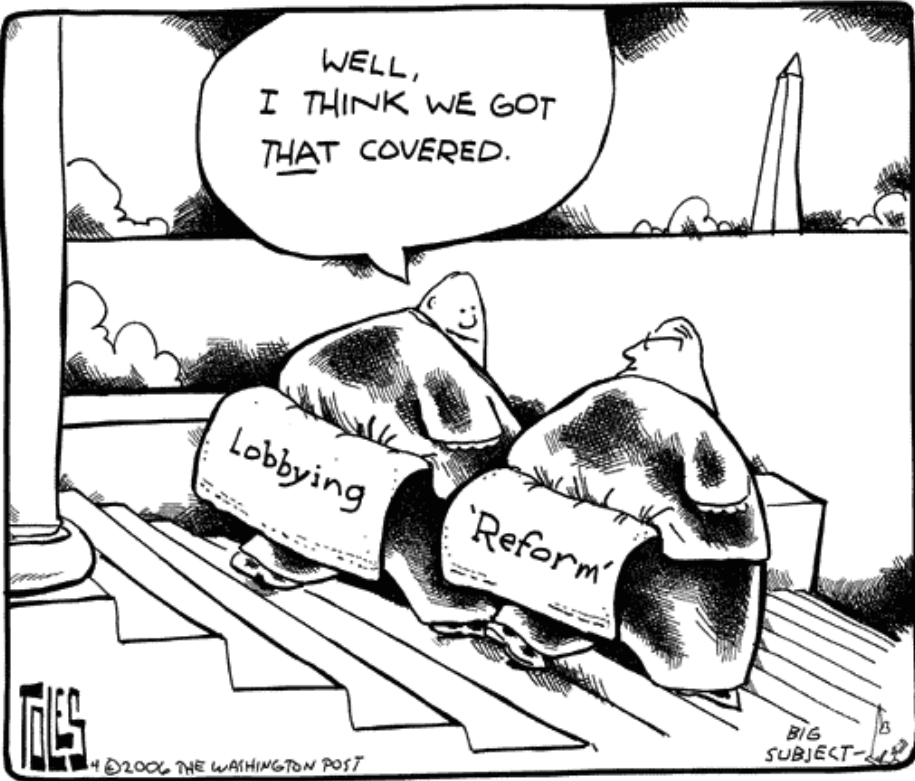
## Knowing What's Ours

We grow up never learning what we own together, as a commonwealth. If somebody asks you what you and your parents own, you'd say: homes, cars and artifacts. Most of you would not say that you are owners of the one-third of America that is public land or that you are part owners of the public airwaves.

When you ask students today who owns the public airwaves you get the same reply: "the networks," or maybe "the government." We own the public airwaves and the Federal Communications Commission is our real estate agent. The radio and TV stations are the tenants who are given licenses to dominate their part of the spectrum 24 hours a day, and for 24 hours a day they decide who says what.

You pay more for your auto license than the biggest TV station pays for its broadcast license. But if you, the landlord, want in on its property, the radio and TV stations say, "Sorry, you're not going to come in." These companies say they've got to air trash TV: sensual TV, home shopping and rerun movies.

We have the greatest communications system in the world and we have the most demeaning





subject matter and the most curtailed airing of public voices (known in the trade as the “sound bite”). The sound bite is down to about five seconds now.

You and your parents also may be part owners of \$4 trillion in pension funds invested in corporations. The reason this doesn’t get much attention is that although we own it, corporations control it. Corporations, banks and insurance companies invest our pension money. Workers have no voting mechanism regarding this money. If they did, they’d have a tremendous influence over corporations that have major pension trust investments.

Not controlling what we own should be a public issue, because if we begin to develop control of what we own, we will marshal vast existing assets that are legally ours for the betterment of our society. That will not happen unless we talk about why people don’t control what they own.

One professor studying corporate crime believes that it costs the country \$200 billion a year.

All of the reforms require a rearrangement of how we spend our time. The women who launched the women’s right-to-vote movement decided to spend time in the face of incredible opposition. The people who fought to abolish slavery also decided to spend time. The workers who formed trade unions gave time.

The Power of Civic Action

Historically, how have we curbed corporate power? By child labor prohibition, by occupational health and safety rules, by motor vehicle standards and food and drug safety standards. But the regulatory agencies in these areas are now on their knees. Their budgets are very small, far less than one percent of the federal budget.

Their job is to put the federal cop on the corporate beat against the illegal dumping of toxics. But these laws do not get high compliance by corporations, and the application of regulatory law and order against corporate crime, fraud, abuse and violence is at its lowest ebb. I’ve never seen some of these agencies as weak as they are now. President Ronald Reagan started it and President George Bush extended it. And now we have “George Ronald Clinton” making the transition very easy.

The dismantling of democracy is perhaps now the most urgent aspect of the corporatization of our society. And notice, if you will, two pillars of our legal system: tort law and contract law.

The principle of tort law is that if you are wrongfully injured, you have a remedy against the perpetrator. That’s well over 200 years old. And now, in state legislatures and in Congress, laws have been passed, or are about to be passed, that protect the perpetrators, the harm-doers — that immunize them from their liability.

When the physicians at the Harvard School of Public Health testify that about 80,000 people die in hospitals every year from medical malpractice — a total larger than the combined fatalities in motor vehicle accidents, homicides and death by fire each year in the U.S. — it raises the issue of why our elected representatives are vigorously trying to make it more difficult for victims of medical malpractice to have their day in court.

As in the Middle Ages, one percent of the richest people in this country own 90 percent of the wealth. The unemployment rate doesn’t take into account the people who looked for a job for six months and gave up, and it doesn’t take into account the under-employed who work 20 hours a week. Part of growing up corporate is that we let corporations develop the yardsticks by which we measure the economy’s progress.

Democracy is the best mechanism ever devised to solve problems. That means the more we refine it — the more people practice it, the more people use its tools —the more likely it is we will not only solve our problems or at least diminish them, we also will foresee and forestall risk levels. When you see corporations dismantling democracy, you have to take it very seriously and turn it into a public political issue.

Among the five roles that we play, one is voter-citizen, another is taxpayer, another is worker, another is consumer and another is shareholder through worker pension trusts. These are critical roles in our political economy. Yet they have become weaker and weaker as the concentration of corporate power over our political and cultural and economic institutions has increased year by year.

We’re supposed to have a government of, by and for the people. Instead we have a government of the Exxons, by the General Motors and for the DuPonts. We have a government that recognizes the rights and liabilities and privileges of corporations, which are artificial entities created by state charters, against the rights and privileges of ordinary people.

Jefferson warned us that the purpose of representative government is to counteract “the excesses of the monied interests” — then the merchant class; now the corporations. Beware of the government that doesn’t do that.

Ralph Nader is a pioneering consumer advocate and independent presidential candidate who calls himself “a small ‘d’ democrat.” This essay is excerpted from a speech Nader delivered at Pennsylvania’s Haverford College.

“Unless we change direction, we are likely to end up where we are headed.”  
-Chinese proverb

Ten of the Worst Corporations of 2005

Adapted from an article by Russell Mokhiber and Robert Weissman  
Multinational Monitor, April 2006

1) BP (British Petroleum)

- Greenwashed claims of investments in renewable energy, despite shoddy operations on the North Slope of Alaska, where it is seeking to bust open the Arctic National Wildlife Refuge for drilling.
- Endangered the safety and lives of workers nationwide, BP’s facilities have had more than 3,565 accidents since 1990, ranking first in the nation.

2) Delphi

- Declared bankruptcy in order to slash worker wages and benefits, while simultaneously increasing executives’ salaries.

3) Dupont

- Two decades’ worth of covering up company studies that showed it was polluting drinking water and newborn babies with an indestructible chemical that causes cancer, birth defects and other serious health problems in animals.

4) ExxonMobil

- Funded a campaign denying the existence of global warming and climate change.
- Raked in record profits — more than \$36 billion in 2005, the highest ever earned for a single company in one year — as it benefited especially from the spike in oil prices after Hurricane Katrina and Rita.
- Refused to pay reparations to fishing communities and Native Alaskans for the Valdez spill.
- Aggressively lobbied to open up the Arctic National Wildlife Refuge to drilling.
- Funded a dictatorial government in Chad that used oil money to buy weapons.

5) Ford

- Dumped millions of gallons of paint sludge into a now-residential area of northern New Jersey, where cancer rates are unusually high, and lead, arsenic and other toxic pollutants are being found at 100 times the levels the government considers ‘safe.’
- Repeatedly dumped in poor communities and failed to clean up the mess and tried to avoid responsibility by presenting tainted land as a “gift” to the state.
- Disposed of millions of gallons of hazardous waste.

6) Halliburton

- Effectively made a business model of crooked dealing with the U.S. government. The US Army agreed to pay Halliburton’s KBR subsidiary nearly \$2 billion for work that nobody can prove ever took place.

7) KPMG

- Perpetrated the largest criminal tax case ever filed... and engaging in fraud that cost the United States at least \$2.5 billion in evaded taxes.
- Got away with it without a conviction.

8) Roche

- Capitalized on and fanned the flames of the avian flu hysteria. Produced the drug Tamiflu, netting them \$1 billion in 2005, yet refused to meet the demand by denying other drug companies the patent for increased production.

9) Suez

- A leading purveyor and beneficiary of the global trend of water privatization — the selling off of public water systems to private entities.

10) W.R. Grace

- Despite the knowledge of the hazards of asbestos, the company and executives distributed asbestos-contaminated vermiculite through the Libby, MT, community by allowing workers to leave the mine site covered in asbestos dust, allowing residents to take waste vermiculite for use in their gardens and distributing vermiculite “tailings” to the Libby schools for use as foundations for running tracks and an outdoor ice skating rink, now a Superfund Site.



THE SMARTEST GUYS IN THE ROOM



# Still Soft on (Corporate) Crime

by Michael Parenti

A half century ago, Supreme Court Justice Hugo Black reminded us in *Griffin v. Illinois* (1956) that there “can be no equal justice where the kind of trial a man gets depends on the amount of money he has.” The corporate executive with a team of high powered attorneys has a different legal experience than the poor person with an underpaid court appointed lawyer. And it’s not just a few indigents who need court-appointed lawyers; some 80 percent of defendants nationwide rely on public defenders.

The recent convictions of Enron’s billionaire swindlers Kenneth Lay and Jeffrey Skilling lend hope to those of us who dream of a more equitable legal system. But before we put Justice Black’s dictum to rest, keep in mind that Lay and Skilling were quickly let out on bail, and that Skilling still might end up with a light sentence or skip free on some technicality.

In recent years prominent firms such as Enron, Adelphia, R. J. Reynolds, WorldCom, Time Warner, Tyco, Arthur Andersen, Refco, Bristol Meyers, ImClone, Global Crossing, and HealthSouth have been investigated for accounting and tax fraud, manipulating stock values, insider trading, and obstructing justice, criminal acts that have delivered economic ruin upon shareholders and employees. As of June 2006 only a handful of executives from these companies have seen the inside of a prison.

## Corporate crime is not a rarity but a regularity.

Think of the magnitude of their crimes, the heartless damage wreaked upon many thousands of employees who saw their jobs, retirement funds, and financial security stolen from them. So much misery for the many so that the favored few might gleefully romp and frolic in increasingly obscene wealth.

What kind of punishment awaits most corporate brigands? Martha Stewart did a grueling five months in a federal women’s camp. Dennis Kozlowski, former Tyco CEO, looted some \$600 million to fund his lavish lifestyle, for that he got 8 to 25 years in a minimum security prison, and is eligible for parole in about six years, unless he wins an earlier reversal or sentence reduction.

After getting a 15-year sentence for looting \$100 million from Adelphia, John Rigas is free pending his appeal. So is Bernard Ebbers, former CEO of WorldCom (on a 25-year sentence), who wiped out a company worth \$115 billion at its peak.

Corporate crime is not a rarity but a regularity. The Justice Department found that most giant com-

panies have committed felonies. Many are repeat offenders. Over the years, General Electric has been convicted of 282 counts of contract fraud and fined \$20 million. But nobody at GE is doing time. (Imagine a street criminal with 282 felony convictions who is allowed to walk free.)

Charged with 216 violations involving toxic substances, WorldCom was fined \$625,000. Over a 16-year period, major oil firms cheated the government of nearly \$856 million in royalties by understating the value of the oil they pumped from public lands. Nobody went to prison in any of these cases.

Honeywell ignored defects in gas heaters resulting in 22 deaths and seventy seven crippling injuries, for which it was fined \$800,000. Johns Manville suppressed information about the asbestos poisoning of its workers; when ordered to pay damages in civil court it declared bankruptcy to avoid payment. Nobody ended up behind bars in either of these cases.

An executive of Eli Lilly failed to inform the government about the effects of a drug suspected of causing forty nine deaths in the United States and several hundred abroad. He was fined \$15,000. For dumping toxic chemicals into well water that was subsequently linked to eight leukemia deaths, W. R. Grace was fined \$10,000. Charged with unlawfully burning toxic wastes into the atmosphere for twenty years, Potomac Electric Power Co. of Washington, D.C. was fined the crushing sum of \$500. In none of these cases did anyone see the inside of a slammer.

In 2005 the Bank of New York agreed to pay \$38 million in penalties and victim compensation arising from a case of money laundering and fraud, but nobody ended up having to share a conjugal cell with Big Spike.

That same year Halliburton executives failed to make payments to pension participants as legally required; instead they used some of the funds for executive pensions and bonuses. Halliburton was required to pay almost \$9 million and an undisclosed tax penalty, but none of the company suits went to prison.

In 2006, Custer Battles was found guilty of defrauding the United States of millions of dollars in government contracts in Iraq. The company was slated to pay triple damages but again nobody went to prison.

That creepy fellow James Watt, Interior Secretary under the Reagan administration, helped rich clients illegally pocket millions in federal low-income housing funds. Watt was able to sidestep eighteen felony charges of perjury and plead guilty to a misdemeanor, for which he got five years probation and a \$5,000 fine.

As of 2006 there was an estimated \$450 billion shortfall in retirement and disability funds, as numerous companies have defaulted on their pension payments. Federal law requires companies to honor their obligations to these funds but there is no real enforcement mechanism.

When Firestone pled guilty to filing false tax returns concealing \$12.6 million in income, it was fined \$10,000, and no one went to jail. Over seven hundred people a year are imprisoned for tax evasion, almost all of them for sums far smaller than the amount Firestone concealed.

Even when the fine is more substantial, it



Paper shredder: **\$100**

Debt hidden in off-balance-sheet subsidiaries: **\$500 MILLION**

Stock cashed in by executives while encouraging employees to keep buying: **\$1.3 BILLION**

Sitting it front of a congressional committee and claiming ignorance of any wrongdoing with a completely straight face: **PRICELESS**

*There are some things money can't buy.  
Integrity is one of them.*

usually represents a mere fraction of company profits and fails to compensate for the damage wreaked. Over several years Food Lion cheated its employees of at least \$200 million by forcing them to work “off the clock,” but in a court settlement the company paid back only \$13 million. Who says crime doesn’t pay?

In 2004 Halliburton paid a \$7.5-million fine for false earnings reports. Halliburton was also accused of grossly overcharging the government for gasoline intended for U.S. armed forces in Iraq. Meanwhile, for work done on a government nuclear plant, Bechtel inflated its bill for labor, materials, travel, entertainment and supplies — then gave itself a \$250,000 bonus.

## Even when the fine is more substantial, it usually represents a mere fraction of company profits...

Nobody at Halliburton or Bechtel went to prison for these huge thefts. And as we all know, both companies are still gorging themselves on fat government contracts.

Someone who robs a liquor store is far more likely to do time than people who steal hundreds of millions of dollars from shareholders, employees, consumers, and taxpayers.

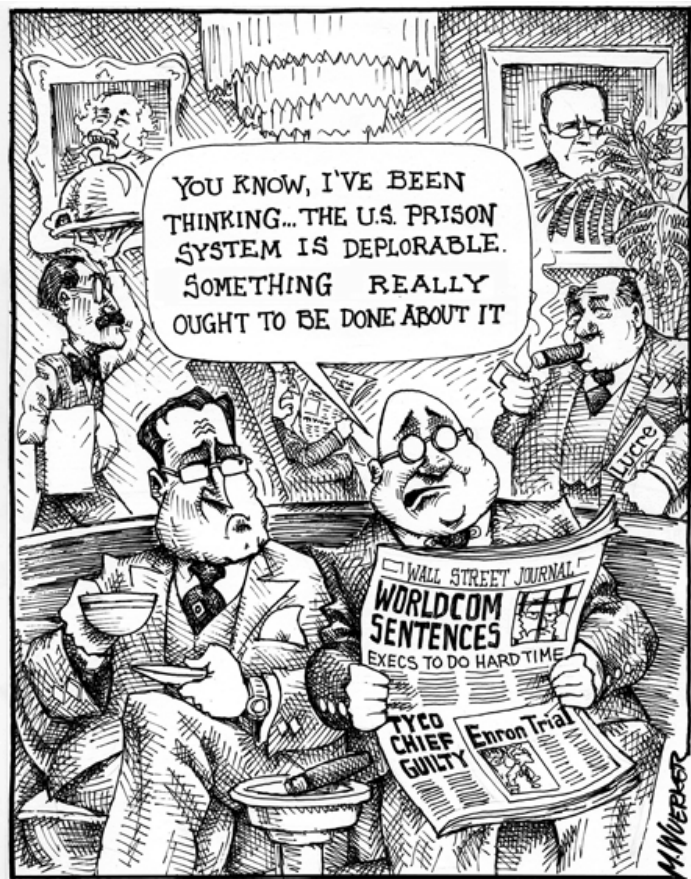
Penalties often are uncollected or suspended. Over 100 savings and loan (S&L) plea bargainers, who escaped long prison terms by promising to make penalty repayments of \$133.8 million, repaid less than one percent of that amount.

Claiming it did not have enough lawyers and investigators, the government failed to pursue more than 1,000 S&L fraud and embezzlement conspiracies, amounting to hundreds of billions in losses for U.S. taxpayers.

The Bush Jr. administration decreased major fines for mining safety violations, and in nearly half the cases did not bother to collect the fines. No wonder miners continue to perish in preventable accidents.

Frequently corporate criminals continue to live in luxury but claim they do not have the money to make restitution to their victims. They are able to hide many assets before penalties are established.

When corporate felons are actually given prison terms, the sentence is usually light and sometimes not even served. S&L defendants, convicted of





having stolen hundreds of millions of dollars, spent fewer months behind bars on average than car thieves and at relatively comfortable minimum security prisons.

Someone who robs a liquor store is far more likely to do time than people who steal hundreds of millions of dollars

The two ringleaders of Archer Daniels Midland Co. who stole millions from their customers were sentenced to only three years. The average sentence for corporate criminals who do time is about 11 months.

Let's go back some years to Wall Street investor Michael Milken who pled guilty to securities violations and was sentenced to ten years reduced to 22 months, most of which was spent doing community service. Corporate criminals sentenced to community service seldom do but a small portion of it, if any. Milken had to pay back \$1.1 billion to settle criminal and civil charges but retained a

vast fortune of \$1.2 billion from his dealings.

Likewise, Ivan Boesky walked off with \$25 million after paying his fine for insider trading and doing a brief spell behind bars. Every major participant in these late 1980s Wall Street investment crimes emerged from the experience as a wealthy man. Again, who says crime doesn't pay?

Opinion surveys find that a majority of the public believes that wrongdoing is widespread in the business world. Some 90 percent think that big corporations have too much influence over government. Only two percent consider company bosses "very trustworthy." You've got to hand it to the American people. Buried alive under an avalanche of media disinformation and puffery, they still sometimes get it right.

Sure it does us good to see some corporate predators get their asses kicked in court. We should demand that it happen more often.

But keep in mind that corporate crime is endemic to a system bound by limitless greed and pitiless theft, a system whose operational imperative is "accumulate, accumulate, accumulate," a system faithfully serviced by reactionary plutocrats

in the White House who themselves partake of the plunder.

Michael Parenti's recent books include "The Assassination of Julius Caesar" (New Press), "Superpatriotism" (City Lights), and "The Culture Struggle" (Seven Stories Press). For more information, visit [www.michaelparenti.org](http://www.michaelparenti.org).

"We're more likely to see other companies as collaborators rather than adversaries... We aren't so much competing with each other as we are competing with the Earth. And maybe that's a healthy way to look at it."

-George Kirkland (Chairman and managing director of Chevron Nigeria Limited)

# A CALL TO DEFY CORPORATE DOMINATION

Giant corporations govern the US and the Earth. This rule by corporations violates the fundamental democratic principle of consent of the governed.

The Declaration of Independence and the American Revolution unleashed great democratic energies.

But the rich and powerful quickly limited the majority's basic rights. Aristocratic white men defined everyone else as their property...and as a rabble to be feared.

Shielded by the Constitution, the wealthy few etched their values into the culture.

They wrote the laws of property and personhood, commerce and contracts. They defined elections, education and labor. They amassed fabulous riches by enslaving, exploiting and exterminating under the rule of law.

Throughout the 1800's... the majority struggled to pry open the Constitution to obtain their basic rights.

Meanwhile the propertied class unleashed its corporations upon people and the land.

Today, the largest non-governmental landowners are corporations.



The biggest shareholders in Fortune 500 corporations are other corporations. Corporations define the country's education, food, energy, labor, transportation, news, information, health, land use, military and monetary policies.

The wealthy few use our government to deny people's basic rights and to destroy the natural world.

Their corporate chiefs are backed by the courts, police, Marines, Army, Navy, Air Force, FBI and CIA. Their transnational corporations vacuum the Earth. They write global property rights laws like NAFTA and FTAA. They create global institutions like the WTO and the IMF to enforce their rule.

Corporations are not persons.

They are not citizens. They are legal fictions created in our names. We the People have the authority to do more than beg their bosses to behave a little less badly. Other species depend on us to do more than resist one corporate assault after another, or regulate the planet's destruction.

We can challenge illegitimate corporate authority.

We can strip corporations of Bill of Rights powers and Constitutional protections. We can oust public officials who enable corporations to trample human rights and govern the earth. But we can't stop there.

Millions of people before us learned to escape their cultures of oppression.

They helped one another decolonize their minds. They analyzed historical and constitutional barriers erected against democratic self-governance. Then they built popular movements to contest the self-proclaimed divine rights of predatory corporate masters.

Building on this history, we can direct our goals, resources and organizations toward establishing democracy.

We can begin by rethinking our country's stories. Discarding our culture's obsessive worship of money, competition and endless more. Challenging property rights with human rights.

Democracy can contest corporate domination.

But democracy must be much more than holding elections, or even redefining business.

Democracy must make people's humanity and constitutional rights reality.

So we the people can use self-governance to live in harmony with all species and the Earth.

Until we can understand the assumptions in which we are drenched, we cannot know ourselves. —Adrienne Rich

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# Trivializing Corruption

by David Sirota

Ninety thousand dollars in a Democratic congressman's freezer. A Republican House majority leader indicted for money laundering, and a senior Republican thrown in jail for accepting bribes. Washington's biggest lobbyist thrown in jail for trying to buy off lawmakers. This is what the Washington establishment and the media want America to believe is the worst form of corruption: a few dirty political hacks who had the nerve to violate our supposedly pristine democracy.

Certainly, these examples are egregious. But the intense focus on them by political leaders and the media to the exclusion of the real corruption destroying our democracy trivializes what corruption really is. That's not by accident — it is a deliberate tactic of distraction, and shows just how bought off our political system really is.

**It is a deliberate tactic of distraction, and shows just how bought off our political system really is**

Today, the lifeblood of American politics is money. Candidates must raise enormous sums of private cash to run for office — sums that the wealthy and corporate interests are only too happy to provide in exchange for legislative favors. We are told by politicians that this system is “the greatest democracy in the world” when, in fact, it is very clearly the same form of bribery that has marked every corrupt regime looked down on by history books.

Money, of course, does not just buy favors -- it makes sure that the concept of corruption is only presented to the public by political leaders as anecdotes about a few bad apples, not a narrative about a broken system. Why? Because an indictment of the pay-to-play system that produced the bad apples could mean structural campaign finance reforms that challenge the power of the Big Money interests that underwrite our politicians. Thus, in the aftermath of recent congressional scandals, all we get is a pathological discussion about weak lobbying “reform” proposals and even weaker sanctions against individual lawmakers.

Such narrowing of our political discourse is the most nefarious form of corruption of all. It shows how we now live in a country where the very boundaries of public policy debates are designed

to ensure outcomes that never challenge Big Money interests. The truly corrupt interests that own American politics long ago realized that they do not have to pervasively violate our weak anti-corruption laws to get what they want. All they have to do is shower cash on as many lawmakers as possible. These lawmakers, uninterested in biting the hand that feeds them, consequently make sure the overall debate is rigged.

So, for instance, as America faces an impending energy crisis, the political debate emanating from Washington has been largely limited to a discussion of which new tax breaks to give to which major oil companies — all of whom have doled out millions in campaign contributions to politicians.

Any serious discussion of a windfall profits tax on oil companies has been marginalized, even though polls show the public strongly supports the concept. Proposals to improve anti-trust enforcement as a way of slowing down oil industry consolidation — that's not even talked about. And any consideration of a tough federal price gouging law has been met with propaganda claiming it is not needed. Recently, the Federal Trade Commission — headed by a former ChevronTexaco lawyer — claimed there is no evidence of oil industry price gouging. This is occurring as Americans are paying more than \$3 per gallon for gas at the very same time Exxon-Mobil made more money than any corporation in history and gave its outgoing CEO a \$400-million retirement bonus!

The same is true when it comes to health care. As health insurance premiums skyrocket and more Americans are forced to go with no insurance at all, polls consistently show that Americans want a universal health care system — and are willing to make sacrifices to get one. Yet, almost no politicians in Washington are willing to support a government-sponsored, single-payer system like the one the rest of the industrialized world has. The reason? Because such a proposal could threaten the bottom line of the private health insurance industry, which makes massive donations to political candidates. Instead, the debate is limited either to proposals like Massachusetts' that simply forces citizens to pay high health premiums, or to proposals in Congress that would just hand over billions of taxpayer dollars to the private health insurance industry to minimally expand coverage.

Even on hot button issues like immigration, the de-



bate is narrowed to fit Big Money's agenda. Think about it — the political establishment is having a supposedly intense debate over illegal immigration without even mentioning the corporate-written North American Free Trade Agreement. This is the pact that, more than a decade ago, was sold to Americans by President Clinton and Republicans in Congress as a way to improve the Mexican economy and drive down illegal immigration, but which actually drove millions more Mexicans into poverty and increased pressure at our southern border. Few politicians have even raised the concept of adding wage or workplace protections to the pact as a way to improve the Mexican economy and give Mexicans a better incentive to remain in their country — because to raise that concept would be to challenge politicians' corporate campaign donors who want access to Mexico's impoverished, exploitable workforce.

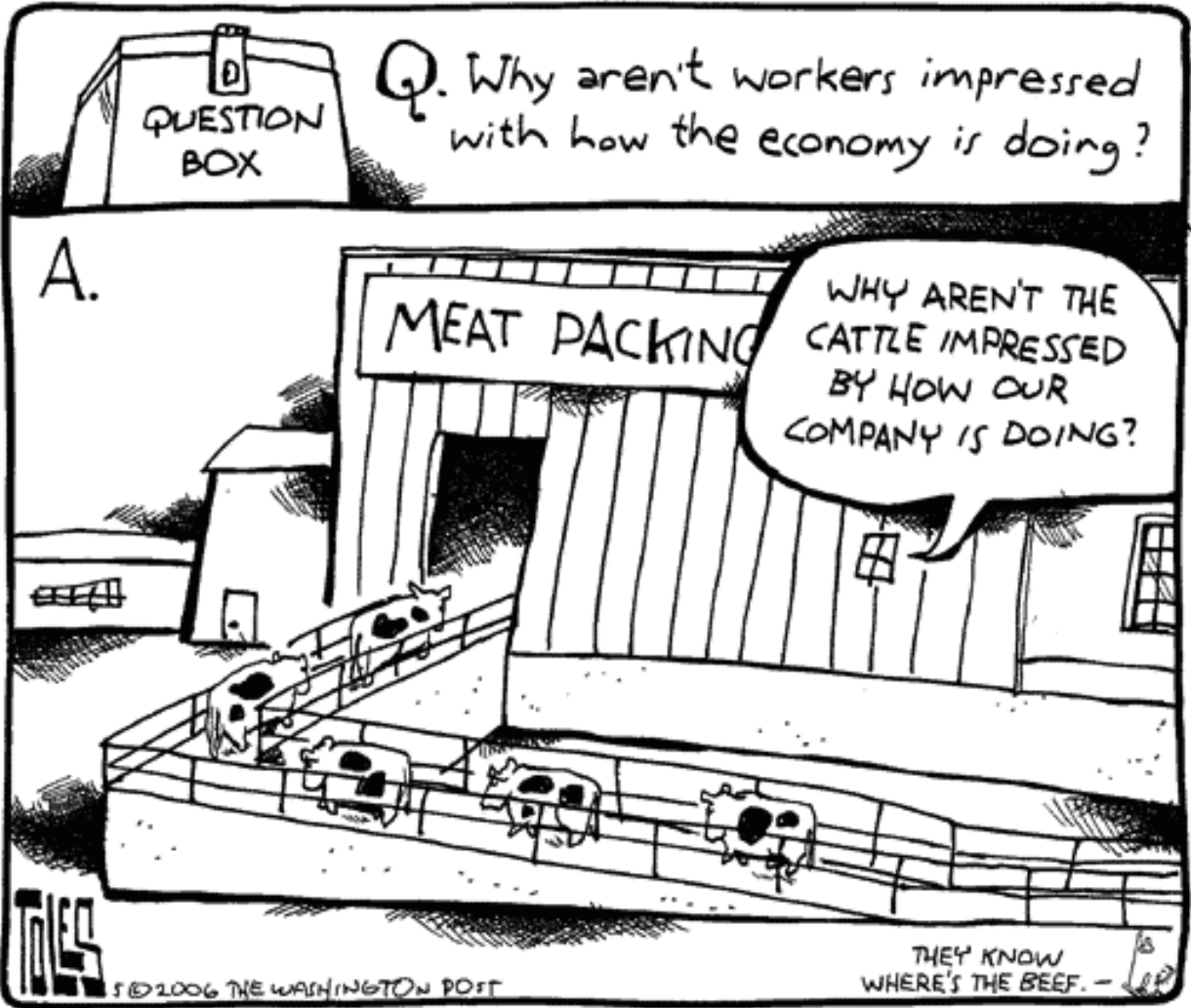
**We now live in a country where the very boundaries of public policy debates are designed to ensure outcomes that never challenge Big Money interests.**

To be sure — politicians will continue their efforts to focus attention exclusively on the bad apples within their midst. They will then cite their own outrage as proof they are true “reformers.” Just as they feed us false storylines about supposedly working for us when they are working for Big Money, they will tell us they are serious about fixing our broken political system, when they really are not. Because, as we see, when the cameras shut off, Washington's bipartisan establishment still refuses to embrace systemic reforms like public financing of elections that would actually end the pay-to-play political culture.

We, the public, can hope and pray for change, and we can delude ourselves into thinking that a simple change in party control will fix our problems. But the simple truth is that until we go to the ballot box and punish representatives from both parties who are part of this consensus, we will continue to live not in a democracy -- but in a system of legalized bribery that makes our problems worse.

David Sirota is the author of the new book “Hostile Takeover: How Big Money and Corruption Conquered Our Government — And How We Take It Back” (Crown Publishers, May 2006).

*“Corporation: an ingenious device for obtaining individual profit without individual responsibility.”*  
-Ambrose Bierce





# The Source of Hopelessness

## A Review of Al Gore's *An Inconvenient Truth* by Catherine Austin Fitts

The day after 9-11, a person whom I respect and care about a great deal said to me, “George Bush was anointed by God for a time such as this.” He then asked me what I thought. I said that I thought that the Bush family was anointed by financial fraud, narcotics trafficking, and pedophilia. Stunned, he said, “If that is true, then it’s hopeless.” I replied that things were far from hopeless, but that for me solutions started with faith in a divine intelligence rather than affirming a dependent relationship with organized crime.

Last week I had dinner with a wonderful couple — activists in the San Francisco Bay Area — and the woman told me how wonderful she thought Al Gore’s documentary *An Inconvenient Truth* was. She then asked for my opinion. When I gave it, she said, “If that is true, then it’s hopeless.” We then proceeded to have a rich conversation about why folks who used to call themselves “liberal” or “progressive” are in the same trap as folks who used to call themselves “conservative.”

In order to respond to the problem of global warming, it is necessary to look at the ways that we as citizens support criminal activity by our government and how we as consumers, depositors and investors support the private banking, corporate and investment interests that run our government in this manner. This is easier said than done. When we “get it” — i.e., that we have to withdraw from a co-dependent relationship with organized crime in order to save and rebuild our world — we can find ourselves struggling to envision the system-wide actions that are needed and feeling overwhelmed by the task of determining how to go about them personally and in collaboration with others.

**Our environmental problems — as real and important as they are — are but a symptom of the problem**

My nickname for our current economic system is “The Tapeworm.” For decades I have listened to Americans from all walks of life insist that we must find solutions within the system — within the socially acceptable boundaries laid down by the Tapeworm. Believing that our solutions for addressing global warming lie within the system defined by the Tapeworm goes hand in hand with obtaining our media from companies controlled by the Tapeworm, and having to choose from among leaders anointed by the Tapeworm, such as Al Gore. This belief is, in fact, the source of our hopelessness.

George Orwell once said that omission is the greatest form of lie. Gore’s omissions in *An Inconvenient Truth* are so extraordinary that it is hard to know where to start.

Watching *An Inconvenient Truth* is more useful for understanding how propaganda is made and used than for understanding the risks of global warming (I am not qualified to judge the scientific evidence here — I am assuming that Gore’s presentation on global warming is sound).

The fundamental lie that Al Gore is telling comes from defining our problem as environmental — in this case global warming, whereas our environmental problems — as real and important as they are — are but a symptom of the problem, not the problem. Gore defines our problem as “what.” He is silent on “who.” For example, Gore does not ask or answer:

- Who is doing this?
- Who has been governing our planet this way and why?
- *Cui bono?* Who benefits?

- Who has suppressed alternative technologies resulting in our dependency on fossil fuels? Why?
- Who has how much financial capital generated from this damage?
- How did things get this bad without our changing? How much was related to fear of and dirty tricks of those in charge?
- How do we recapture resources that have been criminally drained and use them to invest in restoring environmental balance?

Folk singer Utah Phillips once said, “the earth is not dying. It is being killed, and the people killing it have names and addresses.” In one sentence, Utah Phillips told us more about global warming than Al Gore has told us in a lifetime of writing and speaking, let alone in *An Inconvenient Truth*.

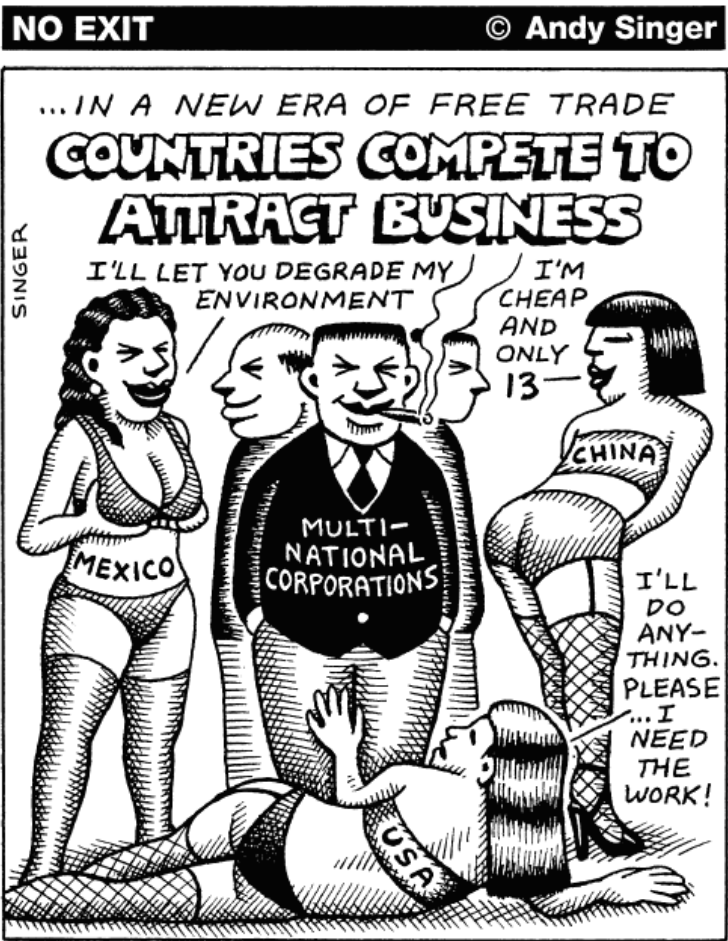
Needless to say, Gore offers no names and addresses. Gore’s “who” discussion is limited to population. He seems to imply that the issue is the growth in population combined with busy people being shortsighted, leading to some giant incompetency “accident.” That makes it easy to avoid digging into the areas that would naturally follow from starting with “who,” which should lead to dissecting the relationship between environmental deterioration and the prevailing global investment model that is such a critical part of the governance infrastructure and incentive systems.

Gore walks us through timelines showing the global warming of temperatures. By defining the problem as simply environmental damage, and shrinking the history down to temperatures, there is no need to correlate environmental deterioration with the growth of the global financial system and the resulting centralization of economic and political power. The planet is being run by people who are intentionally killing it. Their power is their ability to offer all of us ways of making money by helping them kill it. Hence, understanding how the mechanics of the financial system and the accumulation of financial capital relate to environmental destruction is essential. If we integrate these deeper systems into an historical timeline, authentic solutions will begin to emerge. But Gore omits the deeper systems and the lessons of how we got here and in so doing closes the door on transformation.

For example, there is no place on Gore’s time line that shows:

- the creation of the Federal Reserve
- the movement of currencies away from the gold standard
- the growth of non-accountable fiat currency systems
- the growth of consumer, mortgage and government debt
- the growth in the superior rights of corporations over people and living things;
- the growth of “privatization” (which I call “piratization”)
- the subversive and sometimes violent suppression of renewable energy, housing and transportation technologies and innovations
- the growth of the offshore financial system and the use of that system to launder and accumulate vast sums of pirated capital accumulated through the onshore destruction of communities

Understanding the fundamental imbalance of the corporate model — where enterprises have the rights of personhood, but not the finite existence of people or the legal responsibilities and liabilities — and the corporate model’s economic dependence on subsidy that drives up debt, economic warfare and the destruction of all living things is a critical piece to developing actions to reverse environmental damage. Al Gore is a man that has made money for corporations his entire life. He is



a member in good standing of the Tapeworm and his current lifestyle and this documentary are rich with the resources that corporations can provide.

There is also no personal accountability. Al Gore has not “come clean.” There is no discussion of Gore’s role in the Clinton administration’s facilitating worldwide economic centralization and warfare, and with it genocide and environmental destruction. For example, there is no mention of “The Rape Of Russia” or the driving out of Washington of an investment model proposing to align places with capital markets to create a win-win economic model that he suggests is possible. For more, see my recently published case study on Tapeworm Economics, and the competition between two economic visions during the Clinton Administration: “Dillon, Read & the Aristocracy of Prison Profits.”

The documentary ends with a long list of things that we can do. Many of these items are on my list. We all need to come clean in the process of evolving towards sustainability. However, without a new investment model and the governance changes that automatically follow, the result of *An Inconvenient Truth* is to teach us to be good consumers of global oil and consumer product corporations and banks and — we are supposed to intuitively understand — vote for Al Gore or the candidates he endorses. Gore draws us down a rabbit hole, which leaves us even more dependent on the people and institutions that created and profited from the problem in the first place. What that means is that the real solution will be significant depopulation. The viewer is left to preserve a bit of the shrinking American bubble to protect us from having to face the depopulation solutions underway. (See above links on “The Rape Of Russia” and “Dillon, Read & The Aristocracy Of Prison Profits.”)

The way a tapeworm operates inside our bodies is to inject a chemical into its host that makes it crave what is good for the tapeworm and bad for the host. *An Inconvenient Truth* is an injection from the Tapeworm. Don’t see it and crave a new round of what has not worked before. Things are not hopeless. There is no need to waste time and money adoring and financing the people who are killing the planet, or counting on the politicians who protect them.

To get you started, let me recommend that you take the money and time that you would spend watching *An Inconvenient Truth* and invest it in reading or watching a few of many authentic leaders with useful maps and solutions that are leading to serious ecosystem healing and transformation.

Catherine Austin Fitts is president of Solari and may be contacted at [www.solari.com](http://www.solari.com).



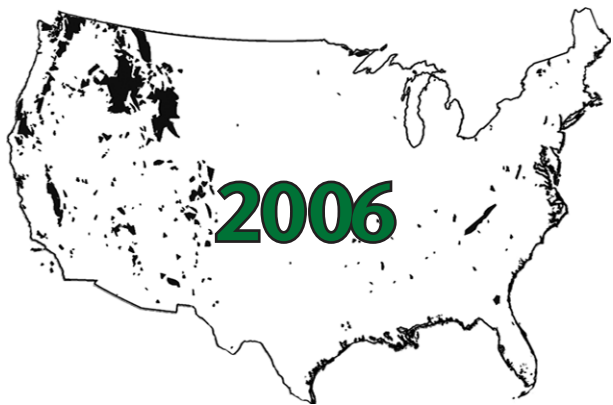
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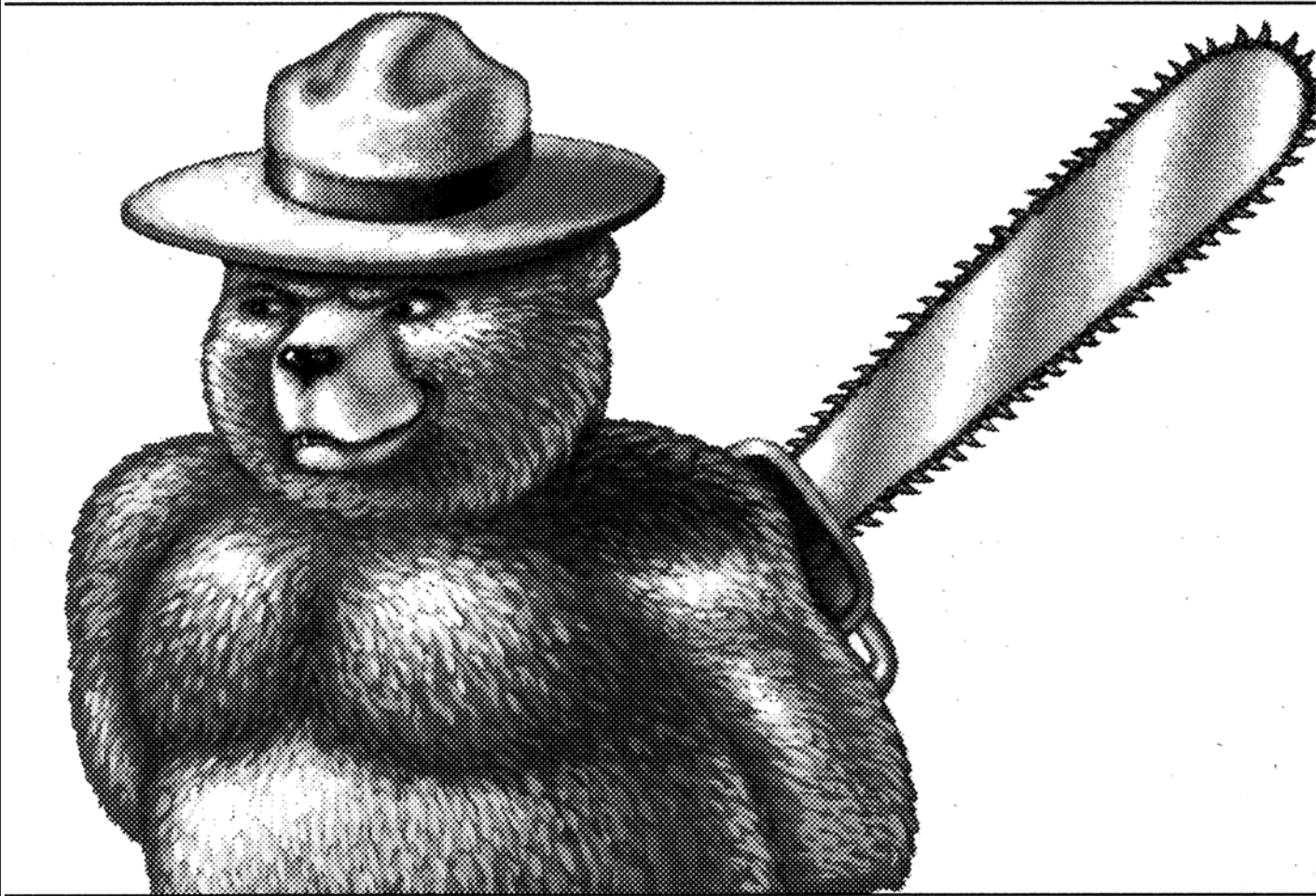


2006

A native forest is a self-regenerating forest that has never been cut or planted by humans.



There's a bear in the woods,  
and he's destroying our heritage.



courtesy of Americans for Ancient Forests

Say it ain't so, Smokey.

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