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See: Newsletters on US Capitalism, Corporate Crime, and Corporate Personhood

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POWERFUL BUSINESS LOBBY AGAINST THE PEOPLE
ALEC's Top Five Anti-Environment "Model" Laws
Saturday, 05 May 2012 11:47 By Stephen Lacey and Jessica Goad, ThinkProgress | Report

The American Legislative Exchange Council, a “stealth business lobbyist” that helps corporations write state and federal legislation supporting their interests, has taken major heat for backing controversial laws. More than a dozen companies – including Coca Cola and Procter & Gamble – have pulled out of the organization over the last month due to ALEC’s support of voter ID requirements and the Stand-Your-Ground law blamed by many for the death of Florida teen Trayvon Martin. While the controversy around these laws has been widely reported, ALEC’s efforts to help corporate interests cut down climate legislation, renewable energy, and environmental protections are only now being heavily scrutinized. Funded by coal and oil companies, ALEC has made it a priority to stop any changes to the fossil-fueled status quo. Below, we document the five of the worst anti-environmental initiatives being pushed by ALEC.

Stopping a Price on Carbon
While calling into question anthropogenic climate change, ALEC has been trying to block carbon pricing for many years. In 2010, while receiving tens of thousands of dollars from Koch Industries, Exxon Mobil and other large energy companies, the organization adopted a model resolution stating
that “a tremendous amount of economic growth would be sacrificed for a reduction in carbon emissions.” The resolution was introduced by lawmakers in at least six state legislatures around the country virtually untouched from its original form.

Stripping Targets for Renewable Energy
ALEC has already written a resolution that would discourage states from participating in a nation-wide renewable energy target. With the possibility of getting such a target passed in Washington so slim, ALEC officials now indicate they will move their battle to states with existing targets. These laws have helped spur tens of billions of dollars in economic activity and have put the coal industry on the defensive. Not surprisingly, Peabody Energy – the largest private coal company in the world – sits on ALEC’s Enterprise Board and served as chairman of ALEC’s 2011 annual conference, according to the Center for Media and Democracy.

Turning Over Public Lands to the States
Some state legislatures are considering laws that would require Congress to turn over millions of acres of public lands to the states – a move that could eventually open these lands up to extraction industries. The Republican governors of Utah and Arizona are currently considering such bills. The Associated Press reported that “lawmakers in Utah and Arizona have said the legislation is endorsed by the American Legislative Exchange Council, a group that advocates conservative ideals, and they expect it to eventually be introduced in other Western states.” A similar bill was considered in Colorado, and there are rumors that the legislation will also come up in Montana, Idaho, and New Mexico.

Watering Down Public Disclosure of Fracking Chemicals
A number of states are considering new regulations to deal with the rush of natural gas drilling, particularly for hydraulic fracturing or “fracking.” Many lawmakers and residents believe natural gas companies should be required to let the public know what chemicals are being pumped underground to help extract the gas. Some of the chemicals in fracking mixtures are known or suspected carcinogens. In order to protect the industry from disclosure, ALEC has crafted legislation that would provide large loopholes for companies wanting to protect “trade secrets.” A disclosure bill currently being considered in the Illinois legislature uses ALEC’s language. According to the New York Times, the legislation was sponsored by Exxon Mobil.

Preventing Regulation of Toxic Coal Ash
In 2008, a storage pond filled with more than a billion gallons of coal ash spilled into a Tennessee community – decimating homes, polluting local water resources, and causing around $1 billion in damage. The incident sparked renewed calls for federal regulation of coal ash, a bi-product of burning coal that can contain high levels of arsenic and heavy metals. According to one investigation, coal ash can be more radioactive than waste from a nuclear power plant. But ALEC has crafted model legislation opposing any federal regulation of coal ash waste. And these efforts are reaching national politicians. Earlier this month, the U.S. House of Representatives passed an amendment that would prevent the Environmental Protection Agency from issuing new rules on storage of this toxic waste product.

ALEC is a strong force working behind the scenes to stop any meaningful action on climate and clean energy. This is just a small snapshot of the pro-polluter bills the organization has crafted over the years. With the largest, dirtiest energy companies funding ALEC, it’s clear who these “model” laws are designed to help.
Amy Goodman, Holding Bank of America to Account
TruthDig, May 10, 2012 RSN
Goodman writes: "Bank of America is currently the second largest bank in the US ... It is also the 'too big to fail' poster child of Occupy Wall Street, a speculative banking monstrosity that profits from, among other things, the ongoing foreclosure crisis and the exploitation of dirty coal."

University Inc.: The Corporate Corruption of Higher Education
Jennifer Washburn
New York: Basic Books, 2005
326 pages; $26.00 hc

Steve Lockwood
English
MSU-Northern

In University Inc. Jennifer Washburn has written a volume which expands and strengthens Derek Bok's warnings (Universities in the Marketplace, 2003) against the undue influence of businesses on today's higher education. Bolstered by fairly extensive primary research, University Inc. makes a compelling (if depressing) argument that the current "market" environment in American higher education is causing universities to forsake or greatly weaken their traditional role of serving the public interest--in order to serve their coffers and corporate sponsors. As Washburn's examples show, such an atmosphere can diminish the "teaching, mentoring, and the cultivation of young people's intellectual talents" (227) which have been the traditional strengths of the higher education system. By the end, Washburn has built a convincing case that the corporate mentality is corrupting higher education--to the point that the general public is losing confidence in the science that's performed there.

Perhaps the most telling chapter in Washburn's book (Chap. 8) describes the results of universities scrambling for industry money. Across America school after school has refocused its curriculum to emphasize professional preparation (education, business, nursing) and vocational training (dental assistant, automotive tech, computer networker)--usually at the expense of the humanities, fine arts, and mathematics (217-18). Accompanying shrinking budgets in these areas is the loss of tenured positions, replaced by temporary hires. Nationally, between 1998 and 2001, the number of full-time temporary appointments rose 35.5%. Today, more than 60% of all university faculty hold non-tenure track appointments
compared to 3.3% in 1969. As Washburn says, the rapid growth of this part-time academic workforce is "part of a conscious administrative strategy to lower the cost of instruction and eliminate tenure" (204). Differential pay for industry-favored professorships is becoming more pronounced (218), causing discontent on campuses. And the steady push for online course delivery barely disguises the goal of slashing labor costs: a Renssalaer Polytechnic administrator advocates class size of up to 1500 students per professor, with an army of "differentiated personnel" (read "non-experts in the field"--cf. George Collison et al., *Facilitating Online Learning*, 2000, 8, 42-44; and David Noble, *Digital Diploma Mills*, 2001/2, *passim*). Simultaneously, tuition costs are climbing steadily--three times faster than inflation at public universities (xiii). The result for undergrad and grad students alike: more money for less contact with professors.

Since Washburn focuses on effects proceeding from the misapplication of the 1982 Bayh-Dole legislation, reviewing her four proposals for righting the listing higher education ship will help reveal the breadth of the problem and the extent of Washburn’s research. These proposals, results of her tenacious research, distinguish her work from others that have addressed the issue.

**Independent, third-party licensing:**

Washburn proposes to create independent licensing bodies that would control "university tech-transfer and commercialization activities nationwide" (228). This idea invokes an earlier model, the Research Corporation, which was founded in 1912 (50-51). It would prevent universities from having equity or financial interests in business startups or other companies. Perhaps the largest and most successful of the tech-transfer schools might opt out, but only if they meet rigorous guidelines similar to those in the old Institutional Patent Agreements, which required the federal government to measure the school’s expertise in a particular area of inventions before granting the school the authority to own and license taxpayer-funded research (231). Such waivers would be subject to review and renewal (or not) every five years.

This seems a reasonable enough idea, the necessity for which probably escapes most people. We’ve all heard that in today’s modern world, cooperation between universities and industry produces all sorts of good for society. But as Washburn shows, we’ve heard this story mostly because it serves universities’ public relations machinery to keep repeating it--often without evidence. Washburn recounts the passage of the 1980 Bayh-Dole Act which gave universities the right to license their discoveries to business and earn royalties from them (8, 60-61). Over the decades, this idea expanded to include encouragement for universities to actually "partner" with industry in the pursuit of various technologies--methods of transforming scientific discoveries into useful products, like drugs or robots. Federal and state governments as well as many foundations promoted this partnering by requiring many of their grants to universities to be matched by industry (57-58).

The devil’s always in the details, of course. Washburn’s research shows how the protections against compromising universities’ missions and against conflicts of interest were omitted
from the final legislation--excised by the lobbyists who wrote the bill (64-65). When in 1989 various government agencies saw that these problems were cramping both universities and industry, and seemed to sacrifice public good to private interest, they proposed reforms. The result? University consortiums of lobbyists flooded the agencies with protests that such reforms or oversights would be so onerous as to hobble any cooperation between universities and industry (99). The agencies withdrew their proposals only to redraft them several years later (1995) when abuses again made headlines. This time the "reforms" were much less stringent and depended solely on the universities to police themselves (100). And the evidence Washburn has accumulated shows the universities are not abiding by the guidelines (98, 101).

**Amend the Bayh-Dole Act:**

This reform includes two parts. The first eliminates exclusive licensing of inventions by universities unless a convincing rationale is made to the federal oversight agency. The second allows the National Institutes of Health (NIH) to intervene when university licensing obstructs the wide use of publicly-funded research (cf. 145-46).

The Bayh-Dole Act originally sought to encourage wide use of academic research that various industries might use to bring products to market (63, 65, 70, 156n76). But the act also gave universities the power to license innovations to one business exclusively, thereby severely restricting the good that may come from permutations of the original discovery. Further, a Supreme Court decision that year (1980) allowed patenting not only a specific incarnation of an idea but the idea category itself, that is, not just a Shur-Kill spring mouse trap but the *idea* of mouse traps (147-48). Such a broad category means that if Shur-Kill never imagines an electronic trap, no one else can, either.

The seven-year patent battle between Baylor College of Medicine and MIT over the use of genetically-altered mice (152-54), and the four-year struggle over stem-cell research between the University of Wisconsin and nearly everyone else (151-52) highlight the dangers of overly broad patents. These sordid affairs, and others like them, prompted Washburn's second part of this amendment to the Bayh-Dole Act. Unnecessarily restricting the use of fundamental research, as in Baylor's mouse case or Wisconsin's stem-cell case, has curtailed rather than accelerated the advance to market of useful products. For example, about 25% of the "patented inventions in agricultural biotechnology--including many of the 'technologies that are necessary to conduct basic biological research'--originated at public-sector institutions but are now tied up under restrictive commercial agreements" (163). Particularly in the medical arena is this restriction damaging. Some experiments cannot even commence without licensing the fundamental ideas--not any products based on them--patented by other universities. Not only industry but other universities' labs must pay fees before they can attempt to build on the ideas of others. This financial disincentive discourages further developments that might (in some cases, that surely would) lead to better medications and lives saved. And as Yale and the University of Michigan discovered during the hubbub over
their restrictive AIDS patents, schools’ reputations of working for the public good can become tarnished by this commercialism (167).

New Conflict-of-Interest (COI) regulations:
Schools of medicine were the first university divisions to partner with industry in patent pursuit and licensing (xviii). Drug companies saw an economic advantage in controlling research in university labs. Genetic research also shows promise in eliminating birth defects and in designing disease- and drought-resistant crops. But since most industry research must be geared toward some actual product, it necessarily disallows "fringe" research--that type which explores because no one else has, without the pressure of culminating in a salable product; in other words, the very type of "pure" research carried out in many academic labs around the world. So the cooperation between pharmaceutical, agricultural, and even computer companies and academia seems like it would benefit everyone: industry reviews discoveries from the academic labs and if any seem promising for development toward a specific product, like a vaccination, herbicide, or microchip, then industry can focus its efforts along those lines. In fact, this pattern prevailed most of the 20th century before the Bayh-Dole Act.

But as soon as universities could patent their findings and sell them, problems began. In short order the universities' goal became to squeeze as much money from each licensing agreement as possible. To be fair to the universities, both federal regulations that increasingly required matching funds from industry for research and the slashing of public funds by state legislatures drove universities to various pecuniary depredations just to keep operating (8, 57). Because drug companies (to take one industry area) stand to make billions of dollars with a successful vaccine or medication, they are willing to commit millions in new medical labs, professorships, stock options, and even startup ventures headed by academic researchers who discover anything promising to industry. Immediately the lure of money tempts administrators and professors to relax their ethical standards, and to defer to industry requests to control access to or even manipulate clinical trial data and results--as in the cases of the antidepressants Paxil, Prozac, and Zoloft (111n17, n21&22, 112).

It's a bit surprising to learn how many academics have succumbed to the lure of fame and fortune: some prominent names shill for drugs in which they have financial stakes, like the diabetes drug Rezulin, the fen-phen diet drug Redux, the anti-wrinkle cream Retin-A, and the epilepsy drug Neurontin (116). Conflicts of interest arise when professors must choose between supporting the public good (the stated goal of our academies) and their own wallets; the widespread failure of professors and administrators to choose the public good (131) has helped industry to release ineffective or dangerous products to the general population--often with sweeping ad campaigns that tout the products' efficacy (cf. 122ff.).

Washburn proposes that universities have at least the same rules as the NIH and FDA. Currently, universities don't have to reveal financial ties to business; they're supposed to "manage" them honestly without oversight. Even though universities promised (1989 and
2001) to reign in abuses in COI, they have not done so (98, 99-100, 234). She says it’s time for the government to insure that the $20 billion per year in taxpayer moneys it spends at universities and nonprofit research centers is publicly accounted for and properly used. It’s hard to argue with this idea, especially in light of the tarnished records of professors and administrations to date, like Harvard’s complicity with Enron (81-82).

**Federal oversight for clinical trials:**

Finally, Washburn proposes a new federal agency specifically to oversee clinical drug trials. This is not a new idea. At least three other books (Marcia Angell, *The Truth About the Drug Companies: How They Deceive Us and What to Do About It*, 2004; Sheldon Krimsky, *Science in the Private Interest*, 2003; Merrill Goozner, *The $800 Million Pill*, 2004) detail abuses and call for fixes. But it’s an idea whose time has come. As the fen-phen and other drug cases (114-16) described by Washburn show, neither the drug companies nor the academics (and their administrations) who work with them reliably police clinical trials (128 & 128n106, 131-33). Because they spend so much money testing drugs, industry naturally looks for ways to reduce this expenditure. One way has been simply to suppress data that show a new drug not to be effective. In some cases, like the USDA at Iowa State University, research itself is suppressed (19ff., 83n36) if it’s thought the results might be unfavorable to industry. But the main reason Washburn wants federal oversight is that this hiding of the truth in pursuit of profit has produced deadly results on more than one occasion (125-26).

Properly regulated, university/industry collaboration should help our economy and our health, and at the same time reduce the pressure on universities toward becoming vocational training grounds instead of intellectual ones. A university education should be valued, as Richard Hofstadter said (*The Development and Scope of Higher Learning in America*, 1952), "not as a necessary instrument of external ends, but as an end in itself" (241).

*The Montana Professor 16.2*


**About Compassion Inc.**

Pink ribbons, red dresses, and greenwashing—American corporations are scrambling to tug at consumer heartstrings through cause-related marketing, corporate social responsibility, and ethical branding, tactics that can increase sales by as much as 74%. Harmless? Marketing insider Mara Einstein demonstrates in this penetrating analysis why the answer is a resounding “No!” In *Compassion, Inc.* she outlines how cause-related marketing desensitizes the public by putting a pleasant face on complex problems. She takes us through the unseen ways in which large sums of consumer dollars go into corporate coffers rather than helping
the less fortunate. She also discusses companies that truly do make the world a better place, and those that just pretend to.

**What they are saying about *Compassion, Inc.*:**

“Mara Einstein once again brings a clear head and discerning eye to one of our culture’s most energetically promoted yet ambiguously motivated sectors. Whether you want to do real good for the world – or simply ridicule those who have been fooled into thinking they are – this book will show you the light.” -Douglas Rushkoff, author of *Life Inc: How Corporatism Conquered the World and How We Can Take it Back*

“Mara Einstein pulls back the curtain on some of the most important marketing developments of our day with a nuanced analysis that is both penetrating and fair minded.” -Joseph Turow, author of *The Daily You: How the New Advertising Industry is Defining Your Identity and Your World*

“Compassion, Inc challenges us as human beings to look at the true effects of our attempts to “purchase for positive social change.” Einstein clearly articulates how we are too often creating the very same problems we are trying to solve. In this smart and well-researched look at the oxymoron of sustainable consumption, Einstein shows us that there is indeed another way, **and how we can be more effective as consumers, but most importantly as citizens.”** -Courtney Hull, Hull Family Foundation

**CORPORATE IMPERATIVES , THE CORPORATE-IMPERIAL STATE**

Corporate power generating the imperial reach. --Gregory Elich. *Strange Liberators: Militarism, Mayhem, and the Pursuit of Profit.* Elich focuses on the U.S. heavy-handed foreign policies and open aggressions deployed in Zimbabwe, Yugoslavia, and North Korea. One western economic principle is practiced – the free market system.

**Robert Reich | Video: Amend 2012**

Robert Reich's Blog, January 20, 2012, RSN
Intro: "Thanks to the Supreme Court and Citizens United, the same big corporations and billionaires that destroyed our economy and caused millions of us to lose our jobs and homes, are spending obscene amounts to drown out our voices in elections and take over our government. But together, 'We the People' can set things right."
video-amend-2012