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: public policy

3. Judicial system: guarantees our rights

4. Regulatory system: protects

5. Free press: not controlled by government

C. Undermining democratic institutions

1. Electoral process: campaign financing

2. Legislative process: lobbying

3. Judicial system: appointments, campaign financing

4. Regulatory system: appointments, funding, limits on

enforcement

5. Free press: corporate owned, advertising supported

D. Electoral process

1. Campaign 2004: $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

2. Contributors

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

b. Previously 55% to Republicans 45% to Democrats

c. 2004: more to Republicans

d. Corporate bundling

i.McCain: Financial, Real Estate, Lobbyists

ii. Obama: Lawyers, Financial

3. Types of contributions

a. Hard money: limited and regulated

b. Soft money: unregulated and unlimited

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

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. Campaign 2008

1. $1 billion (just presidential candidates)

i. Obama $400 million

ii. McCain

b. August

i. Obama $66 million

ii. Mcain $43 million

c. Who is 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: 2007: $2.8 billion ($2.7 million per)

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

2. How many? 40,000

3. Who lobbies?

a. Industries

i. Oil: Exxon Mobil $59 million

ii. MIComplex:Lockheed Martin $59 million

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

b. Trade Groups: represent industries

i. Chamber of Commerce (98-07 $340 million)

ii. Pharmaceutical Research and Manufacturers

2007 $168 million

c. Front Groups

i. Asbestos Study Group

ii. Citizens for Better Medicare

d. public interest groups

4. Methods

a. Connected individuals

b. Perks

c. Promises

d. “Events” (AIG 160)

e. Policy Planning Groups/Think Tanks

F. Regulatory agencies

1. FDA (Food and Drug Administration)

2. EPA (Environmental Protection Agency)

3. FCC (Federal Communications Commission)

4. Dept of Agriculture

5. Dept of Interior

6. FTC (Federal Trade Commission)

7. How?

a. Limit funding (FDA

b. Appointments (“Revolving Door”)

c. Limit regulation, enforcement, penalties

7. Example: 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

G. Media and informed citizenry

1. Campaigning, cost, and television

a. Means of campaigning

b. Media Consultants $1.2 billion

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

d. What is a political advertisement?

e. Television “debates”

f. “Town hall meetings”

g. Photo ops

2. Issues, propositions, and political advertising

a.1976 Buckley vs. Valeo

b. 527 Groups Proposition 87

II. “Wealthfare”

A. Government subsidies: $400 billion

1. Tax breaks

a. tax loopholes

b. tax havens (Cruise Lines)

b. tax credit (Work Opportunity Tax Credit)

2. Research and Development: $72 billion (Taxol)

3. Cash: McDonalds, Pillsbury, nuclear, oil

4. Bailouts

a. airlines

b. hedge fund

c. Fannie Mae and Freddie Mac

d. TARP

5. Public resources to private corporations

a. media: Telecommunications Act o f1996

b. USFS: grazing, logging, mining

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

III. Wealthfare

A. Specific industries

1. Fast foods

a. Interests

i. no increase in minimum wage, no minimum wage

ii. tax credits and subsidies

iii. immigrant labor

iv. advertise to children

b. Successes

i. minimum wage $5.15 (one half its original

value in real dollars)

ii. Work Opportunity Tax Credit

($2400 , per low income worker, $385 million)

iii. $1.1 million for Chicken Mc Nuggets

2. Meat packing industry: deregulation

a. Interests

i. limited OSHA

ii. no USDA inspections

b. Successes

i. fewer and announced OSHA inspections

ii. self-inspections

iii. softer regulations:

a. no mandatory recalls

b. no mandatory public notification

c. salmonella contaminated food to schools

c. Consequences

i. worker injury and illness

ii. contaminated food: what’s in the beef

iii. where’s all the waste going

3. Energy and extractive industries

a. Interests

i. eliminate Clean Air

ii. “clarify” Clean Water Act

iii. extension for aging nuclear power

iv. subsidize building to nuclear plants

b. Success

i. Clear Skies

ii. “clarification” of Clean Water Act

iii. 2001 Cheney Energy Plan

iv. 2004 Energy Bill

c. Consequences

i. pollution

ii. more targets for terrorism

iii. more nuclear waste = cost to people

4. Pharmaceuticals industry (drug companies) 625 lobbyists, almost $100 million a year

a. Interests

i. longer patents

ii. no medicare for prescription drugs

iii. less regulation by FDA

iv. globalization: opposition to generics and licensing

v. research and development

b. Successes

i. R and D

ii. new drug bill: billions to

iii. FDA regulations, overseas testing

iv. US government opposing generic AIDs drugs

c. Consequences

i. higher prices for prescription drugs

ii. higher cost medical care

iii. death globally from curable/treatable disease

5. Auto

a. Interests

i. no limit emissions on SUVs and light trucks

ii. R and D for higher mileage vehicles

iii. fewer safety regulations

iv. more roads less mass transit

b. Successes: all of the above

c. Consequences

i. increased CO2 emissions

ii. increased oil dependency

iii. NHTSB

iv. less mass transit

6. Hi-tech

a. Interests

i. H2A visas

ii. tax credits for R&D

iii. stock options as a tax deduction, not

an expense (makes bottom line look good,

but lowers taxes)

iv. jobs to third world

b. Successes

c. Consequences

i. job loss

ii. depleted tax base

7. Accounting

a. Interests

i. no regulations regarding conflict of

interest

ii. auditing and consulting

b. Success: all of the above

c. Consequences

i. shareholder loss

ii. pension and 401 K loss

8. Defense industry (a.k.a. military industrial complex)

a. Interests

i. large defense appropriations

ii. govn’t contracts to M-I complex

iii. non-ratification of international treaties

iv. govn’t subsidies for weapons dealers

v. war(s)

b. Success: all of the above

c. Consequences

i. armed world

ii. scared world

iii. dangerous world

9. Media

a. Interests

i. relaxation of ownership regulations

ii. digital spectrum

iii. lobby against campaign finance reform

b. Success

i. Telecommunications Act of 1996

ii. FCC regulations of 2003

c. Consequences

i. what we know is controlled by fewer and

fewer large corporations

ii. distorted world view

10. Financial Institutions (biggest contributor to Bush)

a. Interests

i. no regulation

ii. new laws for bankruptcy for individuals

iii. tax haven

iv. bailouts

v. privatization of s

b. Successes

i. participation in Enron, Worldcom scams

ii. bankruptcy harder for individuals easier for corporations

iii. tax havens in Bermuda

iv. Hedge Funds: Long Term capital management

c. Consequences

i. retirements, investments insecure

ii. opportunities to start over for people lessened