

A Handout for the October 8th, 2007 panel discussion on:

The Role & Influence of Corporations at the Montana Legislature

Two old quotes suggest the source of corporate influence across our society: "the business of America is business", and "what's good for General Motors is good for America."

Actually, both of the quotations above are misquotes. During a speech before the American Society of Newspaper Editors in January, 1925, Calvin Coolidge said: "*After all, the chief business of the American people is business.*" And in 1953, during his Senate confirmation hearing to be Eisenhower's secretary of defense, Charles Wilson, then CEO of GM, said: "*for years I thought what was good for the country was good for General Motors and vice versa.*"

Though often mocked, the sentiment expressed by these (mis)quotes is still dominant today. For example, during this latest legislative session the assertion by members of the business lobby that a certain bill was "bad for business" was often sufficient to kill it. This in spite of the fact that our economy is clearly the largest, and our society is arguably the richest, in history.

One might think that so much wealth would permit consideration and pursuit of other values and goals, like stronger families and communities and a more healthful environment. But in public opinion polls, "the economy" invariably ranks near the top as America's biggest problem. Much of this reflects the success of advertising and corporate propaganda, continually exhorting us to define ourselves, and life's meaning, through consumerism. We have morphed from "citizens" to "consumers."

There are other factors that contribute to our obsession with the economy. For one, there is growing suspicion that our economy is more fragile and less sustainable than Wall Street and the economic 'experts' would have us believe. Another is the growing disparity between rich and poor, which raises concerns regardless of what the actual level of wealth may be.

Whatever the causes of our angst regarding the economy, we end up too readily acquiescing to the corporate line. It's like giving the executives who have led a company into bankruptcy big bonuses to stay on and direct the salvage operation. We continue to accept the corporate paradigm, knowing full well that it is responsible for the rampant materialism, economic inequality and financial insecurity that concern us. This results in the continued political dominance of the "is it good or bad for business" test.

Complementing the "what's good for business is good for us" sentiment is the success of the corporate elite in equating "business" with their large, often transnational and multilayered corporations. Thus, it is not uncommon to find local business and trade groups espousing policies that favor the interests of large corporations over those of small, local businesses. This "lump and conquer" strategy has been used very effectively to augment the power of the corporate lobby at state and local government. It is based on convincing small businesses and farms to see their interests as more aligned with large corporations than with their neighbors, communities and local ecosystems. It also depends on laws and judicial activism (e.g., 'corporate personhood') that restrict our ability to differentiate between 'mom & pops' and a Wal-Mart, or between a farmer and Tyson Foods, in crafting public policy.

The "revolving door" effect, in which corporate leaders and lobbyists take high positions in government and visa versa, also helps to augment corporate influence in the legislature. This issue, unlike the first two discussed, can be and has been addressed by state-level public policy, such as enacting mandatory delays before ex-governmental officials can lobby. The movement of business lobbyists and leaders into executive and legislative staff positions, however, is more insidious and difficult to address. Though it may reflect the choices made by voters, it's often a bi-partisan phenomenon - a result of the persistence and prominence of business interests in the halls of government.

Finally, there is lobbying itself. This too can be and has been addressed by public policy. In 1980, Montana's voters overwhelmingly (260,000 to 76,000) passed I-85, a very broad measure to require lobbyist disclosure. The law was immediately challenged in court, and the resulting decisions by the Montana Supreme Court significantly lessened the reporting requirements, most particularly by exempting any lobbying of the executive branch. What we now have for reporting in Montana is a law with loopholes that requires partial reporting and is not enforced. This allows corporate influence of representative government to go unreported to a large degree.

The Commissioner of Political Practices, who is responsible for implementing the lobbyist disclosure law, has recently made the information that does get reported available for download from the internet. Based on these data, 470 different agencies, groups and businesses hired 530 lobbyists and spent \$5.7 million trying to influence the legislature during the 2007 regular session. Roughly 60% of the entities that hired lobbyists were either for-profit corporations or non-profit business and trade organizations.

Lobbying by businesses and their trade organizations is not necessarily bad. They are important and legitimate members of society, and their input is essential to crafting successful public policy. The danger is that their voice, due to the implicit economic power behind it, can and does overwhelm the voice of the public and results in laws that contribute to the domination of corporate values over human values.

What can be done?

Addressing the nature and extent of corporation's "rights" as so-called "persons" is central to restoring balance between the voice of corporations and the voice of the public. The efficacy even of lobbyist disclosure laws is hamstrung by the US Supreme Court's extension of 14th amendment (and first amendment) rights to corporations.

But it will be very difficult to reduce the legal power of corporations in our society unless we first reduce their power over each of us as individuals. That means tempering our materialism. It also means overcoming fears. It's like breaking out of an abusive, co-dependent relationship - but with corporations.

There's an old adage - people are more likely to jump ship if they see a lifeboat. We need to come up with a vision of a sustainable and just economy, and create enough of its elements that people will be emboldened to jump from the ship of corporate domination.

In the same speech in which he talked about the 'business of America', Coolidge also said: "*We make no concealment of the fact that we want wealth, but there are many other things that we want very much more. We want peace and honor, and that charity which is so strong an element of all civilization. The chief ideal of the American people is idealism. I cannot repeat too often that America is a nation of idealists.*"

Our hope is that we can unleash that latent idealism - to create a vision of a sustainable and just economy, to empower people to reject the corporate hegemony over their lives, to change the legal status of corporations, and to restore citizens to their rightful dominance in our system of government.

LINKS to information:

<http://www.cleanupwashington.org/>

This Public Citizen satellite has info and links on lobbying at the national level.

<http://publicintegrity.org/hiredguns/nationwide.aspx>

The Center for Public Integrity has data comparing lobbyist laws for all 50 states.

<http://politicalpractices.mt.gov/>

The Montana Commissioner of Political Practices website.

<http://app.mt.gov/cgi-bin/camptrack/lobbysearch/lobbySearch.cgi>

Go here to download a zip file with several delimited text data files on lobbyists, principals and financial reports.