

Overtun *Citizens United* -- Demand Fair Elections and a Fair Economy

by Craig Salins (*December 8, 2010*)

We need a broad movement to overturn the Supreme Court's *Citizens United* ruling (January, 2010). Without that, nearly everything we do to stop or rein in the corporate takeover of our country is unlikely to make headway - because of the two-sides-of-a-coin relationship between spending on elections and lobbying, and public policy lawmaking.

We need to talk candidly with friends and concerned citizens about our economy and our elections. And it's necessary, if we're to save either from further meltdown and ruin.

They're deeply related of course - in biology its called a symbiotic relationship. Considering the economy, and election politics, each is "fixed" or kept in place by the other. It's mutual back-scratching: campaign cash flows in, and political (and economic) favors flow out. This "pay-to-play" politics keeps wealthy special interests on top of the economic haystack, and from that perch they have the wealth to influence election outcomes and lawmaking to their liking.

Of course, this self-interest and short-term profiteering hurts the country. It's brought our economy into serious recession, and may bring us to further ruin without fundamental change.

The predicament in suggesting a road map for change is knowing or deciding where to start.

I believe a fight to reverse the Supreme Court's decision in *Citizens United* is as good a place as any - and totally necessary. Unless we stop Wall Street banks and corporate chieftains from buying elections through massive spending on issue ads and hidden or laundered campaign contributions, there's little hope to enact needed reforms elsewhere, including reclaiming the airwaves from corporate takeover, and adopting policies that can reduce poverty and save our middle class, and return America to a balanced economy offering opportunity and a fair shake for everyone.

We need a broadly-based movement to restore the right of self-government to Main Street, not the bankers and speculators on Wall Street - a movement to put us on the road to true economic fairness and a robust economy in America.

Economics: The prime influence:

And we need to talk openly about wealth and poverty, and greed - and the economic class nature of politics in America. It's the elephant in the living room (no pun intended) with a mighty influence over elections, campaigns and lobbying - nearly everything we observe, and the challenges we face.

You know the story: Within a year of TARP and the bailouts, the "too-big-to-fail" banks on Wall Street are rolling in profits and bonuses, while millions of Americans are still dealing with home foreclosures, job loss and spiraling health care premiums that seem never to stop or level off.

Off-shore hedge funds speculate in worldwide currency manipulations that bankrupt whole countries (Ireland, anyone? Is Spain next?). Yet Congress can't - or won't - regulate their activities, or even tax the multi-million dollar profits of their owners and investors at more than the 15% capital-gains rate - which is less, by the way, than the income-tax rate paid by most Americans who earn barely a living wage and survive only through credit card debt and perhaps a shrinking home-equity loan.

Economic posturing: what a spectacle: The U.S. Congress and it's "Debt Commission" on the one hand, trying to figure out how to reduce a national debt in the trillions of \$\$ -- while the GOP (spinning the November election results as a "mandate of the people") threatens a Congressional filibuster in order to win tax breaks for millionaires.

It's an outrage! Think economics 101: Any eighth-grader who's run a lemonade stand knows you sell more lemonade only when there are more customers with dimes in their pockets - and not because you've invested in a larger ice chest and stocked your inventory with more cups and frozen lemonade. In fact, don't "invest" if you don't see customers coming.

Henry Ford got it, capitalist though he was - and he put spending power in the pockets of the Model T Ford workers. Is there something about this lesson that is missed in the thinking of the new GOP leaders (and some of the Democrats) in Congress?

Yet "conservatives" in Congress want to trick us into believing that a permanent tax cut for millionaires is essential to economic recovery, and will somehow restore full-employment in America.

What a misunderstanding of lemonade-stand economics! Really, how much lemonade can a millionaire drink? Is that millionaire gonna grow your lemonade stand business, if you don't have other paying customers? Not likely. And what's true for the lemonade stand is true for all of America.

We must NOT use the federal budget deficit - and the economic recession - as an excuse to weaken the nation's social safety net, to cut public spending and services for Main Street. Such policy moves serve only to further shift wealth to the top and to weaken chances of an economic recovery. Yet this is a ploy that's being popularized, with the catch-phrase: "Don't burden future generations with debt..." The truth is, we have budget deficits primarily because our tax system is so unfair - where the wealthy are not paying their share - not because we spend too much on public investment or on services we all need.

David Stockman - Reagan's budget director - is now speaking out, even as a true conservative. He favors increasing taxes for the wealthy, to begin lowering the nation's debt. Note that *for decades* during the Great Prosperity (end of WW II, through the 1960's) top tier income tax rates of 70 to 90 percent were in effect - and because tax revenues were sufficient to pay the costs of economic investment and needed public services, the nation's debt was under control as we built the interstate highway system, expanded rural electrification, developed new products and services, expanded educational opportunity, launched the internet, and brought new technology to households across the land.

But then came tax cuts and financial deregulation, and financial "innovations" providing high-rollers

with new opportunities to invest wealth to make more money. Even while the national debt was spiraling out of control, the net wealth of the top 5% in America increased five-fold - from \$8 trillion to \$40 trillion - in just twenty-two years (1985 to 2007).

How did this happen - this great and growing concentration of wealth? Off-the-chart CEO compensation and bonuses. Capital gains and profit on Wall Street and off-shore, through largely-unregulated 'innovative' financial products - derivatives, hedge funds, engaging in currency trades and market manipulations. Corporate mergers, consolidations, and profit-taking. All in all, an immense transfer of wealth to the already-wealthy - while the average earnings of Main Street households stayed virtually level. Without the means to keep pace with rising costs of health care, education and housing, many working families went further into debt.

All that "wealth" in the top tier will not create jobs - except perhaps higher pay and bonuses for Wall Street traders, CEOs and executives of the largest banks. Investors will put their wealth "to work" in places of highest return: capital gains speculation - placing and manipulating bets - on Wall Street and through giant hedge funds (many off-shore). Why risk investing in a stateside lemonade stand, if there are few or no customers? - and if instead you can earn a higher return investing in an overseas call center, sweatshop, or simply through speculating in fluctuating currency exchange?

Profits in the financial services sector have accounted for *40 percent* of all corporate profit in recent decades - while manufacturing (home-building, autos, etc.) has lagged. *The business of America has become making money rather than making things* - and the jobs and high incomes go to Wall Street traders and bankers who produce no real wealth, rather than to carpenters, farmers and machinists who make and grow things, and nurses and teachers who provide necessary services. It's outrageous. Even worse, this misappropriation of work and wealth stands in the way of developing a truly-sustainable economy with a solid middle class.

Political leaders have fed this monstrous situation with bailouts and tax preferences -- all the while cheating ordinary Americans out of the fruits of their labor by limiting worker pay, raising the costs of housing, health care and education, and forcing millions of Americans into debt just to keep up with an ordinary standard of living. Too-big-to-fail banks got billions in bailouts (and this taxpayer money allowed bonuses to keep rolling!); but when the economy crashed and jobs were lost, there was no bailout in sight to stop home foreclosures, to avoid state budget cuts, school and library closures, or to maintain health care benefits for laid off workers.

And now, states and localities - including our own - face budget deficits that will require deep slashes to the social safety net and services to many residents - with cutbacks that will trigger more rounds of job loss, lower spending and tax revenue, and perhaps more cuts and unemployment.

This downward spiral is totally man-made and not due to government excess. Instead, it's a natural result of tremendous inequality in the distribution of wealth and spending power - and a failure of public policy to look after the common good. The recent Great Recession is the result of decades of profiteering and inadequate oversight and regulation of the financial services industry, unbridled Ponzi schemes on Wall Street (not to mention speculative bubbles and two unfunded wars) - followed by bank bailouts and economic policies at the national level that left corporate profits largely intact while

leaving ordinary wage-earners and households to sink on their own. And as they sink, so do state and local budgets and services. The fault lies not with hard-working Americans - and not with states or localities, who seek properly to look after their citizens.

Make no mistake: these policies are bought and paid for - the result we get when the wealthiest one-percent of Americans and their corporate playgrounds pay for and control our election outcomes and lawmaking in the highest circles of government.

Relief Now!

While Main Street is desperate for a permanent turn-around - (*shall we put down the pitchforks if we get some relief?*) - **let's push for immediate relief from lawmakers and Congress.**

For starters:

(1) An extension of unemployment benefits. In fact, convert this to 'Worker Retraining Benefits' - because our old jobs are gone; corporate chieftains shipped 'em off-shore.

(2) A moratorium on home foreclosures. In fact, require the banks who got the bailouts - the ones now profitable, handing out millions in bonuses to top executives, banks who now are profiting from near-zero federal funds rates! - to engage in immediate and serious revision of mortgages (and lending practices) to keep working class folks in their homes. *That* is a bailout and stimulus that would reduce Main Street debt and make a difference. If this is costly to bankers who created the housing bubble and gambled on derivatives, it's reaping the crop they sowed and it's the capitalist way -- and it's the only way to really relieve the 'troubled assets'.

(3) Full funding of the social "safety net" - *including* bailouts of state budgets, so that states aren't bearing the burden of Wall Street gambling and unfunded wars - to save state-level programs like Basic Health, Disability Lifeline, prescription meds, affordable tuitions, and roads, bridges, schools and parks that are fully-funded and available to all.

Indeed we deserve to ask: Where's the Main Street bailout? Why aren't the banks forced to renegotiate mortgages, to keep folks in their homes? Why are states and local governments forced to slash spending and services with furloughs and layoffs - while the Congress dithers over a \$multi-trillion tax break for currency speculators and hedge fund owners and investors?

Why is there such reluctance to talk (in "polite" society) about economic class in America? As stated, it influences everything - and explains much of what we observe in lawmaking and public policy.

In 1992, Clinton's campaign maxim was, "It's the economy, stupid."

That's still true. But we should now shout from the rooftops: "Hey, it's Main Street - deserving a bailout!" It's Main Street households and workers - who, with earnings in their pockets and purchasing power, will restore our economy. Not wealthy speculators with off-shore accounts; no, it's Main Street, U.S.A. that has earned and deserves the spending power - and will turn it around, buying lemonade and much more.

Citizens United: corporations unleashed to buy election results

Let's not forget the folks behind the curtain - those who spend hundreds of millions to influence election results, and then spend more to lobby the Congress they've "bought". It's the U.S. Chamber of Commerce, Wall Street banks, and wealthy special-interests who funded campaigns and issue ads for the last election, and who foot the bills of expensive lobbying. They assume they bought the right to dictate policy in Congress. Why else spend billions in the recent campaigns? And to avoid popular outrage, they (in effect) laundered the funds - through non-disclosure of who the real donors were, and through "issue" ads designed by campaign experts to be as targeted toward selected voters as a cruise missile.

First, *Citizens United* unleashed the funds ("Spend what you will" says the Supreme Court. "Thanks" - says Wall Street). And then the lavish spending worked wonders. Corporate-owned media and the persuasive power of Madison Avenue joined forces to influence ordinary voters - who may have been duped. In many ways it wasn't really "the people" who spoke in the November election; it was their fear of an economy on the skids, their worry over paying the rent, and anger toward anyone seeming to be in power who wasn't fixing it. And that fear - that anger - was cynically manipulated by an over-abundance of spin, half-truths and campaign ads, paid for by special-interests who want their Wall Street gravy train to keep rolling.

This corporate influence over election outcomes and our economy is what we have to change. To benefit all Americans - to create an economy that is fair and sustainable, and a democracy truly "of, by, and for the people" - we have to stop the corporate takeover of government in America.

The nation cannot afford another Gilded Age. Great concentration of wealth impedes economic recovery - it's bad for everyone, and the superrich don't need (and can't possibly spend) the dollars.

Renowned jurist Louis Brandeis captured the point: We can have great concentration of wealth - or democracy. Not both.

Yet concentration of wealth seems to be winning lately - and dominating government. (Senator Dick Durbin of Illinois quipped recently, "The banks own the place" - meaning the Senate and Congress).

Change we need

To restore citizen government, to recapture our democracy, we must reverse "Citizens United". And then we need to finance campaigns publicly at every level - so that elected officials and lawmakers can truly represent the people, not the banks and Wall Street corporations.

It won't be easy - or quick. But we need a Constitutional amendment, that clarifies that "free speech" in the political realm is for people, the sovereign voters, not corporations. Further, that Congress and the states have the constitutional authority to regulate the spending on political speech by any corporate entity.

Only by so-doing can we put people - instead of corporate money - back in control of election outcomes. Only by ending the rule of money and wealth, can we hope for lawmaking that benefits

Main Street instead of Wall Street. And then, perhaps, an economy that offers opportunity and full employment at a living wage, for all.

The struggle to win this will take a populist hurricane - a tremendous and steady political wind.

Activists and concerned groups from all over the state and nation need to get involved. Nothing is more important, and what else can we do? Any "reforms" we undertake - and there are some that are worthwhile - will fall short of the mark if we don't also reverse the trend and the "pay-to-play" game that grants political power to Wall Street and corporate America.

What to do:

1. **Become informed on the issue** - so you are knowledgeable as an advocate.

For more information, visit FreeSpeechForPeople.org, and MoveToAmend.org.

www.freespeechforpeople.org and movetoamend.org

2. Read the **proposed amendment to the U.S. Constitution by Rep. Donna Edwards** (D-Maryland) and twenty-five co-sponsors, including Rep. John Conyers. (Appendix A, below)

freespeechforpeople.org/edwardsvideo

<http://thomas.loc.gov/cgi-bin/bdquery/z?d111:H.J.Res74>:

3. **Become an organizer.** Talk with neighbors, co-workers and friends. Learn their views, their concerns, and encourage them to join a broad movement - as a solution to the woes that afflict us.

4. **Create "political wind" in the sails of this movement**, with grassroots awareness and support.

Use Facebook, Twitter, YouTube and other means, to 'like' these proposals, and spread word.

Propose and encourage resolutions to be adopted by local organizations, city councils, county councils, and the state legislature. These resolutions should call on the Congress to approve and send to the states (for ratification) a constitutional amendment to overturn the Citizens United ruling.

The Commonwealth of Massachusetts is considering such a resolution. WA's legislature should do the same. (See the proposal in Massachusetts: www.freespeechforpeople.org/the-solution)

5. **Lobby and push our local, state and federal officials to take action.** Tell them:

"We want a bailout of America's Main Street households - not Wall Street.

"We want an economy that works for everyone, especially those on lower rungs who are most in need of a foothold. We're all in this together - just like during the Great Depression.

"We want fair elections, where issues and voters determine the result - not immense spending by shadowy groups.

"And, most basic: We want our democracy back in the hands of people, not corporations! The only way to achieve that, is to stop the Wall Street banks and corporate chieftains from using their vast wealth to steal our elections and dominate lawmaking for their own selfish interests.

"For that, we want an amendment to the U.S. Constitution, that restores fair elections to the people, and stops corporate entities from buying the elections through massive spending on issue ads and hidden campaign contributions. Money and free speech are not the same; free speech is a right of the people, to assure democratic self-government. Concentration of great wealth should not confer greater voting power or political speech.

"We want you to use your power and position as an elected official, to urge Congress to make this change - to propose a constitutional amendment for ratification by the states, that overturns the *Citizens United* ruling."

We must organize and build awareness - so that friends and neighbors realize there is a way to restore democracy in America. We can introduce and enact resolutions (as above) at every level. Doing so is a means to launch the conversation, to capture the outrage at the corporate takeover of our country, and to put grassroots wind in the sails of a nationwide movement to overturn *Citizens United*.

Many organizations - local and statewide - can assist in building this movement.
Long-term, it's our only hope.

~ Craig Salins

Craig Salins is executive director of Washington Public Campaigns - a statewide grassroots group in Washington state, organizing for public campaign financing, fair elections - and a fair economy - in the state. More info: www.washclean.org / wpc@washclean.org

Addendum - recommended reading

Many recent books describe in detail what we're facing - what's wrong and how to fix it.
Here is some recommended reading:

About the economic meltdown --

"The Looting of America" - by Les Leopold

"Aftershock" - by Robert Reich

"Freefall" - by Joseph Stiglitz

"Thirteen Bankers: The Wall Street Takeover..." - by Simon Johnson and James Kwak

"The Return of Depression Economics" - by Paul Krugman

And, about politics, lobbying and hijacking of government --

"Winner-Take-All Politics" - by Paul Pierson and Jacob S. Hacker

"So Much Damn Money" - by Robert Kaiser

"Hostile Takeover" - by David Sirota

Some relevant history --

"Traitor to his Class: ... Privileged Life and Radical Presidency of FDR" - by H.W.Brands

Appendix A:

Joint Resolution, proposing a constitutional amendment

(by Rep. Donna Edwards)

<http://freespeechforpeople.org/edwardsvideo>

[http://thomas.loc.gov/cgi-bin/bdquery/z?d111:H.J.Res74:](http://thomas.loc.gov/cgi-bin/bdquery/z?d111:H.J.Res74)

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Amendment language:

Proposing an amendment to the Constitution of the United States permitting Congress and the States to regulate the expenditure of funds by corporations engaging in political speech. (Introduced in House)

HJ 74 IH - 111th CONGRESS, 2d Session

H. J. RES. 74: Proposing an amendment to the Constitution of the United States permitting Congress and the States to regulate the expenditure of funds by corporations engaging in political speech.

IN THE HOUSE OF REPRESENTATIVES
February 2, 2010

Ms. EDWARDS of Maryland (for herself and Mr. CONYERS) introduced the following joint resolution; which was referred to the Committee on the Judiciary

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States permitting Congress and the States to regulate the expenditure of funds by corporations engaging in political speech.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein),

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

Article--

Section 1. The sovereign right of the people to govern being essential to a free democracy, Congress and the States may regulate the expenditure of funds for political speech by any corporation, limited liability company, or other corporate entity.

Section 2. Nothing contained in this Article shall be construed to abridge the freedom of the press.'

Appendix B:

**Proposed resolution regarding First Amendment rights
for people, not corporations**

(by any group, organization, city, county or state legislature)

Whereas: the First Amendment is designed to protect free speech rights of people, not corporations; and

Whereas: for the past three decades, a divided United States Supreme Court has transformed the First Amendment into a powerful tool for corporations seeking to evade and invalidate democratically enacted reforms; and

Whereas: this corporate takeover of the First Amendment has reached its extreme conclusion in the US recent ruling *Citizens United v. Federal Elections Commission*; and

Whereas: the U.S. Supreme Court ruling in *Citizens United v. F.E.C.* overturned longstanding precedents prohibiting corporations from spending their general treasury funds in our elections; and

Whereas: the U.S. Supreme Court ruling in *Citizens United v. F.E.C.* will now unleash a torrent of corporate money in our political process unmatched by any campaign expenditure totals in US history; and

Whereas: the U.S. Supreme Court ruling in *Citizens United v. F.E.C.* presents a serious and direct threat to our democracy; and

Whereas: the people of the United States have previously used the constitutional amendment process to correct those egregiously wrong decisions of the U.S. Supreme Court that go to the heart of our democracy and self-government;

Now, therefore, be it resolved:

That [*name of organization or jurisdiction*] _____ hereby calls upon the U. S. Congress to pass and send to the states for ratification a constitutional amendment to restore the First Amendment and fair elections to the people.