I. Democracy in America

A. Brandeis: “We can have a democratic society or we can have the concentration of wealth in the hands of a few. We cannot have both.” (Also Jefferson, Lincoln, Eisenhower)

B. Democratic institutions

1. Electoral process: represent our interests (vital needs)

2. Legislative process: establish public policy and fund programs

3. Judicial system: guarantees our rights

4. Regulatory system: protects the public

a. FDA

b. EPA

c. OSHA

5. Free press: not controlled by government

C. Undermining democratic institutions

1. Electoral process: campaign financing

2. Legislative process: lobbying, “revolving door”

3. Judicial system: appointments, campaign financing, corporate conflicts of interest

4. Regulatory system: appointments, funding, limits on

enforcement, “revolving door”

5. Free press: corporate owned, advertising supported

D. Electoral process

1. Campaign 2008: $4 + billion

a. Trend

b. $Senate

i. median $4 million / avg. $7 million

ii. 10: since 2002+2x to $34.9 million

c. House: median $1 million

d. State Judgeships, School Board, primaries, mayors

e. CA Governor: 2010: $214 million (Brown and Whitman)

2. Contributors

a. +80% from wealthiest 1/2 of 1%

b. Previously 55% to Republicans 45% to Democrats

c. 2004: more to Republicans; 2008 more to Democrats; 2010 Rep

d. Corporate bundling

e. Corporations: Citizens United

3. Types of contributions

a. Hard money: limited and regulated

i. individuals

ii. PACs

b. 527s: unlimited, unregulated, and “independent”

c. “SuperPACs” $300 million, 501s

d. Foundations, conventions, inaugurations, debates, fundraisers

4. Who wins?

a. Incumbents (over 90% of the time)

b. Candidate that spends the most

c. “Wealth primary”

5.

5. Presidential Campaign 2008

1. $1 billion (just presidential candidates)

i. Obama $700 million

ii. McCain

b. Who was giving?

i. Financial Industry $373 million (all campaigns)

ii. Oil $31 million

iii. Pharmaceutical Industry $29 million

E. Legislative process: lobbying

1. How much?

a. Federal: 2009: $3+ billion (corporations 2.95 billion)

b. State: $1 billion ($130,000)

2. How many? 11,195

3. Who lobbies?

a. Industries

i. Oil: Exxon Mobil $59 million

ii. Military Industrial Complex: Lockheed Martin $59 million

iii. Financial: Since1998 $5 billion (incl campaign)

iv. Health Insurance: 2008-9: $635 million

b. Trade Groups/Association

i. industry formed and funded groups

ii. function: pursue interests of specific industries

iii. Pharmaceutical Research and Manufacturers

of America 2007 $168 million

iv. National Association of Broadcasters

v. American Bankers Association

vi. American Health Insurance Plans

c. Front Groups

i. industry formed and funded

ii. function: pursue interests of specific industries

iii. conceal identity and real goals

iv. Citizens for Better Medicare

v. American Council on Science and Health

vi. Clean and Safe Energy Coalition

d. public interest groups

i. Union of Concerned Scientists

ii. U.S. Public Interest Research Group

iii. Children’s Defense Fund

4. Lobbying Methods

a. “revolving door”: 300 former Congressmen/166/healthcare

b. Perks

c. Promises

d. “Events” (AIG 160)

e. Think Tanks/PR Firms

f. cost/benefit analysis

i. spent: 93 firms $283 million

ii. return: $62.5 billion tax breaks (22,000%)

F. Regulatory agencies

1. FDA (Food and Drug Administration)

2. EPA (Environmental Protection Agency)

3. FCC (Federal Communications Commission)

4. Dept of Agriculture

5. SEC (Security and Exchange Commission)

6. Commodity Futures Trading Commission

7. MMS (Mineral Management Services)

8. How?

a. Limit funding (FDA)

b. Appointments (“Revolving Door”)

c. Limit enforcement, penalties

d. Limit regulatory power: Obama and Issa

9. Example: Department of Agriculture and Meat processing

a. Appointments

b. Funding

c. Enforcement

i. no mandatory recalls even for Class I (lethal)

ii. no mandatory warning to public

iii. no mandatory fines or penalties

10. Example: Commodity Futures Trading Commission and financial industry

11. EPA: Clean Air Act, Greenhouse Gases

G. Campaigning, television and a misinformed citizenry

1. Means of campaigning: Eisenhower

2. Media Consultants $1.2 billion

3. Main source of TV revenue (no finance reform)

4. What is a political advertisement?

5. Television “debates”

6.“Town hall meetings”

7. Photo ops

II. “Wealthfare”

A. Government subsidies: $400 billion

1. Tax breaks

a. tax loopholes

1. tax havens:

i.Virgin Islands

ii. Panama (Cruise Lines)

c. tax credit

i. Work Opportunity Tax Credit

ii. oil industry

d. no taxes

2. Research and Development: $72 billion

a. Pharmaceutical (Taxol)

b. auto (hydrogen $1 billion)

c. coal “clean” ($5.3 billion)

d. Ethanol ($3 billion)

3. Direct

a. nuclear

b. military-industrial

c. McDonalds

d. Pillsbury

e. manufacturing

4. Bailouts

a. airlines

b. hedge fund

c. Fannie Mae and Freddie Mac

d. TARP

e. GM

5. Public resources to private corporations

a. media: Telecommunications Act o 1996

b. USFS: grazing, logging, mining

c. oil leases and no royalties

B. Government Contracts

1. military industrial complex $265 billion
2. war on terror security contract $200billion

3. other contracts $200 billion

C. Environmental and Social costs to public

1. nuclear industry
2. chemical industry

3. oil

4. coal

5. natural gas