I. Political institution

A. Definition: system of governance, or social organization of power

1. Characteristics

a. who governs and why

b. relationship of people to government

c. limits on authority (including force)

2. Examples

a. monarchy

b. democracy

c. fascism

B. Democracy

1. Who governs? People

a. collectively self-govern

b. direct or indirect

2. Why? Reason

a. understand own interests

b. common good

c. informed decisions

3. Government subordinate to the people

a. “life, liberty, happiness”

b. protect the common good

c. “rights bearing” citizens

d. right to overthrow

4. government authority: “by the people”

a. granted by the people

a. limited by Constitution and laws

b. accountable to the people

c. transparent

d. rights?

5. social role: citizen

C. Fascism

1. Who? Corporations, political party, and military.
2. Why? Ideology
   1. “history”, future, god, evil
   2. force
   3. Thousand Year Reich, New Roman Empire

e. media: propaganda

1. Relationship people to government
   1. people are subordinate
   2. social role: serve the state
   3. values: sacrifice, obedience, loyalty
2. Limits to power
   1. none
   2. institutions serve powerful: legal, education.

II. 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: leaders that represent our interests

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 cycle: $3 + billion

a. Trend

b. $Senate: median $4 million / avg. $7 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

* 1. 2004: much more to Republicans

d. present; more to Democrats

3. Types of contributions

a. Hard money

b. Soft money:

c. 527s:

d. Foundations, conventions, and inaugurations

4. Who wins?

a. Incumbents (over 90% of the time)

b. Candidate that spends the most

c. “Wealth primary”

E. Legislative process: lobbying

1. How much?

a. Federal: $3 billion ($2.7 million per)

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

2. How many? 40,000

3. Who lobbies?

a. Corporations

i. Exxon Mobil $59 million

ii. Lockheed Martin $59 million

b. Trade Groups

i. Chamber of Commerce $204 million

ii. National Association of Broadcasters $42 million

c. Public interest groups

d. Front groups: Asbestos Study Group

4. Methods

a. Connected individuals

b. Perks

c. Promises

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. How?

a. Limit funding

b. Appointments (“Revolving Door”)

c. Limit enforcement

G. Media and informed citizenry

1. Campaigning 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

1. Front groups: Citizens for Better Medicare

H. “Wealthfare”

1. Direct and Indirect Subsidies

a. $400 billion

b. Direct:

i. Chicken McNuggets, Pillsbury, USAID

ii. bailout: airlines

c. Indirect

i. tax breaks: loopholes, credit, deductions

ii. Fast Foods: Work Opportunity Tax Credit

iii. Research and Development: BMS (Taxol)

2. Large military: $450 billion last budget

3. Support for globalization: NAFTA, GATT, CAFTA

4. Deregulation: Telecommunications Act of 1996

5. Undermine labor organization

a. union activity in politics

b. appointments to NLRB

6. social and environmental cost to public

7. cutbacks on social services

E. How do they get it?

1. Election cycle 2000: $3.5 billion

a. up from 1996 $2.2 billion

b. Senate median expenditure was $4 million w

H Clinton and R Lazio $68 million

c. House median almost $1 million

d. 2001 Mayoral race in NY $69 million by Bloomberg $92 per vote, 6500 TV ads

e. 2000 $10million State Supreme Ct in Ohio

f. Bush 2000 S.C. Primary $20million

2. Contributers

a. Top 1 % and “interest” groups

b. form

i. hard money

bundling: Pioneers ($100,000) Rangers

($200,000) credit 19 were ambassadors, Sec of Labor, Ken Lay

ii. soft money

iii. PACs

iv. 527s

c. 2000 public funding only $150 million

d. wealth primary: 1/10 of 1%

3. Receivers

a. Both Republicans and democrats (55:45): 2000

b. 2004: larger per cent to Republicans

b. no competition

c. incumbents

4. Who wins?

a. 90% of the time the candidate who raises the

most money

b. incumbents 19 out 469 lost in 2002, over

90%

5. issue advertising

i. $90 million Citizens for Better Medicare

Brian Bilbray- Representative vs Susan Davis

d. new record in "soft money"(www.commoncause.

org)

i. $160 + million by both parties in 2001

ii. despite it isn't an election for Pres in

2002

iii. Rep all time record during first year

$97+ million

iv. Demos beat own record

5. Donations to foundations

a. candidate sets up foundation

b. unlimited and anonymous

6. Contributions to conventions

7. Fundraisers, meetings, and dinners

a. single night in DC both parties total $40 million

b. Republicans $25,000 dine monthly with House

leaders

c. Demo Jefferson Trust $100,000 weekend retreats, dinner with Pres and VP

E. Lobbying - the fourth arm of government

1. 20,000 lobbyists spend about $2billion each years

2. avg 38 lobbyists per Congressman and $2.7 million per

3. on what

a. connected lobbyists

b. brochures, experts, technical reports

c. lecture fees and seminar "vacations"

d. easy-term loans

e. promise of dirctorships after retirement from

office

f. luxury hotels, private jets

System of Power

I. Power

A. Traditional conception - Orwell's 1984

1. people are rational agents,

a. acting in their own interests

b. capable of pursuing common good

c. will of their own

2. to control these people towards desired ends

a. force

b. propaganda

B. Modern conceptions of power

1. forms power takes can shape both pysche and

will

2. constructs compliant subjects

C. Constellation of power

1. Economic power is the center from which power

radiates

a. large corporations dominant US economy

1. under 500 70% of assets and 70% of sales

2. shared monopolies in every sector

3. shared ownership

4. concentration

b. 1% of population owns 45%-50% of wealth

2. Economic power and the political system

a. democratic system is supposed to avoid concentration of power in one segment

b. campaign finance laws

1. some spending is regulated

2. "soft money" is unregulated

3. soft money from large corporations to

parties

c. lobbying

1. 20,000

2. $2 billion

3. mass media

a. most Americans 90% with commercial media

b. 75% get all news from TV

c. owned by large corporations

d. profit from advertising by other large corporations

4. technology

a. large corporations drive technological

development

b. subsidized by government: research

c. profit and control

i. genetically modified organisms

ii. intellectual property rights

5. globalization

a. of 100 largest economies 50 are corporations

b. own global political arrangements

i. GATT

ii. WTO

c. global financial institutions

6. military

a. $300 billion up to $400 billion

b. 2 wars simultaneously and win quickly

c. military aid

d. military sales

D. effects of power

1. enact social policies and programs for benefit of powerful institutions

2. enact laws that benefit wealthy and limit people's

rights

3. ability to shape a world on behalf of institutional

and private interests

4. power to create consciousnesses

a. dreams

b. ways of thinking

c. desires

I. Political Economy

A. Biggest threat to democracy is concentration of wealth:

B. Concentration of wealth in America

1. System of stratification

2. Concentration of ownership

a. less than 500 corps

b. financial institutions

c. larger and larger

d. shared monopolies

C. Approach: ideal democracy, democracy in America (plutocracy), benefits the wealthy

a. participation

b. informed

5. Open civil society

a. public space: free expression of ideas

b. free press

E. US is model democracy: have all of the above

F. Bulworth

1. emphasis on political advertising

2. photo ops

3. campaign financing “Big Money”

4. lobbying

5. ownership of media, press, candidates

6. two factions of the business party

G. Campaign financing

1. dollars?

2. types

3. soft money

4. donations: conventions

5. television and campaign financing

H. Lobbying

I. Do they get what they want?

1. Direct subsidies

2. Tax breaks, loopholes, credits

3. research and development

4. public resources to private corporations

5. bailouts

6. weakened oversight from regulatory agencies

7. globalization

b. rational men are capable of governing themselves - shaping their own collective

destiny

c. the social role of citizen was the most important

role

d. concept of public good

e. rational men could weigh self-interest vs public

good

f. social contract between individual and society

i. individual has clearly defined rights and

obligations

ii. state has obligations

iii. state violates the contract; it is right of

citizen to overthrow it.

DI: "it is the right of the people to alter or to abolish it, and to a institute a new government . . ."

3. Direct democracy or participatory

i. political culture for shaping informed opinions

ii. informed opinion

I. Theory of Free Market Capitalism (Adam Smith and Milton Friedman)

A. Thesis: Free market capitalism is best possible economic

system because it recognizes the laws of the market place

and understands human nature.

B. Assumptions:

1. Economic system is

a. autonomous

b. governed by laws (like the laws of nature)

c. will solve all social problems

2. human nature

a. human beings pursue self-interest

b. motivated by being able to accumulate personal wealth, private property

c. individual greed will solve social needs being fulfilled

C. Laws of the market place

1. each person pursues personal profit

2. supply and demand ( invisible hand)

a. consumers needs become demands

b. capitalist srespond by producing what is needed.

(supply)

c. leads to competition between capitalist in trying

to meet demand

d. competition guarantees

i. consumer needs will be met

ii. high quality

iii. low price

e. capitalism rewards

i. innovative

ii. highly motivated

iii. efficient

iv. risk

f. capitalism punishes the opposiste

3. law of accumulation equals profit

a. capitalist will accumulate wealth

b. reinvest in technologies of production

c. better and better world

"A freely competitive economy will regulate itself by the "invisible hand of the market place." Therefore, one other condition

D. Role of government

1. lassez-faire or no government intervention

2. government intervention will

i. laws of market place

iI. negatively affect incentives

iii. undermine individual choice

F. Worker

1. workers will benefit too.

a. free labor: workers can move from job to

job as each area tries to meet needs

b. competition between capitalists forces employer to keep wages up

2. Wages will necessarily be above subsistence

3. Fourth Law: what's good for the capitalist is good

for the worker

G. Social Needs

1. Needs will be translated into demands which

the capitalist will supply

2. Entrepeneurs will move into areas where there is

demand

a. risk their investment capital

b. self-reliant rugged individualists

H. The Nation-State: laissez faire

1. Early Capitalism: Create physical infrastructure for commercial activity

a. bridges, roads, harbors

2. Industrial capitalism: externalization

a. subsidize costs

b. subsidize social and environmental consequences

3. Create financial infrastructure

a. system of finance

b. taxes

c. system of tariffs

4. Military

a. defense

b. expansion for resources

c. protection of interests

I. Milton Friedman

1. Progressive force for societies

2. Emphasis on individual autonomy in capitalism

3. creates a better environment for

a. democracy

b.human and religious freedom as well

II. American Exceptionalism and Free Market Democracy

A. No other country was as receptive to free market

social theory

B. Social Darwinism

1. Combination of ideas: Darwin, Edmund Spencer and Smith

2. Thesis: the application of Darwin’s theory of evolution to society allows us to understand that success is deserved, as is failure.

3. Assumptions

a. society is evolving like the natural world

b. each individual and each race are engaged in

a struggle for survival

c. infinite possibilities and opportunity for all

d. success and failure not moral problems but

survival of the fittest.

4. Accept the laws of the market place

5. Government intervention on behalf of persons or

races

a. allows them to survive

b. weakens the species

6. Exception Government intervention

a. eugenics

b. “feeble minded”

c. Adolph Hitler

I. Marx’s critique of capitalism

A. Philosophical critique: Assumptions about human nature

1. FMC assumption if of alienated human being.

2. True of human beings within capitalist system.

3. The result of capitalism: alienation

a. not subjective (feeling)

b. objective

4. Real nature of human being

a. species being is work

b. collective participation in constructing

a world which is experienced

B. Structural critique:

1. Class conflict

a. can’t be reconciled

b. unfair

c. capitalism will self-destruct

2. Conflicting interests

a. interest of capitalist

i. profit

ii. expansion

iii. control of means of production

iv. cost control

b. interest of worker

i. life

ii. control of means of production

3. Unfair

a. power of capitalist

i. owns means of production

ii. makes decisions

ii. controls state

iv. controls of the ideological institutions

(false consciousness)

b. power of worker

i. owns labor power, but dependent

ii. class consciousness

4. Self-destruction

a. huge monopolies

b. competition to lower and lower prices-

declining rate of profit

c. workers lower and lower wages

d. system will implode

e. workers will recognize class consciousness

C. Marx was wrong, underestimated, anticipate

1. Didn’t self-destruct, almost Depression

2. Underestimated capacity of state to keep economy

going through subsidies and externalities

3. Post WWII:

a. economic boom in America

b. rise of middle class with a consumer consciousness rather than class consciousness

4. Rise of mass media

5. Rise of shared monopolies with common interests

6. Deindustrialization

7. Externalities

8. Technology as ideology

D. Right

1. large corporations controlling economy- megacorporations

2. conflict between workers and owners

3. dependence on third world, but for more

II. Theory of Monopoly Capitalism

A. Thesis: large, mnc corporations are the dominant institutions of our time.

B. Assumptions

1. They control the economy: globally and domestically

2. They control governments by controlling their

political systems

3. They own and control mass media and filter

information

4. They create demand through advertising

A. Corporations dominant institutions of our time

a. globally

b. domestically

B. Corporations and the US economy

a. concentration of ownership

b. shared monopolyies

c. interlocking directorates

I. The reality of capitalism

A. Marx's critique of capitalism

B. multi-national monopolistice capitalism

C. Concentration of corporate wealth in US

1. Less than 1% of all corporations produce over 80%

of private sector output

2. less than 500 corps - 71% of profit, 72% of corp assets

3. ( 5 corps 20% of all sales and 30% of assets)

4. in manufacturing, less than 100 corps - 70% of assets/sales

5. 40 largest banks own controlling interest in 500

largest corp

6. nine media conglomerates own 25,000 media outlets

E. Concentration of corp wealth in World

1. 600 corps account for 50% of world output

2. Of 100 largest economies, 50 are corporations

F. Shared monopolies

1. four or fewer firms supply more than 50% of a

particular market

a.

b. Department stores, Cable TV, major commercial

banks, oil field services

2. trend is for more and more concentration

a. television

b. film

3. and shared monopolies globally

a. aircraft engines GE, United Technologies, RR

G. Megamergers

1. ten largest mergers in last 15 years

a. AOL-Time-Turner-Warner

b. Exxon-Mobil

2. government encouraged by relaxing laws like

Sherman Anti-trust Law of 1890

H. Interlocking directorates, Clayton Act 1914

1. direct interlock

2. indirect interlock

3. over 90% of US corporations have some interlocking

directorates

I. Mutual or Shared Ownership

1.

2.

3.

J. Fewer financial institutions control most of the major corporations

K. Multinational corporations

1. corporations are now global in reach

2. and larger than most countries

3. Exxon-Mobil, Ford, and GM larger than all but

seven countries

H. What are the consequences of the concentration of economic power - free market

1. Profit up

a. richest 200 cos profits +362.4%

b. Oil co mergers 146%+ profit

2. reduces competition

a. shared monopolies have common interests

b. interlocking directorates, shared ownership,

coordination of policies for creating corp environment

3. increases power of huge corporations over workers,

and unions,

a. strikes are ineffective when plants can

move to other states and foreign countries

b. fewer places to work if one is unsatisfied

c. threats of automation, changing product lines

4. weakens regulatory agencies that protect workers

and citizens

5. deforms democracy

a. threats to move, cut workforce, cut product lines,

b. presures local and state government to make

concessions

c. influence through lobbying, campaign financing

allows them to shape policies and programs

d. ownership of media give them power to shape

reality

e. creates a two-party system

I. Wealthfare in America

A. Rugged individualism for the poor, not the rich

1. colonial America

a. King George with direct giveaways to wealthy

British, huge tracts of land

b. who built America

i. forced slave labor in the southern colony

ii. indentured servitude, forced labor of debtors

2. revolutionary America

a. Constitution Article 4 section 2

b. taxes levied on small farmers to finance

commerce

c. taxes levied to create military for expansion into Indian territory, majority

of stolen land to rich speculators

d. high interest rates, high taxes, low prices

to farmers to force them off the land once they settled it

3. post-civil war industrializing America

a. millions of acres in land and loans to railways

b. federal bounties to settlers for killing predators

and scalping Indians

c. courts interpreted 14th Amendment to the

constitution as giving corps the right not to

pay for social costs of mining and deforesting

the environment

d. courts and the injunction, min hours, child labor, health and safety, disability

e. used Sherman Anti-trust law against unions

f. police and national guard to protect private property of owners

4. recent history

a. $20 billion satellite system to AT&T

b. $50 billion in oil reserves, synthetic rubber

plants developed in WWII

c. $97 billion to nuclear industry which is privately

owned and govt regulated

i. because nuclear energy is so expensive priv

corps want the taxpayer to pay for capital

expenditures for nuclear power installations

that will never be used

ii. nuclear cleanup will be $250 billion to the

same corps Westinghouse (CBS) and GE (NBC)

iii. typical we the people pay for development

through direct subsidy, then tax break, then

pay the cost for using, then pay the social and environmental costs

5. Current history

a. direct susidies, indirect subsidies, social and

environmental costs

b. direct subsidies total $150 billion each year

i. 26 billion annually in agricultural subsidies, incl tobacco (these go to large farms, over $1 million in worth and100,000 in income)

ii. 76 billion each year to R&D, electronics, biotech, pharmeceuticals, goes eventually to private corps

iii. USFS builds roads for timber companies ( $140 million) and sells lumber at below market price (loss of $31 million)

iv. US Bureau of Land Management leases

grazing land to ranchers for below market

price (loss of $52 million, 13 million acres

irreversibly degraded)

v. loss of $ 4 billion from underselling

water rights

vi. $70 billion to TV stations for new

spectrum TV

vii. $250 billion on new highways almost

nothing to mass transit

c. Indirect subsidy est by office of budget and

management at $440 billion a year

i. 93 billion each year spend by state, local, and federal government on highway construction and repair

ii.tax loopholes, incentives, deductions, exemptions, credits 1996 $440 billion lost in tax revenue

iii. oil and mineral depletion allowance

iv. tax credit to oil companies

v. cruise lines and their exemptions

d. Really ridiculous

i. 1.6 million to McDonalds to advertise chicken mcnuggets in Singapore

ii. 11 million to Pillsbury to promote the doughboy in foreign countries

iii. USAID 1 billion to corps to relocate, insurance

e. bailouts

i. Bailout Savings and Loan 500 billion

ii. Bailout Chrysler

iii. Bailout of Lockheed, after bailout, merged with Martin Marietta , paid administrative costs of merger, and a party

iv. $8 billion to IMF to offset bad loans, $20 billion to Mexico to guarantee payments to rst world mutualfunds investors, $40 billion o Korea**,** $20 billion to Russia

v. bailout of Hedge Funds - private investment pools for the wealthy

and institutions, make big plays on

stocks, currencies, and other markets

globally

Economic Power and the Political System

I. Foundational Documents -- ideals and reality

A.The Declaration of Independence and the Constitution

1. All men are created equal, not women, not blacks,

not native americans, not poor white males

2.All white males with extensive holdings in slaves, land, financial institutions

B. The Constitution, there was already a constitution,

Articles of Confederation

1. Just supposed to revise Articles not draw up

a new constitution

a. slave owners, financial interests, large agricultural interests and commercial interests

b. Two groups

i. Jeffersonians - wealthy farming interests

ii. Federalists - wealthy commercial interests

2. the new constitution

a. a strong centralized government

i. maintain rights of property, Article 4

Sec 2

ii. maintain, perpetuate, and enhance

the wealth of the new elite, Article 1

Sec 8

b. keep power out of hands of a minority

c. keep power out of the hands of the people

d. first 10 amendements which guarantee the

rights of the individual only added later when

the Constitution was in danger of not being

ratified

i. First Amendment

ii. Fifth Amendment (ambiguous)

'no person shall be deprive of life, liberty,

and property without due process"

iii. Fourth, Sixth

iv. Second Amendment

C. The Founding Fathers -Alexander Hamilton, secretary of Treasury, James Madison, need a form of government that keeps the wealth in the hands of the wealthy and away from the "covetous majority"

1. Protective tariffs

2. Provide protection for land speculators from

Native Americans (military conquest of Americas

paid for by people to benefit of wealthy)

3. taxation for commerce and infrastrucure

4. taxation for militia to put down poor people

revolts like the bread riots, Shay's rebellion

D. Class conflict

1. "Madison urged ratification (of the constitution) on the grounds that the new government would be able to contain class conflict, which came from "the various and unequal distribution of property"

2. Hamilton: "All communities divide themselves into the few and the many. the first are the rich and well-born, the other the mass of people . . . Give therefore to thefirst class a distinct permanent share in the government."

II. Economic Power and the Deformation Representative Government

A. Voting, two comments

1. "If you don't vote, you don't have the right to

complain"

2. "If voting changed anything, they would outlaw it."

B. What would make number one both naive and wrong

1.uninformed public

a.don't know candidates commitments

b.when the public is not able to determine its own

interests

2. candidates don't represent viable alternatives, limited

candidates, a = b

a. limit to two parties

b. other parties

3. requirements exclude candidates who might

represent our interests better

a. money

b. ballot regulations and restrictions

4. force, coercion, killing opposition, threats

5. voting requirements exclude important segments of

the electorate

C. US do any of these apply - several

1. Republicans and democrates decide who gets on the

ballot

a. number of signatures on petition

b. amount of time to collect signatures

c. fee amount for running

d. can challenge every name

2. Who gets to vote?

a. method of registration

b. location of polls

3. Two parties determine debates

a. form debate takes

b. debators

c. who gets to watch the debates

4. Public office has become a commodity, it requires

huge sums of money to run for any position - state

federal, and even local

5. TV and the political system

a. campaigning is done via commercial, the

30 second presidency

b. corporate media loves this increases revenue

c. 1996 NPR $2 billion

II. Vital “Needs” of the Wealthy

A. What do they want and do they get it?

1. wealthy individuals

a. lower personal income tax

b. eliminate estate tax

c. eliminate capital gains tax

d. tax loopholes

2. corporations: “wealthfare”

a. tax credits and tax havens

b. government subsidies: $450 billion

c. government contracts: $200 billion

d. deregulation

e. privatization of everything

f. environmental and social costs of operating to

people

g. globalization: NAFTA, GATT, FTAA

4. Heel, Rollover, Fetch, Sit, Beg, Jump

a. Rep Bill Thomas (RCA) against patient protection

and holding HMOs accountable - $500,000 from

health care industry

b. Sen Chris Dodd (DCT) loosen laws on securities

fraud - $900,000 from securities industry

c. Sen John Breaux (DLA) undermine environmental and safety standards in oil and gas industry -$276,000 from energy industry

d. Rep Charles Stenholm (D-TX) blocked proposals

to make food safer - $226,000 from pesticide and

related industries

e. 2senators and rep from Alabama weaken mobile

home safety $130,000 from mobile home industry

I. Two factions of the business party - wealthfare

A. Gov subsidies to corporations about $450 billion per year

1. Types of subsidies and industries

a. $172 billion to Pentagon that evaporates in

fraud or waste

b. $7.1 billion research, fuel, and waste

c. $60 billion agriculture subsidies: 90% to largest

farms in latest Farm Bill 2002

d. $8 billion a year to media

e. aviation industry

i. $5.5 billion annually

ii. post-911 $5 billion + $10 billion loan

iii. fire 100,000+ guaranteed CEo

f. mining subsidies $3.5 billion

g. timber susidies $5 billion

i. USF guarantees profit to LP in Tongass

until 2019

B. Subsidies take different forms

1. direct

a. commercial ship subsidies $1 billion

b. auto subsidies $333 million to GM

c. adv tech subsidies $221 million, GE, IBM,

United, Xerox, Dupont to increase competitiveness

d. 1.1 million to McDonals to promote chicken

McNuggets in Singapore

e. 11 million to Pillsbury to promote the

Doughboy in Europe

f. USAID $1 billion to corps to relocate and insurance

g. $1.1 billion export subsidy for marketing

agricultural products abroad

h. Charles Schwab billionaire $500,000 private

duck club

2. Indirect subsidies

a. R and D $72 billion

i. 15 of 21 drugs with highest

therapeutic value developed between 1965 and 1992 funded by public not drug companies

ii. Pharmeceutical Taxol and Xalatan

iii. Rand D

\*Taxol $32 m and Xalatan $4m publicly funded research through NIH

\*Taxol exclusive rights royalty free to market if they did clinical testing

\*$52.50 to produce shot, selling for

$1,023

\*1995 profit $480 million

\* temporarily "reasonable pricing rule"

eliminated

\*$1 billion in 1998

\*We are bringing forth innovation and

innovation always brings a premium."

\* US law says US govt can share with

other countries drugs it invents

\* US Clinton govt with Gore as lead

person lent their power to corps

\*tried to undermin WHO resolution

"ensure that public health interests are

paramount in pharmeceutical and health policies

\* election year arriving, this doesn't lookgood ok

\* during 2 years US and corps block 300,000 S. Africans died

more

\* S. Africa with huge Aids population

attempted to get drug from other

sources more cheaply

\*BMS and 39 other major drug cos

sued in S. Africa court

c. wealthy income tax trend

i. tax cut for wealthy

ii. eliminate estate tax

iii. cut capital gains

iv. cap on social security

d. corporate income tax trend

b. corporate tax breaks

i. Oil, mineral, and gas depletion allowances

$2.4 billion per year

ii. tax avoidance transnationals $12 billion

\*Siemens

c. tax credits

i. oil

\*$ paid Saudi Arabia for oil classified

as income tax

\*viewed as tax credit by IRS

ii. R and D

iii. Work Opportunity Tax Credit

\*$2400 to Mc for every low income

worker hired

\* training in skill!

\* 1996 $385 million

d. tax loopholes

iRoyal Caribbean and Carnival

\*. 1998 Carnival $1 billion in profit 1% tax

\*. RCC $657 million 0 tax

\*. Corp officies in US

\*. 90% of passengers in US

\*. use US infrastructure - ports, harbors etc

\*. violate minimum wage laws

\* violate environmental laws

\* escape nearly $20 million in immigration fees each year

\*Carnival has monopoly on wilderness Glacier BAy National Park even though sited for dumping

\*. law allows them to fly under Panamanian flag and pay Panamanian tax so they don't have to pay US income tax

\*. even though foreign have a PAC and lobbyist

ii. insurance loopholes $7.6 billion

\*Wal-mart

iii. tax havens

\*change address to Bermuda

\* buy a post office box

\* reincorporate in Bermuda

\*escape US taxes

3. public resources through private conduits

a. Mining Act of 1872

i. anyone incl foreign corps can search for

minerals on public land

ii. can "patent" the claim meaning use it as long as they are mining it

iii. for 1872 price which is never more than $5 an acre

iv. given away 3.2 million acres

v. extracted since '72 $245 billion, between

1987 and94 $26b

vi. not one penny in royalties

vii. and no reclamation is required $52 billion or $2.6 billion per year for 20 years

viii. and they get a reclamation deduction

ix. 1987-94 $17m in campaign (Nat Mining Ass)

b. BLM underselling water loss $4 billion

c. BLM selling grazing rights at one tenth of market

value

d. Telecommunications Act of 1996

. WSJ paraphrase closed door arrangement between corps and congress, the best deal money could buy for everyone but the consumer

. $30 million in lobbying

. concentration of ownership

i. media per area

ii. cable ownership

. $70 billion in digital spectrum

. digital is law of the land 2006, so much for

free market and supply and demand

e. privatize everything: Water Investment Act

. money to upgrade and expand municipal

water supply

. “condition” must consider privatization

. subsidies to companies

. already done this

. cut workers

. cut wages

. raise rates

. cut service SA cost + or no service

100,000 dead of cholera

. seek to own Ogallala Acquifer and James Bay

4. huge military

a. increase under Carter and Clinton

b. Gore promised to increase it

c. $400 billion Bush’s war on terrorism

d. subsidy to military-industrial complex

e. refuse to sign international arms agreeements

f. government subsidizes sales if country can pay

5. globalization

a. support of multinational corporate empire

i. support GATT and NAFTA

ii. WTO

iii. FTAA

iv. Ch 11

v. cigarettes to SK and Taiwan and Thailand

vi. intervention on behalf of pharmeceuticals

b. intervention politically and militarily

i. Latin America Guatemala, Nicaragua,

El Salvador

ii. Asia Philippines, Indonesia, Vietnam,

South Korea,

iii. ME Egypt, Israel, Saudi Arabia, Iran, Iraq,

Afghanistan, Turkey

c. refuse to join the rest of the world in global

treaties “might hurt our economy”

6. cut back on welfare and rhetorical emphasis on self- reliance poor, handicapped, mentally retarded, and children

a. Jimmy Carter

b. Bill Clinton

c. George Bush

. cut $35 m for pediatric training of doctors

. cut $39m for funding public libraries

. reduced funding for Community Access Program

by 86%, help people w/o health care

. cut $200 m from work training programs for

displaced workers

. cut $200 m from Childcare and Development grant

. cut $15.7 m from programs dealing with child

abuse and neglect

7. Social costs to people

a. nuclear industry

b. auto industry

c. bailouts

i. hedge funds are private investment pools

for wealthy and institutions, make big plays

on stocks, currencies, an other markets

Long Term Capital Management

ii. Chrysler

iii. Savings and Loan - $32 billion for

30 years

iv. Bailout Lockheed, paid for costs of

merger and party

v. Bailout Mexico or first world investors

d. fossil fuel

e. cigarettes

F. Regulatory agencies

1. regulatory agencies

a. established by Congress to regulate economic

activity

b. delegation of responsibility

c. first was during age of the Robber Barons

1887 ICC to control price fixing and unfair

practices of nation's railroads

d. today ICC regulates all surface transportation

effecting interstate commerce

e. other SEC regulates stocks and bonds, and

the Federal Reserve Board which regulates federal

banks and the nation's money supply

2. some of the most important OSHA, EPA, FDA are not

just concerned with one area of economic activity but

with business in general

a. OSHA regulates job safety,

b. EPA regulates industrial pollution

c. FDA

d. FCC

e. SEC

3. Regulatory agencies have executive function, but also

legislative and judicial

a. issue regulations and determine whether they

are followed

b. power to issue citations, collect fines, and

recommend criminal prosecution

4. Limits are obvious

a. subject to political pressure, commisioner to newer one's can be replaced by President

b. dependent on staffing and funding to carry out

their operations

c. revolving door between industries and agency

d. accept cost-benefit analysis, it is too expensive

to comply

5. Results

a. EPA

i. cut back in 80s of over $1 billion in funding

ii. loss of 750 staff members,

iii. depend on voluntary reporting by some 100,000 corps

iv. collect only 20% of fines in one 13 yr period

iv. issue "exemptions" to regulations

v. fail to even follow their mandate, ie,

air pollution

vi. fail to fine violators, 663 violations of

pesticide laws only 42 fined

b. FDA, food and drug administration

i. accept drug company tests to justify

marketing drug

ii. too few inspectors for meat packing,

at the most every two years, call ahead

iii. commissioner with no mandatory recall

powers

c. OSHA

i. 70% of inspections discover sanitation

violations, no fines for first time

ii. too few inspectors

iii. death via "willful" violation, 6 mos

I. The Congress - the legislative branch

A. spends most of its time enacting legislation that has to do with property rights and wealth

1. laws for investing, disposing, and transferring

wealth

2. the redistribution of revenue through funding

3. taxation

B. Congress -- the best that money can buy, who is

representing us

1. 88% white male, lawyers, entrepeneurs, business,

no blue collar or working people

2. costing more and more to run at all levels

C. Structure -- 241 subcommittes, "sovereign states -- they are separate structures of power that tend to monopolize decisions in specific areas for the benefit of specific groups

1. Interest group money goes to those sitting on

relevant committes, not tied to communities they

represent

2. Sit on committees in which they have financial

interests, defense, agriculture

3. Lieberman money from insurance, health care, finance, hi-tec, pharmeceuticals

a. Head of Democratic Leadership Council

b. legislation to protect HMOs from laws suits

c. against treating stock options as income

d. doubl research to hi-tec

e. tax credits for corporate research

f. visas

g. tort law

D. legislative labyrinth

1. get this and it can be killed or changed on the way

2. committee - subcommittee - lost forever, changed, gutted- back to committee -- Rules committee -- House 2/3rds to take it to vote -- debate and vote -- if it passes final House vote then to Senate -- committee/sub -- where it can be changed, gutted, lost--if it is not in tack then a combined committee of the Hous and Senate

3. Nafta - fast track - two thousand pages - two days of

debate - bam

4. 1999 post-Columbine gun control legislation

a. Senate passed bill to tighten gun control

ownership

b. by the time the same bill is voted on in the

House it has been so changed that it loosens

gun control laws

5. Reorganizaing IRS

a. begins as a bill to limit the IRS s seemingly

unlimited power

b. as an attachment giving estates worth over

17 million a tax break that will decrease

revenue by 500 million dollars over 10 years

c. limits benefits to injured veterans

I. Bias of the system - solving the problem

A. Political system and media

1. Fully publicly funded campaigns

2. Equal and free access to television and radio

3. Eliminate political advertising

4. Eliminate Republican and Democrat control of FEC

5. Universal standards for voting machines, registration, justification for purges, a holiday for voting

6. Monitor elections for civil rights violations:

penalties

7. less concentration of ownership in the media

8. become a better informed and more active citizen

a. identify your vital interests

b. find political parties and organizations that represent your interests

9. low watt radio stations for communities

10. Resist all efforts for government secrecy: democracy is only a democracy if the actions of the representatives are transparent

B. Economic system

1. Use the state charter system to control corporations

2. No government contracts or subsidies to

companies that move jobs overseas or create

tax havens in Bermuda

3. Use the Sherman Anti-trust law to keep corps

from merging, and use it to break up huge

conglomerates

II. The bias of the system: What do the wealthy and powerful want and do they get it?

A. Two factions of the business party: wealthfare

B. Wealthfare $450 billion per year of subsidies

C. Form of subsidies

1. to industries

a. $60 billion to agriculture

b. $5.5 billion to aviation

c. $3.5 billion to mining

d. $5 billion to timber

e. $1 billion to commercial shipping

f. $ 100 billion to defense industry

g. $ 8 billion media

h. $ auto

2. ADCW - direct, MCDonalds, Pillsbury, USAID,

Schwab

3. ADCW - indirect

a. R&D $72 billion

b. income tax

c. corporate income tax

d. tax breaks

e. tax credits

f. tax loopholes

4. Donations to wealthy: public resources for free

a. Mining act of 1872

b. BLM

c. Telecommunications Act of 1996

d. Water Investment Act

5. A huge military

6. Globalization

a. GATT, NAFTA, FTAA

b. intervention

7. Costs of capitalism to people

a. nuclear industry

b. auto industry

c. bailouts

d. Barracks Gold

8. refuse to subsidize

a. health care

b. mass transit

c. clean energy

d. income for poor

e. education

D. Wealthfare and regulation

1. regulatory agencies and their function

a. regulate certain economic areas

b. or broader areas of society

c. welfare of the people

d. examples: EPA, FDA, FCC

2. Bias

a. top administrators are appointed

by president

i. appoint people from industry

itself

ii. or former lobbyists or lawyers

b. staffing and inspection dependent on

funding by Congress

c. limit power

i. to recall

ii. to fine

3. USDA and meat inspection

a. no mandatory recall of contaminated

meat even with e coli

b. not required by law to make public

where it sent contaminated meat

c. Hazard Analysis and Critical Control

Points shifts inspection to company

d. Supreme Beef Processors vs USDA

i. leading supplier to school lunches

ii. overturned salmonella limits

iii. legal to sell ground beef contaminated with salmonella

iv. even though there is anti-biotic

resistant strain

e. dangers

i. 110,000 sickened by various forms

of e coli

ii. 1.4 million sickened by salmonella

f. ConAgra

i. 19 million pounds of contaminated

meat - e coli

ii. symptoms vomiting and defecating

blood

iii. voluntary recall delayed

iv. refuse to make public who it was

shipped to

v. not fined

4. Bias of the system

a. $600,000 to Bush in campaign financing

b. appointed Dale Moore chief staff in

D of A former lobbyist for NCBA

C. Appointed Elizatbeth Johnson advisor associate Director of food policy NCBA

D. Mary Waters legislative counsel for

ConAgr USDA rep for Congressional relations

Free Speech: Second Thoughts on the First Amendment

I. the First Amendment

a. congrss shall make no law respecting an establishment of

religion, or prohibiting the free exercise thereof: or abridging

the freedom of speech, or of the press; or the right of the people peaceable to assemble, and to petition the goverment

for a redress of grievances.

B. Bill of Rights was added in 1791 when the Constitution

was meeting with difficulty in getting ratified

C. However, in 1798 Congress passed the Alien and Sedition Acts

1. alien Act gave the president the power to deport

"all such aliens as he shall judge dangerous to the peace

and safety of the US.

2) the Sedition Act provide that "if any person shall write

print, utter or publish . . .any fals, scadalous and malicious writing or writings against the government of

the Congress of the US or the President of the US with

intent to defame or to bring either of them into contempt

or disrepute" such persons could be fine 2000 or jailed

for two years

C. Really worried about "French apostles of sedition . . . enough

to burn all our cities and cut the troats of all the inhabitants

D. Also the Irish who were fighting their own revolution

against the English

E. Keep those revolutionaries out

F. Sedition -- prosecuted editors of the opposition party.

1. Adams was a federalits, opposed by republicans

2. Ten men, one was convicted for writing, "every

consideration of public welfare was swallowed upt in

a continual grasp for power . . .

G. courts upheld this on the grounds of English common

law, no prior restraint, "but if he publishes what is improper

mishcievaous, or illegal, he must take the consequences of

his own timerity"

H. Not even true, courts stop publication, or edit several books

on the CIA on the grounds of national security

II. Political dissent

A. Espionage Act of 1917 - twenty years - while the country is

at war "shall wilfully cause or attempt to cause insubordination, disloyalty, mutin, or refusal of duty in the

military or naval forces of the US, or shall wilfully obstruct

the recruiting or enlistment service of the U.S."

B. Charles Schenck distributing leaflets against conscription,

Oliver Wendell Holmes "can't shout fire in a crowded room"

"clear and present danger"

C. Eugene Debs during the war "Wars thoughout history have

been waged for conquest and plunder . . .And that is war in

a nutshell. The master class has always declard the wars; the

subject class has always fought the battles." 10 years

D. the Smith Act extends provisions of Espionage Act which is

still on the book to peace time

1) 1941 Socialist Workers Party -- socialist writings

2) After war the Communist Party, not clear and present,

but future, Marx's writings

E. Banned Zuhdi Terzi, PLO, Noble prize-winning author,

Gabriel Garcia Mrquez, Itlalian playwright Dario Fo, a list

of 40,000 names, who were to be kept out of the country

III. The question of the right to organize

A. Don't count on it, ambiguous, "precedent"

B. Okay for Jehovah's witnesses and anti-Semitic preacher,

but not if your protest challenges power relationships

C. Supreme Court doesn't need to hear your case, need four

justices

IV. States abridgement of Free Speech

A. Capital punishment in LA and GA distributing anit-slavery

literature

B. 1894 14th Amendment did not restrain state from

forbidding public speaking in public parks or thoroughfares

C. 1925 the Supreme Court revised its ruling and said

that the Fourteenth Amendment kept the states from

overriding the First Amendment

V. Free Speech at work

A. Corporate empolyees do not enjoy, and have never enjoyed

such basic guarantees of the Bill of Rights as free speech,

free press and due process of law -- at least, in activities

that concern their employers. David Ewing Harvard Business

REview

B. NLRB, is a rubber stamp for corporations,

C. Jonathan Kozol

D. Private colleges and their institutions exempted from First

Amendment

VI. Secret police and counterintelligence

A. FBI

1. Files on John Steinbeck, Ernest Hemingway, Sinclair

Lewis, Tennesse Williams, William Faulkner, Pearl Buck

Why? "propaganda for the white man's acceptance of the Negro as a social equal.

2. Security Index, 15,000 people to be put in

detension camps in case of National emergenvy, repealed

in 1971, but FBI continued index.

3. killing Fred Hampton

4. Harrassment of Martin Luther KIng and their attempt

to neutralize him "No holds were barred. We have used

similar techniques against Soviet agents. We did not

differentiate. This is arough, tough business." William

Sullivan, FBI, man in charge.

VII. Taking our rights

A. "In our country we have those three unspeakably precious:

things: freeom of speech, freedom of conscience, and the

prudence never to practice either."

B. Significant speech, political, at work, Larry Flynt, great

case, yes free speech for pornography, we must have

free speech.

C.. this is always the price of liberty -- taking the risk of going

jail, of being beaten and perhaps being killed.

Justice for Janitors

I. Situation

A. Declining wages and benefits

1. 1983 $7.07 ($11.90) and ful health ins for their families

2. Within a few years $4.50($6.65) and no health ins

B. Reason

1. large real estate owners contracted cleaning services out

to building service contractors

2. contractors competed for contracts by underbidding which

meant cutting wages

3. union would go to owners they would say not our responsibility,

then union would go to contractors who would say owners don't

pay enough

4. owners making tons of money with real estate boom

a. Equity Offic Properties Trust $431 million in profits

II. Justice for Janitors Campaign

A. April 3, 2001 strike janitors in LA

B. expanded strike to LA county

C. support of local officials, church leaders

D. won contract Aprill 22

1. 22 to 26% raise over next three years

III. Nationwide

A. eventuall 100,000 janitors in 30 different real estate markets

B Chicago wage increases and ins benefits

C. Cleveland wage increases and more full time jobs

+ $7 to 9,000 per year

D. Hartford

IV. Method

A. Building strong support in community c. civil disobedience

B. direct action

Living Wage

I. Situation

A. Possible to work full time and be below poverty level

B. have no benefits

C. Increasing number of working poor, moonlighting, working

homeless

D. minimum wage is arbitrary and falling 40% no net for security

II. Assumption

A. Labor should be paid a living wage, a wage that keeps them above

the poverty level

III. Goal

A. Firms with city contracts should pay their workers a living wage

B. private businesses that benefit from public money should pay

a living wage

C. Enough to bring a family of four above the poverty line $8.20

D. included are businesses which ge tax abatements and development

subsidies (Padres)

III. The living wage movement

A. Baltimore in 1994

B. Six years later 53 living wage ordinances on the books in the US

C. 75 campaigns are underway right now

D. Broadening

1. states

2. universities

3. federal living wage

4. raise minimum wage

5. place based

IV. Method

A. Association of Community Organizations for Reform Now (ACORN)

1. leading coalitions in nine cities

2. set up Living Wage Resource Center

3. labor union, community groups, civil rights groups,

religious groups, social service advocates

B. ballot initiative

C. identify workers and build alliances

D. Chicago

1. home health care workers ACORN + SEIU $5.30 to $7.60

E. Santa Cruz

1. $11 if benefits, $12 if none

F. San Francisco

1. 22,000 workers

I. Inequality, political policy, mass media vs vital interests

A. Can Americans determine what policies are in their

Interests and what policies are not?

B. Alabama

1. Most regressive state tax system.

2. More regressive than neighbors: Georgia and Miss

3. Meaning

a. impact on poor is most harsh

( family of four pays tax even if income is $4500)

b. impact on wealthy is least

4. Consequences for State

a. increasing debt

b. decreasing ability to provide social services and

education

5. Fundamentalist Conservative Republican governor

a. tax system: unfair and un-Christian

b. it will get worse for poor

c. restructure tax code

d. like neighbors

6. Backlash

a. unfair to wealthy and corporations

b. heavy advertising (out of state $)

7. The vote

a. poor: voted against restructuring tax code

i. continued lower taxes for wealthy

ii. increasingly underfunded schools

iii. decrease in social services

e. why?

i. most of poor got info from tv: news and

advertising

ii. high per cent of illiteracy because of poor

schools