



Vol 5, #4

Spring 2013

# Justice Rising

Grassroots Solutions to Corporate Rule

## Money in Democracy Part 3

### Policy Makers: Committed to Public Values or Corporate Agendas?

A society that loses the capacity for the sacred, that lacks the power of human imagination, that cannot practice empathy, ultimately ensures its own destruction.

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Industries "capture" regulatory agencies by securing appointments of their representatives to the agencies themselves.

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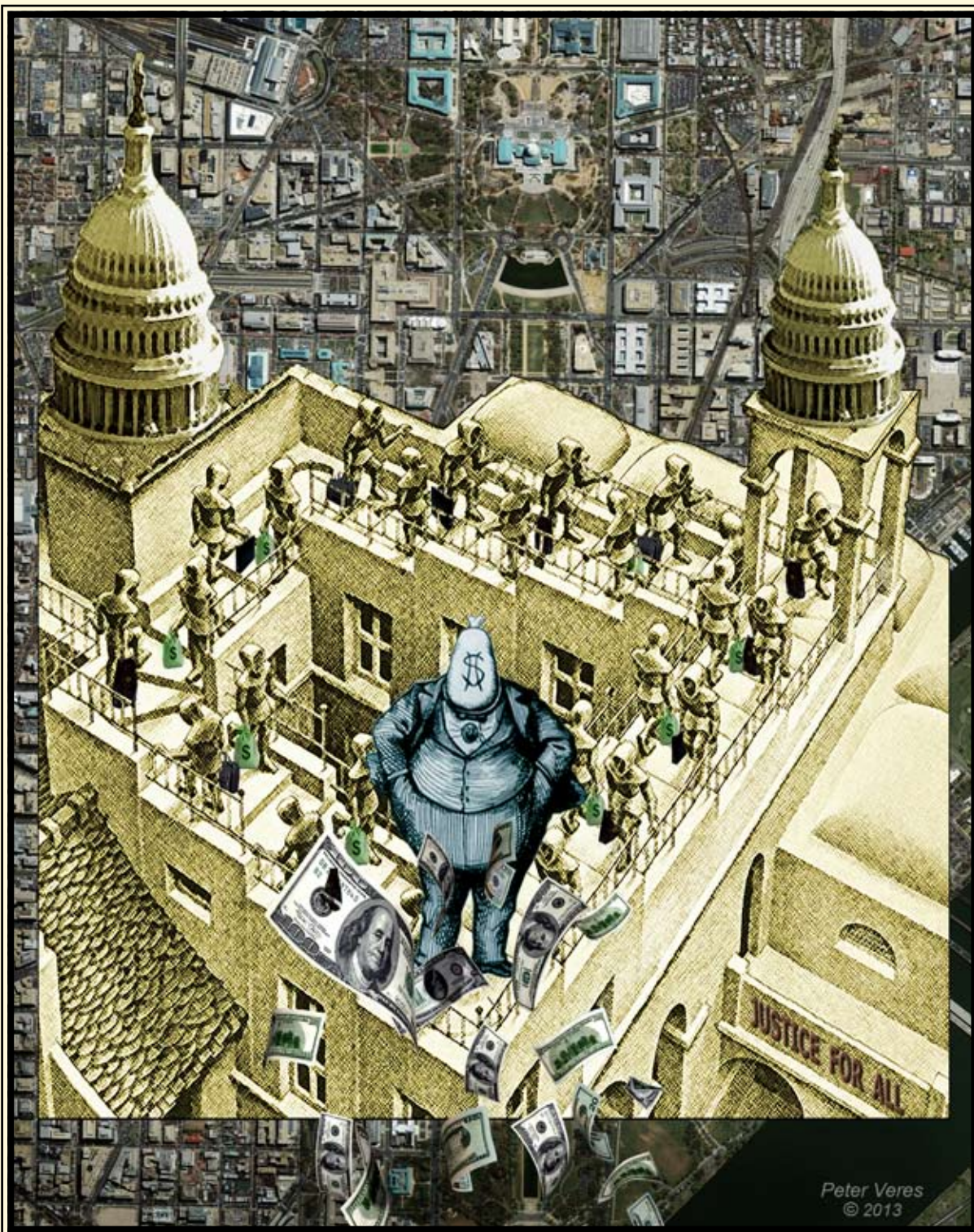
Think tanks have become essential vehicles of business propaganda and policy marketing.

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We must rapidly shift from a thing-oriented society to a person-oriented society.

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A Publication of  
Alliance for  
Democracy







**Alliance for Democracy (AfD)** • Since 1996, AfD has brought people together to end domination of our culture, economy and politics by large corporations and the wealthy 1% and create real democracy. From our local to national campaigns, AfD works to realize Ronnie Dugger's dream of building a strong national people's movement to end corporate power and rule that he envisioned in "A Call to Citizens: Real Populists Please Stand Up!," *The Nation*, August 14/21, 1995, and led to AfD's founding. Join with us by calling 781-894-1179 or email [afd@thealliancefordemocracy.org](mailto:afd@thealliancefordemocracy.org) or visit our website.

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**AfD is a founding member of Move to Amend** • MTA's We the People Amendment of the US Constitution, which makes it clear that only humans—not corporations—have rights under the Constitution and that money is not speech, has been introduced in the House of Representatives. See [www.wethepeopleamendment.org](http://www.wethepeopleamendment.org)



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# Policy Makers

## Committed to Public Values or Corporate Agendas?

by Jim Tarbell

Corporate rule depends on government enacting corporate-friendly policies. To achieve this, economic elites use three basic strategies:

- They finance political candidates committed to corporate agendas (see [Money in Democracy Part 1](#));
- They hire former government policy makers to be their lobbyists (see [Money in Democracy Part 2](#));
- They have people appointed to government policy-making positions who are dedicated to corporate agendas.

This last strategy has been entrenched since George Washington appointed his wealthy compatriots to the first Supreme Court and made the scion of big New York and British money, Alexander Hamilton, the first Secretary of the Treasury. Two-and-a-quarter-centuries later, this model's effectiveness is still being demonstrated by the Supreme Court whose corporate-lawyer majority eliminated restrictions on campaign finance; by corporate CEOs Dick Cheney and Don Rumsfeld who privatized the military; and by Tea Party congressmen who hire corporate lobbyists as their Chiefs of Staff and block legislation dealing with the disaster of climate change.

Revolving-door appointments are such an obvious benefit to corporate elites that filling a key government position with a corporate advocate will measurably raise a corporation's stock price. The whole system is so entrenched in Washington that Jesse Eisinger of Pro Publica recently concluded an article in the *New York Times* saying,

*Washington today resembles something like the end of Animal Farm. People move from one side of the table to the other and up and down the Acela corridor with ease. An outsider looking at a negotiating table would glance from lobbyist to staff member, from colleague to former colleague, from pig to man and from man to pig and find it impossible to say which is which.*

On top of this, corporations use government service as a training school for their future lobbyists. This is particularly obvious when former members of Congress and their staff become highly-paid corporate lobbyists who then get their old Congressional buddies to enact policies favorable to the corporate agenda.

The political culture in Washington DC has failed to institute polices capable of ending the damage caused by this revolving door. In 2009 President Obama tried to prevent corporate capture of federal agencies by proclaiming a screen against appointing representatives of special

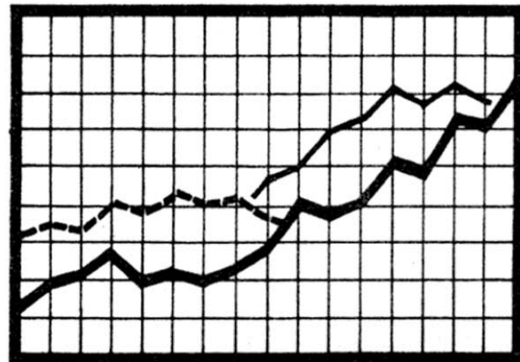
interests to positions within his administration. In his second term, however, these screens — although a beginning in fixing the problem — have not prevented him from appointing agency heads like Citigroup top manager Jack Lew to Treasury; former Wall-Street, corporate lawyer Mary Jo White to the Security and Exchange Commission; Hyatt Hotel heiress Penny Pritzker to Commerce; and corporate energy-funded professor Ernest Moniz to Energy.

How can we make sure that we have public servants who see the forest for the trees and not as a corporate profit line? How can we end the merry-go-round depicted on the cover of this *Justice Rising* where corporate minions stroll around Washington carrying briefcases filled with corporate policies in one direction and policies profitable to their corporate overlords and themselves in the other direction?

Those are the questions and scenarios that we investigate in this *Justice Rising*. We highlight the words of Martin Luther King who in 1967 called for a “radical revolution of values” to “rapidly shift from a thing-oriented society to a person-oriented society.” Our failure to implement such a radical revolution of values over the ensuing 45 years leads Chris Hedges to declare our corporate-driven initiatives “insanity.” He implores our government to stop these policies of “craziness” and move toward a culture that values the sacred nature of life and promotes the ongoing health of the natural world and our place within that great system.

We have to move our political culture away from corporate agendas before it ruins life as we know it. We can do this by creating a corps of public policy makers dedicated to principles that benefit both people and the planet and by instituting a separation between corporations and State. To get this done, we have to exert people power demanding that government be committed to public values not corporate agendas.

**He implores our government to move toward a culture that values the sacred nature of life and promotes the ongoing health of the natural world and our place within that great system.**



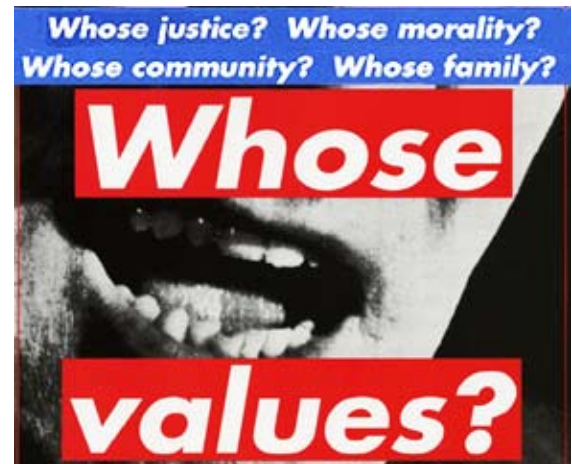
IT'S ALL IN HOW YOU LOOK AT IT... *JD*

graphic: John Chamberlin

# Policy Makers Are Driving Us Crazy

by Chris Hedges

*This is an excerpt from Welcome to the Asylum by Chris Hedges published on April 30, 2012 on Truthdig.com*



**Rebuilding this older vision of community, one based on cooperation rather than exploitation, will be as important to our survival as changing our patterns of consumption, growing food locally and ending our dependence on fossil fuels.**

When civilizations start to die they go insane. Let the ice sheets in the Arctic melt. Let the temperatures rise. Let the air, soil and water be poisoned. Let the forests die. Let the seas be emptied of life. Let one useless war after another be waged. Let the masses be thrust into extreme poverty and left without jobs while the elites, drunk on hedonism, accumulate vast fortunes through exploitation, speculation, fraud and theft.

The quest by a bankrupt elite in the final days of empire to accumulate greater and greater wealth is modern society's version of primitive fetishism. This quest, as there is less and less to exploit, leads to mounting repression, increased human suffering, a collapse of infrastructure and, finally, collective death. The World Health Organization calculates that one in four people in the United States suffers from chronic anxiety, a mood disorder or depression—which seems to me to be a normal reaction to our march toward collective suicide.

When the most basic elements that sustain life are reduced to a cash product, life has no intrinsic value. The extinguishing of societies defined by animism and mysticism, that celebrate ambiguity and mystery, that respect the centrality of the human imagination, removes the only ideological counterweight to a self-devouring capitalist ideology. Those who structure themselves around a communal life and self-sacrifice rather than hoarding and wage exploitation, can not be accommodated within the ethic of capitalist exploitation, the cult of the self and the lust for imperial expansion.

Rebuilding this older vision of community, one based on cooperation rather than exploitation, will be as important to our survival as changing our patterns of consumption, growing food locally and ending our dependence on fossil fuels. Pre-modern societies did not subordinate the sacred to the technical. The deities they worshipped were not outside of or

separate from nature.

The conflation of technological advancement with human progress leads to self-worship. Reason makes possible the calculations, science and technological advances of industrial civilization, but reason does not connect us with the forces of life. A society that loses the capacity for the sacred, that lacks the power of human imagination, that cannot practice empathy, ultimately ensures its own destruction. The Native Americans understood there are powers and forces we can never control and must honor. They knew, as did the ancient Greeks, that hubris is the deadliest curse of the human race. This is a lesson that we will probably have to learn for ourselves at the cost of tremendous suffering. It is the self-deluded, those on Wall Street or among the political elite, those who entertain and inform us, those who lack the capacity to question the lusts that will ensure our self-annihilation, who are held up as exemplars of intelligence, success and progress.

All that concerns itself with beauty and truth, with those forces that have the power to transform us, is being steadily extinguished by our corporate state. Art. Education. Literature. Music. Theater. Dance. Poetry. Philosophy. Religion. Journalism. None of these disciplines are worthy in the corporate state of support or compensation. These are pursuits that, even in our universities, are condemned as impractical. But it is only through the impractical, through that which can empower our imagination, that we will be rescued as a species. The prosaic world of news events, the collection of scientific and factual data, stock market statistics and the sterile recording of deeds as history do not permit us to understand the elemental speech of imagination. We will never penetrate the mystery of creation, or the meaning of existence, if we do not recover this older language. Poetry shows a man his soul, and it is our souls that the culture of imperialism, business and technology seeks to crush.

*Chris Hedges worked 15 years for The New York Times as a foreign correspondent. He is now a fellow at the Nation Institute and writes a weekly column at truthdig.com.*





# The Power Elite

by G. William Domhoff

An intertwined social upper class and corporate community, working through a leadership group called the power elite, are far and away the dominant power factor in the United States, as most directly evidenced by their disproportionate amount of wealth and income; by their predominant role in financing moderate and conservative political candidates in both political parties; by their over-representation in key positions in the executive branch of the federal government in both Democratic and Republican administrations; and by their lobbying victories in the decision-making arenas of the federal government on a wide range of issues of direct concern to them. Members of the power elite, who speak for the upper class and the corporate community, work through nonprofit policy-planning and opinion-influencing networks.

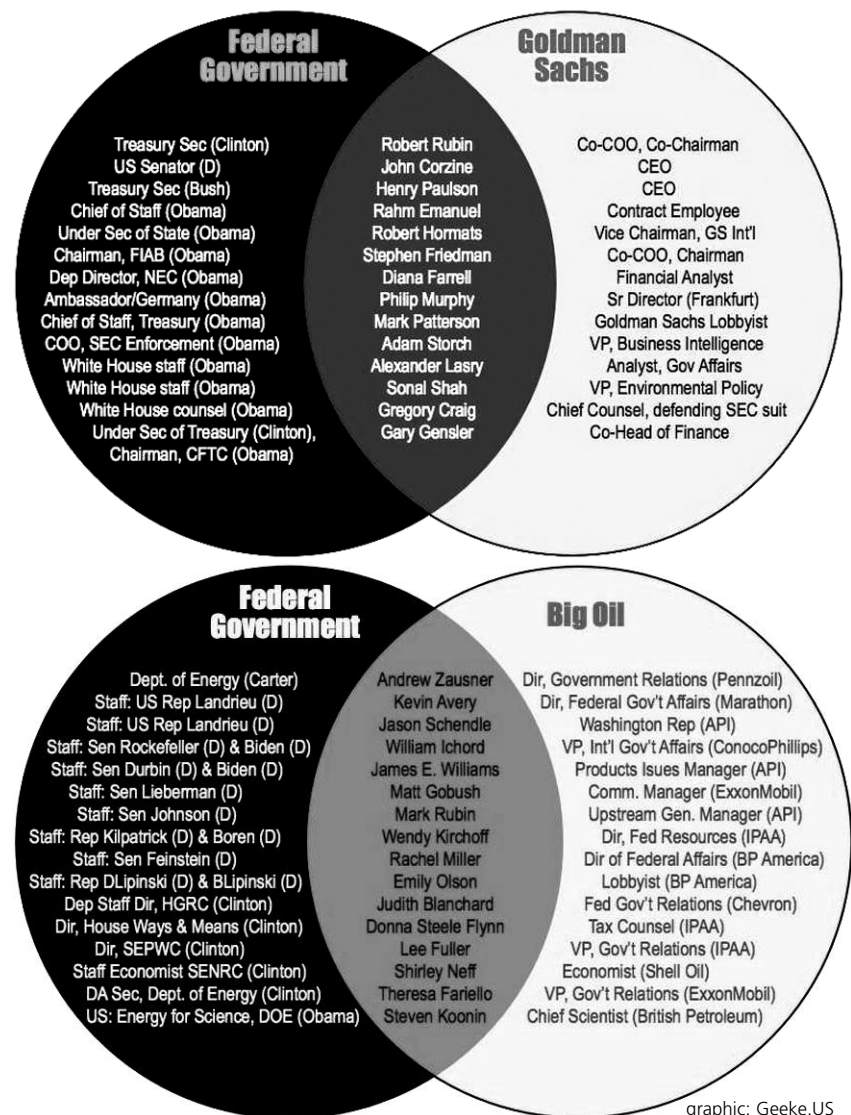
Studies reveal there is an overlap between the directors of the interlocked corporations and membership in the interconnected social institutions that constitute the upper class, which demonstrates that the corporate community and social upper class are by and large two sides of the same coin. In terms of the critical issue of how the social upper class/corporate community is able to organize in order to influence government, the upshot of these studies is that social cohesion facilitates political and policy cohesion when members of the upper class and corporate executives gather in more formal settings.

Detailed tracings of the linkages among individuals, institutions, financial donations, and policy proposals demonstrate the existence of a nonprofit, nonpartisan policy-planning network — made up of dozens of foundations, think tanks, and policy-discussion groups — that is financed and directed by corporate leaders. This network strives to formulate policies concerning the general interests of the corporate community. The policy-planning network focuses on policy makers in the White House, relevant Congressional committees, and the high-status newspapers and opinion magazines published in New York and Washington.

Think tanks are best exemplified by one of the earliest, The Brookings Institution, founded in 1929, which has steered right and left of center in its long history, and by the American Enterprise Institute, which came into prominence in the 1970s as an ultraconservative counter to the government-oriented solutions to social problems. The key policy-discussion groups, which bring together corporate leaders, experts from think tanks and universities, journalists, and current and former government employees for sustained consideration of specific issues, include the Council on Foreign Relations,

the Committee for Economic Development, and the Conference Board. These corporate leaders who are members of policy-discussion groups are more likely to be tapped for government service than other corporate leaders, suggesting that such groups are a proving ground as well as an educational forum. The discovery of a general policy-planning network with many nested networks within it makes it possible to explain how most of the major new government initiatives of the 20th century were developed.

*G. William Domhoff has been teaching at the University of California, Santa Cruz, since 1965. He is the author of the book and website Who Rules America. This is an excerpt of an article "The Power Elite and Their Challengers: The Role of Nonprofits in American Social Conflict," American Behavioral Scientist 52:955-973, 2009.*



graphic: Geeke.US

# Congress to K Street

by Donny Shaw

Corporations have many options for using their money to influence Congress — direct campaign contributions, SuperPAC funding, hiring lobbyists, funding political non-profits, and more. These tools alone give corporations a big advantage over ordinary citizens when it comes to influencing policy outcomes, but they are all amplified and made even more powerful by one practice that has become extremely common in American politics: the offering of lucrative job positions to individuals with personal relationships to people in high positions of power.

Using revolving-door lobbyists helps corporations get more bang for their buck in Washington. A recent report by two economists from the International Monetary Fund found that financial industry firms that hired lobbyists, who had worked for the member of Congress they were hired to lobby, had a 20 percent higher success rate in getting that member of Congress to vote in favor of their position. Furthermore, the study found that when companies used lobbyists who were connected to the member of Congress they were targeting, they were able to spend less to have the same impact.

The amount of money spent by companies with connected lobbyists did not affect voting patterns; it was simply the existence of the connections that made the lobbying more effective. So, corporations are often willing to pay premium prices for lobbyists with connections to the public officials they want to influence.

Accordingly, Washington insiders who go through the revolving door are typically rewarded with huge increases in pay. For example, Chris Dodd, who served as a senator for decades, earning \$174,000 per year, was hired by the Motion Pictures Association of America in 2011 as CEO and Chief Lobbyist just three months after retiring from the Senate, and is now earning an estimated \$1.5 million per year.

With relationships being so valuable to corporations and congressional personnel, spinning through the revolving door to work as a lobbyist has become one of the most common moves for people retiring from Congress. According to a report from the Center for Responsive Politics, of the 120 members of Congress who retired or were not re-elected in 2012 and have taken new jobs, more than half now work for lobbying firms. And this is just the tip of the iceberg. Congress employs thousands of people as staff members for lawmakers and committees, and these individuals



graphic: Open Congress

are also considered highly valuable by corporate interests for their relationships and intimate knowledge of the inner working of DC policy making.

Even disgraced former lobbyist Jack Abramoff, convicted on corruption charges in 2006, admits to using the revolving door as one of his primary tools for influencing Congress. Here's how he described his strategy to CBS's "60 Minutes" program after being released from jail in 2012:

*"When we would become friendly with an office and they were important to us, and the chief of staff was a competent person, I would say or my staff would say to him or her at some point, 'You know, when you're done working on the Hill, we'd very much like you to consider coming to work for us.' Now the moment I said that to them or any of our staff said that to 'em, that was it. We owned them. And what does that mean? Every request from our office, every request of our clients, everything that we want, they're gonna do. And not only that, they're gonna think of things we can't think of to do."*

Given the power of the revolving door to make Congress more responsive to big corporations with lots of money to spend on political influence, there has been very little discussion in Congress on reforming the system. In 2007, as part of a larger ethics overhaul bill, Congress passed and President Bush signed a two-year "cooling off" period before ex-lawmakers and staff members could officially become registered lobbyists, but the bill was full of loopholes and has done little to restrict revolving-door influence. In the six years since, only a handful of bills have been introduced (out of tens of thousands total) to strengthen those restrictions and close the loopholes. So far all of the bills that have been introduced to limit the revolving door since 2007 have died in committee with few co-sponsors (if any) and no committee hearings.

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**"I would say to him or her at some point, 'You know, when you're done working on the Hill, we'd very much like you to consider coming to work for us.' Now the moment I said that to them, that was it. We owned them."**

Jack Abramoff,  
Convicted Lobbyist



graphic: Matt Wuerker

# Government should be like Corporations

## Policy Makers Should Sign Confidentiality Agreements!

Here's one idea we should borrow from the corporate world: Demand that all elected officials and government employees sign confidentiality and non-competition agreements.

Before hiring employees or seating board members, it is common corporate practice to require contracts stating employees will keep secret and forever separate the information, personal contacts and future plans of the enterprise to which they are about to become privy. Even low-level workers, who may have no direct contact with management decision making, are bound to these agreements. And certainly every CEO and other high-level employees have signed away their future right to work or consult for a rival company. An employee for Coke can't go to work for Pepsi, perhaps not for any food or beverage company. Of course, the higher up the employee the more restrictive the contract.

To illustrate how seriously big business takes this issue: remember the case of the CFO for Disney Inc. who left his job and was barred by his contract for working for any other entertainment corporation. He went to work for Amazon (years ago when Amazon was primarily selling books). When he left Amazon, he was barred from working for online retailers. He went to the upstart auction site eBay. But he was sued by Amazon who saw eBay as a potential rival. The CFO left eBay; he now selectively consults.

How much more sensitive are the secrets, contacts and plans of our government? I may have watched "Mr. Smith Goes to Washington" too

many times, but, in a perfect world, government work should be something of a calling. Elected officials and their staff should not get into it for money or power, but for the opportunity and privilege to serve as guardians of the public trust. Instead they act like double-agents.

What if after years of hearing private confessions, your priest takes off his collar and turns to blackmailing parishioners, or your lawyer decides to ignore client privilege and flips sides for a higher fee? If your doctor starts selling your private information you can sue, there are laws against it. But if your Congressperson has a background in banking and now sits on the Finance Committee where he collects friends and high level information while on the public payroll, then leaves office and becomes a lobbyist for the banking industry, that's completely normal. For their staffers, a spin or two in the revolving door is almost a hiring requirement.

Of the 119 Congresspersons who left office in the 2010 midterms, 81 have found new employment, most of them landing profitably in some part of the lobbying food chain. How much damage they are doing to the democratic process is hard to say, but the whole thing smacks of insider trading.

The website [opensecrets.org](http://opensecrets.org) has some very enlightening charts on the revolving door. I was struck by the bipartisan spirit of the "revolvers" and the shocking increase in their numbers. For example, the 111th Congress contained 60 former lobbyists among the top staff (33 Democrats, 27 Republicans). The 112th Congress had 123, more than double the former lobbyists (47 Democrats, 76 Republicans, 1 Independent). These staffers have taken pay cuts to work for congresspersons in order to get valuable "experience" that will up their salaries when they return to their lobbying firms. This practice would never fly in the private sector. They would have signed confidentiality agreements.

Corporations are considered persons and the Supreme Court has held that lobbying is part of their free speech rights. (Another great reason for abolishing corporate personhood.) Yet, employers have the right to curtail the speech of their employees and keep them silent after they leave the job with signed agreements. Are not congresspersons and their staff our employees in a very true sense? Should we not demand the same protection for our valuable, sensitive government information as soft drink companies do?

*Jan Edwards is the creator of the "Tapestry of the Commons," which is online at [www.tapestryofthecommons.org](http://www.tapestryofthecommons.org). She is a member of the Redwood Coast Chapter of the AFD.*

**Demand that all elected officials and government employees sign confidentiality and non-competition agreements.**



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**JUSTICE RISING** is a publication of **the Alliance for Democracy**, whose mission is to end the domination of our politics, our economics, the environment, and our culture by large corporations. The Alliance seeks to establish true economic and political democracy and to create a just society with a sustainable, equitable economy.

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Co-chairs of the AfD National Council

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Cover artist **Peter Veres** is a San Francisco-based *maestro* of tile, monsters and mythical creatures, and has been making political cartoons since the 1960s. You can see his mosaic work at [www.mosaicmercantile.com](http://www.mosaicmercantile.com). He notes that the cover art is a detail from

"Ascending and Descending," a 1960 lithograph by M. C. Escher (1898–1972) with domes added. The large figure is "The Brains," depicting Boss Tweed of Tammany Hall, an 1871 wood engraving by Thomas Nast (1840-1902). The background is part of an aerial view of the US Capitol.

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Join with others committed to creating direct, participatory democracy, as well as a sustainable, equitable society by making a donation to AfD.

Your financial contribution will support our campaign to end corporate rule and to ensure that the people's voice will be heard.

Please fill out the membership form on page 17 or become a member online at [www.thealliancefordemocracy.org/join.html](http://www.thealliancefordemocracy.org/join.html). You can also use this site to become a sustaining donor. Giving regularly is a great help to AfD in planning throughout the year.

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## **Separate Corporations & State**

*Violence is power;*

*Religion is power;*

*Money is power.*

*People are power.*

*by Jim Tarbell*

People power rose with the creation of democratic states. These states subsumed the power of violence under democratic control. Our country managed the power of religion by separating Church and State. In order to ensure the dominance of people power in our democratic State, we have to gain control over the power of money. The best way to do that is to separate corporations and State.

The American Revolution successfully overthrew both corporate power and imperial British rule. After the American Revolution, corporations concentrated money into institutions that promoted the public good. But in the ensuing years, elite policy makers changed the corporate charter from serving the public good to benefiting a small wealthy elite. The time has come to make sure that our concentrated public and private wealth in corporations is serving the public good once again.

We have to recognize and honor the fact that a major function of government is to protect the people from the ravages of money power. Present Washington DC solutions do not accomplish this. We have to make a firewall separating corporations and State and in the process separate money and State. We have to stop the revolving door between corporate America and our government institutions. We have to implement contracts — which Jan Edwards points out are common in corporate America — that prohibit employees from going to work for the "other side" or ever using information or relationships that they develop in government service for their own good or the financial benefit of corporations. We have to create an honorable civil service that: is proud of serving the public good; recognizes the role of government in fighting corporate power; and dedicates their lives to this noble calling. We no doubt have to create publicly-financed elections. We have to end corporate personhood so corporations can not use the right to petition our government under the First Amendment to swamp public officials with corporate lobbyists. We have to end the insidious policy that money is speech. Finally, we have to create a strict prohibition of agents or employees of major corporations from ever serving as policy makers in our federal, state or local governments. We need a very strict separation of corporations and State.

## **The We the People Amendment**

House Joint Resolution 29 introduced February 14, 2013

Section 1. [Artificial Entities Such as Corporations Do Not Have Constitutional Rights] The rights protected by the Constitution of the United States are the rights of natural persons only.

Artificial entities established by the laws of any State, the United States, or any foreign state shall have no rights under this Constitution and are subject to regulation by the People, through Federal, State, or local law.

The privileges of artificial entities shall be determined by the People, through Federal, State, or local law, and shall not be construed to be inherent or inalienable.

Section 2. [Money is Not Free Speech] Federal, State, and local government shall regulate, limit, or prohibit contributions and expenditures, including a candidate's own contributions and expenditures, to ensure that all citizens, regardless of their economic status, have access to the political process, and that no person gains, as a result of their money, substantially more access or ability to influence in any way the election of any candidate for public office or any ballot measure.

Federal, State, and local government shall require that any permissible contributions and expenditures be publicly disclosed. The judiciary shall not construe the spending of money to influence elections to be speech under the First Amendment.



# Creating Real Democracy Back Home

by Ruth Caplan

Corruption of government by monied interests comes in many stripes and flavors. After Citizens United, the focus has been on megabucks going to candidates via Super PACs. There is also big money poured into state ballot initiatives. Reporting on the California GMO ballot initiative last October, Reuters observed: “the state’s system of ‘direct democracy’ has morphed into a big-money battleground.”

Clearly, we need the proposed 28th Amendment to remove Constitutional rights for artificial entities, which the Alliance advocates along with others in Move to Amend. The amendment says in part: “The privileges of artificial entities shall be determined by the People, through Federal, State, or local law, and shall not be construed to be inherent or inalienable.”

Note here the inclusion of local law. This is essential, for real democracy can blossom at the local level where people know each other as neighbors and colleagues. Most important, a community can come together across ideological barriers when they are faced with protecting their community from corporate harm. This immediacy creates shared values with deeper roots than party ideology. In New England towns with the direct democracy tradition of town meetings, it can blur the lines between the public and policy makers. This “grassroots democracy” can be full of surprises.

This was driven home to me when Defending Water for Life worked with the small town of Barnstead, NH to advocate for a local ordinance declaring that water is a fundamental right for people and nature and that corporations have no constitutional rights, thus taking on settled law emanating from the US Supreme Court. The effort was led by the Chair of the Select Board, a Vietnam vet who voted for George Bush, and by a Rastafarian local biodynamic farmer, an unlikely alliance built on mutual respect.

Similarly, when towns in southwest Maine were threatened by Nestlé’s plans to pump water from a protected preserve, at least one member of the Tea Party was actively involved in the successful effort to pass an ordinance modeled on Barnstead.

Also in Maine, local food ordinances have been passed which assert the right of local farmers and their customers to establish a relationship of trust that the food is safe, rather than depending on, and being constrained by, rules written for agribusiness by Washington bureaucrats.

This is not to suggest that working at the local level is always easy or successful. In one town where Defending Water has worked on and off for nearly a decade, the monied interests of old families are so entrenched that taking them on, in this case by speaking out against their deals with Nestlé, can lead to the threat of being fired from a long-held and well-respected position as town librarian.

So, yes, money power and back room deals can be struck in local communities too, but it’s harder to keep them a secret and people can hold their elected officials directly accountable for their actions. They are our neighbors. We pass them on the street.

Communities can also use participatory budgeting to have a direct voice in how a community’s capital budget is spent to meet local needs identified and voted on by the people. Begun in Porto Alegre, Brazil, it is now spreading in the US from Chicago to New York City and soon to other cities. In New York City, community members worked directly with City agencies to come up with workable, fundable projects. Participatory budgeting is money talking with the people’s voice, (see JR Vol 5, #1, pg. 12).

As we work to change the system at the national level, let’s also organize in our local communities, where there is more of an opportunity to exercise direct democracy in our everyday lives to stop corporations from destroying what we hold dear in our communities and where policy makers are our neighbors, not far-off bureaucrats.

*Ruth Caplan is the national coordinator of Afd’s Defending Water for Life Campaign and was the first Afd Co-chair with Ronnie Dugger. She is also deeply involved in creating a public bank in Washington DC.*

**Real democracy can blossom at the local level where people know each other as neighbors and colleagues.**



Gail Darrell, center, and other Barnstead, New Hampshire, residents pressed for a law to counter the “tyranny and usurpation” of the people’s right to govern themselves, especially with regard to water. Gordon Preston, left, and Jack O’Neil were two of five selectmen who supported the ordinance.

photo: Channing Johnson Yes Magazine

### The Original Court

Patriots viewed the US Constitution's creation of a Supreme Court with grave concern and saw it as a reintroduction of the authority of the British King, which they had fought long and hard to eliminate from the 13 colonies. With Washington's appointments to the first Court in 1789, their worst fears were confirmed. As Gustavus Myers pointed out in his 1925 *History of the Supreme Court of the United States*, "The landed class, being by virtue of its wealth, its cohesiveness and its long hold on government, the dominant class, had no difficulty in getting President Washington, himself an extensive landholder, to fill the Supreme Court bench with men of its own class."

After so many had died to gain independence, Americans looked on in horror as the seats of the court were filled with men deeply connected to the ousted former British power structure. This included: a judge who had been the object of Shay's Rebellion, a popular uprising against the elites in 1786 that sought to insure that the elites did not take over yet again; a lawyer for the rich that the revolutionaries besieged in his home for his protection of the wealthy; the son of a royal British governor; the main advocate for slavery at the Constitutional Convention; and a Chief Justice who was the premier advocate for the largest English landholders in the country. Once seated, the Court worked to get land seized from British royalists returned and all debts owed to the English paid.



Painting: Robert Hinckley

Associate Justice John Rutledge was a member of an old South Carolina landholding family and a lawyer for plantation owners. He served as the "chief mouthpiece" for the Southern slave holders" at the Constitutional Convention.



Painting: Robert S. Susan

Associate Justice James Wilson was a lawyer serving rich clients who at one point was attacked by American revolutionaries in his Philadelphia home for his sneering attitude towards the "lower orders."



Painting: Casimir Gregory Stapko

Chief Justice John Jay, scion of an old New York landholding family and married into the wealthy and powerful Livingston family, protected the interests of large land holders.



Painting: C. Gregory Stapko

Associate Justice William Cushing was the son and grandson of Royal British judges in Massachusetts and was a target of Shay's Rebellion.

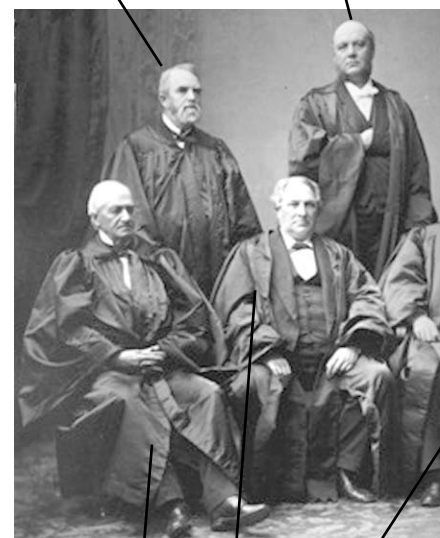


Painting: Ruth Koppang

Associate Justice John Blair's father was a Royal Governor of Virginia.

Associate Justice William B. Woods, carpetbagger Alabama judge "notoriously favored railroads."

Associate Justice John M. Harlan, Kentucky politician and railroad lawyer.



Associate Justice Joseph P. Bradley, was a noted New Jersey railroad lawyer and capitalist.

Supreme Court Chief Justice Morrison R. Waite had been a Toledo, Ohio banking and railroad lawyer

Associate Justice Samuel F. Miller was a Keokuk Iowa lawyer specializing in land, steamboat, and commercial law.

### The 1882-1887 Corporate

By the late 1800s, as corporate monopolies grew to dominate both the economy and lives of Americans, the US Supreme Court bench filled with corporate lawyers. President Abraham Lincoln, himself a railroad lawyer, began this process that was continued by his successors until the Court did not even have to consider the question of whether corporations should have the rights of personhood under the 14th Amendment. As Chief Justice Waite proclaimed, "The court does not wish to hear argument on the question whether the provision in the Fourteenth Amendment to the Constitution... applies to these corporations. We are all of the opinion that it does."



# Supreme Court Enforcement of Elite Rule

Tarbell

Associate Justice Samuel Blatchford, son of the financial agent and counsel for Bank of England and Bank of the United States, worked with a New York firm that represented Wells Fargo and other express companies.

Associate Justice Horace Gray, whose shipbuilding grandfather was Boston's wealthiest man.



photo: SCOTUS

Associate Justice Stanley Matthews, was chief Midwest attorney for railroad mogul Jay Gould, and represented several railroad companies while serving in the US Senate.

Associate Justice Stephen J. Fields learned law from his brothers, lawyers for robber barons Jay Gould and James Fisk. When Fields went to California, he befriended Pacific Railroad founder Leland Stanford who became his political patron.

## Corporate Personhood Court

Before joining the Court, Waite's list of corporate clients included the State Bank of Ohio, and the Southern Michigan Railroad Company. Once Waite became Chief Justice, "it was evident...that the railroad corporations had become the sovereign power."

The 1882-87 Waite Court bench also included two Justices associated with two of the most notorious robber barons, Jay Gould and James Fisk. Stanley Matthews was Gould's main Midwest lawyer, and Stephen J. Fields' brothers represented Gould in New York. Chief Justice Waite, who reigned over the Supreme Court from 1874-1888, managed Courts that cleared the legal road for corporate power to rule America.

## The Current Court Majority

Five members of the current Supreme Court have continued the long tradition of Supreme Court rulings in the interests of corporations and economic elites. The Alliance for Justice calls it "The Court of the One Percent" and goes on to say that:

*With decision after decision coming down on the side of big business, the Supreme Court under Chief Justice John Roberts has proven itself to be willing and eager to twist the law to favor powerful corporate interests over everyday Americans.*

*In just the last few years, the Court has radically rewritten laws in order to shield big business from liability, insulate corporate interests from environmental and antitrust regulation, make it easier for companies to discriminate against women and the elderly, and enable powerful interests to flood our election process with special interest dollars. Fairness has been thrown out the window.*

Their most infamous decision in the Citizens United case was driven by Anthony Kennedy who took the opportunity to "declare McCain-Feingold's campaign finance restrictions unconstitutional, overturn an earlier Supreme Court decision from 1990, and gut long-standing prohibitions on corporate giving." This decision led to the national Move to Amend campaign to end corporate personhood that just had their We the People 28th Amendment to the US Constitution introduced into the US Congress.



photo: Daily Darnocies

Associate Justice Samuel Alito is the man that mouthed "not true" when President Obama declared in his 2010 State of the Union address that the Citizens United decision had "reversed a century of law that I believe will open the floodgates for special interests...to spend without limit in our elections."



photo: Salon.com

Chief Justice John Roberts defended more corporations in front of the Supreme Court during the 1990s than almost any other lawyer. His clients included the National Mining Association and Fox Television.



photo: USA Today

Associate Justice Antonin Scalia worked for the corporate law firm that is now Jones Day which "represents many of the world's largest companies and financial institutions."



photo: Telegraph.co.uk

Associate Justice Clarence Thomas, known as the most conservative judge on the current Court, worked as a corporate lawyer for Monsanto in Missouri where that company is headquartered.



photo: pbs.org

Associate Justice Anthony Kennedy worked as a corporate lawyer and lobbyist in California where he helped Ronald Reagan, who appointed him to the Supreme Court.

# Groups — Policymakers: Committed to



**Project on Government Oversight** is the most active group investigating the impacts of the revolving door in Washington. Their most recent project is *Dangerous Liaisons: Revolving Door at SEC Creates Risk of Regulatory Capture*.

Published in February 2013, it looks at how the revolving door blurs the lines between one of the nation's most important regulatory agencies and the interests it regulates. They have produced multiple reports over the past 30 years and they are all available on their website, [www.pogo.org](http://www.pogo.org)

**Center for Responsive Politics** and their website [opensecrets.org](http://opensecrets.org) is the premier research group tracking money in US politics and its effect on elections and public policy. They have the most thorough online data base on the revolving door in Washington. As they say, "while officials in the executive branch, Congress and senior congressional staffers spin in and out of the private and public sectors, so too does privilege, power, access and, of course, money." You can track the revolving door activities of former members of Congress and their staff revealing facts like there were twice as many former lobbyists on Congressional staffs in the 112th Congress than in the 111th. You can also track "revolvers" by agency, Congressional Committee, lobbying firm, organization, and presidential administration going back to Gerald Ford, as well as the industries that hire public servants as lobbyists.



**Who Rules America** is the website of University of California Santa Cruz Professor G. William Domhoff, the author of the book with the same name. His site provides a wealth of information on the nexus between money and power presented within a coherent framework of how the economic elites are running our democracy. It not only looks at power in America, but also has sections on power at the local level, as well as a section on social change and how it happens. He also explains theories of power and provides a handy kit on how to study power. You can see it all at [www2.ucsc.edu/whorulesamerica](http://www2.ucsc.edu/whorulesamerica)

**We the People Amendment** is a project of the pro-democracy coalition Move to Amend (MTA), which advocates for a 28th Constitutional Amendment to end all Constitutional corporate rights and clarify that money is not speech. Having collected over 260,000 signatures supporting its effort, MTA has now had their amendment introduced into Congress. Go to [www.wethepeopleamendment.org](http://www.wethepeopleamendment.org) to read the text and find out how you can help pass this 28th Amendment to regain control over corporate power and get corporate money out of politics.



**Little Sis** takes on big brother by connecting all of the interrelated dots on the power chart. Its profiles a wealth of information vital to any investigation of the ways power and money guide the formulation of public policy, from board memberships to campaign contributions, and old school ties to government contracts. Check out their site at [www.lilsis.org](http://www.lilsis.org)

**Citizens for Responsibility and Ethics in Washington** works to ensure government officials — regardless of party affiliation — act with honesty and integrity that merits the public trust. CREW covers all of the bases when it comes to questions of whether policy makers are committed to public values or corporate agendas. They research the scoundrels, make a public list of the most corrupt and then they go after them. They are also keeping close tabs on who is doing the corrupting from the big super PACs to the National Football League. It is all on their website [www.citizensforethics.org](http://www.citizensforethics.org)



**Public Citizen** is celebrating four decades of working as a "the countervailing force to corporate power." They have long been involved with money in politics, trade issues and the revolving door in Washington. Their government reform work concentrates on Government Ethics and Lobbying Reform, Money in Politics, Open Government, Public Protections and Stealth PACs. They were original members of the Revolving Door Working Group along with POGO and others. The Working Group put together the publication *A Matter of Trust: How the Revolving Door Undermines Public Confidence in Government—And What to Do About It*. Their next legislative priority is to get tougher revolving door regulations codified into law. Check out their website at [www.citizen.org](http://www.citizen.org)



# Public Values or a Corporate Agenda — Books

by Jim Tarbell

Corporate rule happens because economic elites put their minions in charge of government policy making. This is true from Supreme Court Justices who favored elite rule since the early days of our democracy, to the Wall Street foreign policy specialists who have overseen the direction of the American Empire for the past century, to the military commanders that President Eisenhower called out as the heart of the military industrial complex, to the congressional representatives and senators that are now financed into public office by corporate treasuries hidden behind the veil of the Supreme Court's 2010 Citizens United decision and then leave office to become the bulwark of the DC lobbying establishment. It is an intimidating history that is sometimes confronted by brave public servants who still dare to promote public values over corporate agendas.

Study of this phenomena began with the rise of the robber barons and Thorstein Veblen's 1899, somewhat tongue-in-cheek, *Theory of the Leisure Class* and then with a series of books analyzing elite rule in the 1930s. But it was not until the decade after World War II, when America rose as a global super power, that the national and international implications of American elite rule became apparent. C. Wright Mills' 1956 classic, *The Power Elite*, still stands as a primary analysis of the rise of corporate rule. His book outlined the connections between corporate power, the ascendant military and what he called the political directorate. After outlining the irresponsibility of this elite class, he promoted the rise of a "free and knowledgeable public to which men of knowledge may address themselves and to which men of power are truly responsible."

In that spirit of creating a free and knowledgeable public, G. William Domhoff wrote *Who Rules America: Challenges to Corporate and Class Domination* in 1967. He has updated it five times since, most recently in 2010. In the age of the Internet, he now publishes updates on his Who

Rules America website at <http://www2.ucsc.edu/whorulesamerica/>

This website has a plethora of information on corporate power including: how to do power structure research; an overview of the class domination theory of power; an analysis of wealth, income and power in America now; and finally a re-examination of how

social security was really the brainchild of corporate policy makers. You can also download *The Corporate Community, Non Profit Organizations and Federal*

*Advisory Committees: A Study in Linkages*

The US Supreme Court is the most powerful policy-making institution serving the interest of the economic elites. The best description of the origins and early history of the court was written by Gustavus Myers in his 1925 gem *History of the Supreme Court of the United States*. He starts with chapters on the rise of the trading classes in the colonies and the "Real Forces of the Revolution and the Drafters of the Constitution." Then he goes on to outline that the Court's bench has long been filled by economic elites, from the first Chief Justice John Jay, who was one of the largest colonial landowners and protected those class interests, down through Chief Justice Edward D. White, who President Taft appointed in 1910. It is a history like you will find nowhere else. Unfortunately, the original editions are hard to find, but you can get a number of cheap reprints online.

Luckily, Laurence Shoup and William Minter's 1977 seminal study of Wall Street's takeover of US foreign policy making, *Imperial Brain Trust: The Council on Foreign Relations and United States Foreign Policy* is readily available. It is a classic analysis of how corporate-funded think tanks revolve their minions in and out of policy-making positions in the US government. It tracks the founding of the Council on Foreign Relations (CFR) by Wall Street lawyer Elihu Root and friends. They set it up to institutionalize the corporate-friendly policies first established when Root became Secretary of State in 1905. From there the book lays out how CFR successfully imposed an imperial strategy over US international relations until this country became the dominant world power after World War II.

Given this litany of books detailing public servants serving corporate elites, it is refreshing to read the new book *Bull by the Horns: Fighting to Save Main Street From Wall Street and Wall Street from Itself* by Sheila Bair, former Chair of the Federal Deposit Insurance Corporation. This informative insight on the 2008 financial crisis by a public servant, who valiantly fought for public values and the welfare of Main Street America, gives a clear view of the motivations, systemic problems and corporate favoritism that led to the 2008 financial crisis and contains helpful suggestions of how American citizens can reclaim their democracy and create a public service dedicated to public values.



# Thinking for Corporations & Revolving into Government

by Sharon Beder

**For each new administration, think tanks provide a source, of "experts" for senior government positions, government department staff and advisory councils.**

Think tanks have become essential vehicles of business propaganda and policy marketing. Rather than just react to proposed government policies, corporate-funded think tanks enable business interests to initiate policies and shepherd them through the policy-making process until they become government policy.

An important function that think tanks provide in the US is facilitation of "elite transfer." For each new administration, think tanks provide a source of "experts" for senior government positions, government department staff and advisory councils.

Presidents since Jimmy Carter have made wide use of think-tank personnel to fill high-level government positions. For example, 150 of Ronald Reagan's Administration came from the Heritage Foundation, the Hoover Institution and the American Enterprise Institute.

Think tanks provide a fast track to a political career and a public profile in the policy arena for corporate-aligned individuals. They also provide a place for discarded government officials to go when there is a change of government. While in the think tanks they can have some influence over public policy while they are waiting for a change of government that will restore them to office.

The circulation of personnel suits the think tanks well. Recruiting ex-government officials gives a think tank access to members of Congress and others in government and attracts the funds of corporations who want access. When a think tank's personnel or members are taken up by a new administration, the think tank has its best chance to have its corporate backers' ideas and agenda adopted by government.

According to *Foreign Policy* magazine, the Council on Foreign Relations (CFR) is one of the top two think tanks in the US in terms of influence. Unlike many think tanks,

CFR is based on an invited membership of "the most prestigious and best connected of the nation's financial and corporate institutions, universities, foundations, media and government bodies," rather than the employment of "scholars" and former government personnel. Its aim is to build an "elite consensus on important foreign policy issues" through meetings, networking and publications. Thomas Dye wrote in 1990 that, "every person of influence in foreign affairs" in the US, including presidents, had been members of CFR and that is still the case.

CFR is considered non-partisan because it does not favor either the Republicans or the Democrats; however, its partisanship lies in its links with the corporate class. Its corporate members include Alcoa, American Express, AIG, BP, Citigroup, Coca-Cola, Exxon Mobil, Ford Motor, General Electric, GlaxoSmithKline, JP Morgan Chase, Lockheed Martin, McGraw-Hill, Nike, Pfizer, Shell Oil and many others. CFR is funded by donations, the largest of which come from corporations, foundations based on corporate money and individual endowments.

The revolving door between government and the CFR has included some notable people including:

- Former US Presidents Herbert Hoover, Richard Nixon, Gerald Ford, Jimmy Carter, Bill Clinton and George H. W. Bush;
- Former Secretaries of State including Cyrus Vance, Edmund Muskie, Lawrence Eagleburger, Henry Kissinger, George Shultz, James Baker, Alexander Haig, Warren Christopher, Colin Powell, Condoleezza Rice, Hillary Rodham Clinton and Madeline Albright, who is now on the Board of Directors of CFR;
- Former Secretaries of Defence including Robert A. Lovett, Frank Carlucci, Caspar Weinberger, Robert McNamara and Robert M Gates;
- US Ambassadors to the UN including Zalmay Khalilzad, Vernon A. Walters, Jeane Kirkpatrick and Richard Holbrooke.

Think Tank Watch counted more than 90 members or personnel of CFR who had gone into the Obama Administration. It remains one of the most influential think tanks in government today.

*Professor Sharon Beder is author of many books, including *Global Spin* and *Suiting Themselves*, and runs a website on *Business-Managed Democracy*.*



Long time impresario of the American Empire, Henry Kissinger began his career as an associate of the Rockefellers. His international, corporate consulting firm is a corporate member of the Council on Foreign Relations.





# Pentagon's Revolving Door Spinning Faster

by Melanie Sloan

When people hear about the revolving door in Washington, DC, they usually think about former lawmakers — or their staff members — leaving government for lucrative jobs in the private sector. While the path from Congress to K Street (and vice versa) is well-tread, a recent report by my organization, Citizens for Responsibility and Ethics in Washington (CREW), highlighted how the revolving door phenomenon is alive and well in other sectors of the federal government, especially the Pentagon.

CREW's report, *Strategic Maneuvers*, shows the continuation of a trend identified in a 2010 *Boston Globe* investigation, which revealed the number of three-and-four star generals and admirals who retired from the armed forces to take jobs with the defense industry rose from less than 50 percent between 1994 and 1998, to 80 percent between 2004 and 2008. After earning their stars and stripes from years of military service, these retirees can finally cash in on their contacts and experience by taking highly-paid jobs with the defense industry. For example, retired generals can easily make more than their base government pay by serving on just a single corporate board.

CREW found 70 percent — or 76 — of the 108 three-and-four star generals and admirals who retired between 2009 and 2011 took jobs with defense contractors or consultants. In at least a few cases, these retirees have advised the Department of Defense while on the payroll of the defense industry. With these retirees' new corporate allegiances, how can Pentagon officials be sure they are receiving unbiased advice from former top brass whose paychecks now depend on bringing home the bacon for their new employers?

In 2011 alone, the Department of Defense committed to spending nearly \$100 billion in total with the five largest defense contractors — Lockheed Martin, Boeing, General Dynamics, Raytheon, and Northrop Grumman. At least nine of the top-level generals and admirals who retired between 2009 and 2011 took positions with these five companies. Another 12 have gone on to work for Burdeshaw Associates, a "rent-a-general" consulting firm specializing in helping companies obtain defense contracts. Hiring a retired general can be a financial boon for a defense contractor, but it remains a mystery to Americans what exactly these former military officials do to earn their paychecks.

When it comes to the defense industry, the

revolving door is not just limited to the highest-ranking military officials. Defense companies also covet lobbyists with backgrounds in appropriations. Of in-house lobbyists registered on behalf of the five largest defense contractors, CREW found at least 68 percent had prior public sector experience — with nearly half having worked for Congress. Between 2007 and 2011, these companies' lobbying spending jumped from \$44.6 million to \$62.3 million. Over the same period, the total amount in federal contracts committed to these companies increased from \$100.6 billion in fiscal year 2007 to \$113.3 billion in 2011.

With the near-constant chatter of potentially massive cuts to the military's budget, defense contractors are scrambling to position themselves on the right side. In this equation, high-ranking generals and admirals and experienced lobbyists have been shown to be valuable assets in the competition for contracts. While retired generals and admirals do not appear to be breaking any rules by taking their talents to the private sector, their path raises important questions about the intersection of national security and the interests of multibillion-dollar companies.

There is no argument over whether those who have served in the US military are worthy of our praise and recognition. But unless the military implements new laws to manage its retirees' potential conflicts of interest, we can expect the revolving door to keep spinning for the foreseeable future.

*Melanie Sloan is executive director of Citizens for Responsibility and Ethics in Washington (CREW).*

**How can Pentagon officials be sure they are receiving unbiased advice from former top brass whose paychecks now depend on bringing home the bacon for their new employers?**



graphic: Geeks.US

# Government's Influential Corporate Advisers

by Michael Smallberg



When George Washington's administration was confronted by the Whiskey Rebellion in 1791, government assembled a group of private citizens to report on the situation. According to an account from the time, one of the group's first decisions was to keep its meetings private, so there could be "more frank and full communication" of "sentiments and intentions." Thus began the government's long-standing, and at times controversial, reliance on outside advisers to discuss the most pressing issues of the day in private.

Fast forward to 2012, when 70,000 individuals served on advisory panels throughout the federal government, and total government spending on advisory committees exceeded \$350 million. These advisory committees—which have been called the "fifth arm of government" — are now required by law to operate with a basic degree of transparency. What's more, President Obama—in an effort to reduce the "undue influence of special interests" — has directed federal agencies to remove lobbyists from their advisory committees.

But these rules have hardly ended the government's sometimes-less-than-transparent relationship with advisers representing corporate interests. Many advisory board members support policies that can benefit their private-sector employers or industries. They also get an inside look at the government's needs and advise their employers about future policies and programs.

The Defense Policy Board and Defense Science Board—powerful committees that advise senior Pentagon officials on a wide range of policy issues—have been occupied over the years by members who also served as executives and board members for top defense contractors. Recent members include Pentagon officials who went through the "revolving door" to the defense industry, such as Edward A. Adler, a former official at the Defense Advanced Research Projects Agency and director at Boeing; Judith A. Miller, a former Department of Defense general counsel and director at Bechtel; and John M. Keane, a former Army vice chief of staff and director at General Dynamics.

Outside researchers who evaluate drugs for the

Food and Drug Administration often have current or past ties to the pharmaceutical companies that manufacture those drugs. In December 2011, a joint FDA advisory committee met to consider the benefits and risks of Yaz and Yasmin, popular oral contraceptives. A majority of committee members voted "yes" that the benefits outweigh the risks, even though recent studies had shown that Yaz and Yasmin were likely to cause blood clots. What the government did not reveal was that four committee members who voted "yes" had past financial arrangements with Bayer—the manufacturer of Yaz and Yasmin—or with other pharmaceutical companies that had a stake in the committee's decision.

Committees that advise the Secretary of Energy are often filled with energy industry representatives. These advisory committees, known as The National Coal Council and National Petroleum Council, are dominated by representatives from the coal, oil, and natural gas industries, including executives from the American Coal Council, BP, Exxon Mobil, and Shell. Not surprisingly, these committees have advocated for the increased use of coal, oil, and natural gas to meet US energy needs.

To make matters worse, agency regulations and court decisions have allowed some advisory committees and subcommittees to operate in secret. In addition, some committee members who are supposed to be providing their unbiased expertise to the government have been excused from complying with federal conflict-of-interest rules.

President Obama and Congress should remove or modify conflict of interest and Freedom of Information Act exemption and waiver provisions for advisory board members and ensure that unclassified portions of board meeting minutes are publicly available. They should also enact an Executive Branch-wide law requiring federal advisory committee members to recuse or disqualify themselves from any discussion on matters where they or their private employer or client have a significant financial interest. This disclosure or recusal statement, including name, title and employer, should be filed with the Office of Government Ethics and made publicly available.

*Michael Smallberg is an investigator at the Project for Government Oversight.*

Many advisory board members support policies that can benefit their private-sector employers or industries.





# A Matter of Trust

## Fighting the “Capture” of Federal Government

by Craig Holman

On the first full day of his Administration, President Obama issued Executive Order 13490, entitled “Ethics Commitments by Executive Branch Personnel.” It is a policy that needs to be codified into law by Congress or it could be gone soon. The Executive Order went further than any previous President had on ethics and lobbying reforms and established the toughest and most far-reaching revolving door provisions ever adopted. The Executive Order was soon followed by a series of White House memoranda and guidelines re-shaping the relationship between special interests, their lobbyists and the federal government, including restrictions on business interests seeking earmarks from executive agencies and banning registered lobbyists from serving on federal advisory panels.

Obama’s revolving door restrictions are two-fold. First, in terms of the traditional concept of the revolving door, where government officials move into the private sector taking lucrative jobs as lobbyists, the executive order expressly prohibits any former senior employee of the executive branch from lobbying the Obama Administration for the duration of the Administration. This is effectively an eight-year ban on former federal employees lobbying the executive branch.

Second, the most dynamic – and consequently the most controversial – ethics policy of the Obama Administration is the nation’s first-ever “reverse” revolving door restriction: screening out conflicts of interest among appointees into the federal government so as to prevent special interests from “capturing” the agencies that regulate them.

Industries frequently “capture” regulatory agencies by securing appointments of their representatives to the agencies themselves — in effect, getting the fox to guard the henhouse. Under the Bush Administration, reverse revolving door abuses reached new heights. Bush installed more than 100 top officials in regulatory agencies who were lobbyists or representatives of the industries they oversaw. J. Stevens Griles, a coal industry lobbyist, was appointed Deputy Secretary of Interior, where he worked on energy-related issues of keen interest to his former clients (from whom he continued to receive a salary). He was complemented in government service by Philip Cooney, a lobbyist at the American Petroleum Institute, who promptly began editing government climate research studies to downplay the dangers of global warming. These are just a few examples of regulatory capture in the Bush Administration.



graphic: Mother Jones

Obama is pursuing a very different path in forming his Administration. The reverse revolving door policy adapts established conflicts of interest rules to the appointment process. It is not really intended to ban former lobbyists from moving into the Administration. It is intended to manage conflicts of interest that may arise when anyone — lobbyist or CEO — moves into an agency that oversees their former employers or clients.

Obama’s policy does in fact ban the appointment of a lobbyist who lobbied the same agency within two years (unless a waiver is granted), but much more importantly, the policy requires that appointees sign a written agreement to recuse themselves from matters affecting their former employers or clients. This recusal arrangement provides the means to manage conflicts of interest and avert the ability of special interests to capture our government on their own behalf. If recusals are expected to be so common, then the potential appointee should be reconsidered. The Administration is posting all waivers to the recusal arrangements on-line for public scrutiny. As should be, very few waivers have been granted by the White House or executive agencies.

This policy is desperately needed to restore independence in our regulatory agencies and confidence that these agencies will act in the public’s interest. However, there is no doubt that these revolving door restrictions, especially the controversial reverse revolving door policies, will end when the Obama Administration comes to an end — unless the executive order is codified into law for all future administrations. This is our next legislative priority at Public Citizen.

*Craig Holman, Ph.D., is the Government Affairs Lobbyist for Public Citizen.*

**Industries frequently “capture” regulatory agencies by securing appointments of their representatives to the agencies themselves — in effect, getting the fox to guard the henhouse.**

# Needed: A New Public Administration Ethos

by Douglas J. Amy

**Government workers need to explicitly embrace the notion that government has a legitimate and vital role to play in our society**

Imagine the following scenario: a new president comes into office and announces that he will appoint a dedicated pacifist to head the Department of Defense and a mafia lawyer as Director of the FBI. What would be the reaction? Many in the public would be outraged and the media would go into a feeding frenzy.

Farfetched? Perhaps. But President George W. Bush did essentially the same thing: he routinely appointed officials whose political philosophies were in direct contradiction to the missions of the agencies they were charged with running. Many of his appointees arrived at their jobs in regulatory agencies with an explicitly anti-regulatory ethos. They shared Bush's view that capitalist markets are self-correcting and that corporations can be trusted to promote the public interest.

Following this ethos, they worked to roll back regulations and to weaken enforcement efforts. This was exactly the course pursued by the Bush officials charged with overseeing the financial industry. Speaking in 2006, Bush Treasury Secretary Henry Paulson argued that "the solutions to our nation's problems are not always found in Washington." And he maintained that one of the two main threats to financial markets was "excessive regulation."

At the core of this perspective is the idea that regulation of financial markets should be "voluntary." As traditional financial regulations were being stripped away, we would simply rely on Wall Street to police itself and thus protect the public interest. We now know that this was a fantasy and that this de-regulatory approach led to the mortgage loan fiasco and the resulting severe economic crisis. Even Bush's head of the Securities and Exchange Commission, Christopher Cox, had to admit in the fall of 2008 that, "The last six months have made it abundantly clear that voluntary regulation does not work."

Regulatory disasters like this also make it clear that we need a very different ethos from our public administrators in these regulatory agencies. We need a perspective that explicitly rejects the idea that markets are self-correcting and that what is good for corporations is good for the public. We need a regulatory ethos based on reality, not wishful thinking. We need to

realize that our economic system is prone to "market failures" — where the actions of corporations often undermine our common interests.

These failures are not rare, they are frequent. And they are the reason why we have seen the growth of regulatory agencies during the last 100 years. Corporations cannot be trusted to provide safe products to customers, to pay livable wages, to clean up their pollution, or to provide safe workplaces. This is not because the people running corporations are evil and greedy; it's because the rules of survival in our capitalist system force businesses to put their own profits before what is good for the public.

Recognizing these inherent problems in our economic system is not to be "anti-business" or "anti-capitalist" as some conservatives would charge. Awareness of the need for corporate regulation is no more "anti-business" than recognizing the need for seat belts and car inspections is "anti-car." It is simply a recognition that one of the main purposes of regulation is to promote the public interest when business and markets fail to do so.

Government workers need to explicitly embrace the notion that government has a legitimate and vital role to play in our society — that the task of regulation is not simply a necessary one, but is actually a noble endeavor to protect and promote the welfare of our citizens. Government regulators — when they are doing their job right — are making America a safer, fairer, and cleaner place to live for all of us.

Americans need to demand that its government workers have a pro-regulatory and pro-public interest ethos. Corporations would quickly fire any executive who didn't think that increasing profits was an important part of his or her job. And we should not tolerate the appointment of public administrators who deny that the government has a large and indispensable role to play in correcting the failures of business and the market.

*Douglas J. Amy is Professor of Politics at Mount Holyoke College and the creator of the website [governmentisgood.com](http://governmentisgood.com).*



photo: Capper





# Revolution of Values: An Excerpt from Martin Luther King's "Beyond Vietnam" Speech

I am convinced that we as a nation must undergo a radical revolution of values. We must rapidly shift from a thing-oriented society to a person-oriented society. When machines and computers, profit motives and property rights, are considered more important than people, the giant triplets of racism, extreme materialism, and militarism are incapable of being conquered.

A true revolution of values will cause us to question the fairness and justice of many of our past and present policies. True compassion is more than flinging a coin to a beggar. It comes to see that an edifice which produces beggars needs restructuring.

A true revolution of values will soon look uneasily on the glaring contrast of poverty and wealth. With righteous indignation, it will look across the seas and see individual capitalists of the West investing huge sums of money in Asia, Africa, and South America, only to take the profits out with no concern for the social betterment of the countries, and say, "This is not just."

All over the globe men are revolting against old systems of exploitation and oppression, and out of the wounds of a frail world, new systems of justice and equality are being born. The shirtless and barefoot people of the land are rising up as never before.

It is a sad fact that because of comfort, complacency [and] our proneness to adjust to injustice, the Western nations that initiated so much of the revolutionary spirit of the modern world have now become the arch anti-revolutionaries. Our only hope today lies in our ability to recapture the revolutionary spirit and go out into a sometimes hostile world declaring eternal hostility to poverty, racism, and militarism. Every nation must now develop an overriding loyalty to mankind as a whole in order to preserve the best in their individual societies.

This call for a worldwide fellowship that lifts neighborly concern beyond one's tribe, race, class, and nation is in reality a call for an all-embracing, unconditional love for all mankind.

We can no longer afford to worship the god of hate or bow before the altar of retaliation. The oceans of history are made turbulent by the ever-rising tides of hate. And history is cluttered with the wreckage of nations and individuals that pursued this self-defeating path of hate.

We still have a choice today: non-violent coexistence or violent co-annihilation. We must move past indecision to action. We must find new ways to speak for peace... and justice. If we do not act, we shall surely be dragged down the long, dark, and shameful corridors of time reserved for those who possess power without compassion, might without morality, and strength without sight.

Now let us rededicate ourselves to the long and bitter, but beautiful, struggle for a new world. If we will make the right choice, we will be able to transform the jangling discords of our world into a beautiful symphony of brotherhood. If we will but make the right choice, we will be able to speed up the day, all over America and all over the world, when "justice will roll down like waters, and righteousness like a mighty stream."

*This piece was excerpted from a speech by Martin Luther King entitled [Beyond Vietnam -- A Time to Break Silence](#). Delivered on April 4, 1967, at Riverside Church, New York City.*



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## Why You Should Care

### Supreme Court Under Elite Control

When George Washington appointed his wealthy, landholding friends to the first Supreme Court in 1789, it became clear that the Supreme Court would be the primary bastion of elite economic power. As corporate power grew in the 1880s, corporate lawyers dominated the Court. Now a "free market" Court majority continues to twist the Constitution in favor of corporations and to the detriment of the people and the planet.

### Public Policies Lack Public Values

Public policy makers committed to corporate agendas fail to protect public values and create a society that discourages critical aspects of our sacred nature including cooperation, imagination, creativity, mysticism and appreciation of our place in nature. Without these, everything is commodified and policies are promoted that destroy the environment and impose social havoc amongst people.

### Military Has Gone Corporate

Double-dipping military commanders move into corporate jobs and weapons industry executives are recruited for top policy jobs in the Defense Department. They promote weapons programs that drive an expensive global arms race that sucks up our tax dollars and deprives most citizens of the world a high quality education, adequate medical services, appropriate housing and other essential public services.

### Wall Street Empire Threatens our Security

Wall Street investment houses took control of US foreign policy over a hundred years ago when a series of corporate lawyers served as Secretaries of State. They created an American empire that has ravaged the earth's resources leaving the rest of the world angry and revengeful. The American Empire has caused the growth of multiple "initiatives" around the world that are banging at the gates of global power, making the world dangerous for all Americans.



## What You Can Do

### Support the We the People Amendment

This 28th Constitutional Amendment, introduced into the House of Representatives on February 14, 2013, clarifies that "Artificial Entities Such as Corporations Do Not Have Constitutional Rights" and that "Money is Not Free Speech." Get your local politicians and Congressional Representatives to support this bill entitled House Joint Resolution 29.

### Promote an Ethical Public Service

Show your appreciation for public servants and honor those policy makers that uphold the public trust and promote public values. Government service is a valuable and praiseworthy undertaking that is essential to the well being of us all and to the health of our planet. Guarantee them well-paid and secure jobs and make them proud to serve the American people.

### Separate Corporations & State

Make it clear to your local, state and federal officials that a major role of government is to protect the public from the self-serving policies of corporate elites. Push for the establishment of a firewall between public service and corporate power that prohibits our public servants from ever going to work for the companies that they have been paid to protect us from.

### Join the Revolution of Values

Adhere to the words of Martin Luther King who called for a "radical revolution of values" to "recapture the revolutionary spirit" and declare "eternal hostility to poverty, racism, and militarism." And hear Chris Hedges when he says, "All that concerns itself with beauty and truth, with those forces that have the power to transform us, is being steadily extinguished by our corporate state."