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To illustrate how little has changed in four years, other than conditions becoming worse, the 2008 Nader/Gonzalez campaign is posting these policy positions on various injustices, necessities, and redirections that were prepared initially for the 2004 Nader/Camejo campaign. Such a short historical context should give our supporters and viewers an even greater sense of urgency to stop the corporate interests' and the corporate governments' autocratic control -- and the resulting deterioration -- of our society and country.

Shift the Power with these "Tools of Democracy"

The three documents below provide the "tools of democracy" that shift the power so people can regain control of their government, empower themselves as consumers, and strengthen themselves as workers. Without the facilities making it easy for Americans to band together to develop organizations with staff and budget to protect their interests workers, consumers, and voters have few ways to challenge those organized for other purposes for example corporations organized with contrary policies and demands. These "Shift the Power" organizations are voluntarily funded by citizens who choose to participate. The documents below deal with three issues: reclaiming our democracy, gaining some control over the public airwaves (owned by the people!), and giving consumers bargaining power over telephone, gas, electric and utility monopolies. These facilities for a stronger democracy provide models that could be applied to any aspect of our lives, so that corporations become more our servants than our masters.

The Audience Network Act

The Audience Network Act would take back just a small portion of the television and radio airwaves -- the precious resource our Government gives away, mostly to the benefit of wealthy corporations -- and put it in the hands of the American people.

Despite rapid changes in the communications field, television remains the most powerful medium -- and television licenses and franchises the most desired properties -- in communications today. At the same time, market consolidation, aided by the laissez-faire attitude of federal regulators, has led to increased concentration of possession of scarce broadcast licenses and cable franchises -- all of which the Government gives away for free. The limited broadcast spectrum, which is owned by the public, and valued cable monopolies, conferred by public authorities, are increasingly controlled by a handful of powerful media conglomerates.

Television today suffers not merely from a concentration of power but also from a shortage of quality, thought-provoking programming. There are some quality entertainment, educational and public affairs programs. The major broadcast and cable networks sometimes come through with intelligent entertainment and solid news reporting. C-SPAN has substantially expanded access to the raw material of democracy -- the proceedings of government, interest groups and elections. Public television stations have offered quality programming, particularly for children. The Independent Television Service (ITVS), created by Congress in 1988 to address the needs of unserved and under served audiences, has added an important voice.

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But the vast bulk of what appears on television today is of low quality -- tabloid, sensationalist "news," both from local stations and national syndicators, ugly talk shows, mindless comedies, endless violence, half-hour toy advertisements disguised as children's shows, and, everywhere, droning commercials and "infomercials." The Corporation for Public Broadcasting, the National Endowment for the Humanities, PBS, and ITVS face yearly threats from Congress to eliminate or sharply reduce Government funding for public television efforts. Public broadcasters are thus turning increasingly to corporate sponsors and advertising and to commercial network cast-off programming, and coming more and more to resemble their commercial cousins. C-SPAN's funding and distribution is at the mercy of cable operators, many of whom have eliminated one or both C-SPAN channels to make room for commercial offerings. Public access channels, provided by many cable operators as a price of obtaining franchises from local governments, offer a forum but few resources -- resulting, for the most part, in no-budget vanity programming that is difficult to watch. Television's "vast wasteland" -- the famous description provided by Federal Communications Commission Chairman Newton Minow in 1961 -- has become vaster and no less of a wasteland. As Bruce Springsteen has described it, what Americans are generally offered today is "57 channels and nothing on."

The television industry's lobbyists insist that the struggle for ratings and revenues is free-market democracy in action -- people vote with their eyeballs, and the most popular shows and channels are the winners. But that is simply not the case. Commercial programming choices are driven by appeal to the demographic group advertisers seek -- young adults. Older Americans and children receive short shrift. Moreover, the drive for ratings leads to lowest-common-denominator programming, often devoid of subtlety, creativity, or responsibility. The cable revolution, once seen as promising far greater diversity and appeal to a wider range of audience, has failed. There is just more of the same. As a society, we deserve better.

The Communications Act of 1934 and the regulatory framework established under it conferred public trusteeship status on broadcasters. Broadcasters, while succeeding in their effort to enrich themselves, have generally failed to meet the obligations of their trusteeship.

To return to the people just a small slice of the airwaves -- not just television but also the powerful medium of radio -- in order to improve the quality, diversity and responsiveness of programming, we propose the Audience Network Act. The Act would empower the television and radio audience -- the people of this country -- by providing the public with limited access to television and radio time and facilities. The Audience Network proposal was the subject of a 1991 hearing before the House Energy and Commerce subcommittee on telecommunications and finance, then chaired by Representative Edward Markey.

The Act would create Audience Network, a federally-chartered national non-profit membership organization. Anyone sixteen years or older who contributed \$10 or more annually would be a member of Audience Network. The Act would grant Audience Network one hour of prime time television and one hour of drive time radio on every commercial station every day. Audience Network could then lease some of these desirable time slots to station owners in order to finance varieties of engrossing quality programming to be shown at other times. The control of these time slots would give Audience Network, and hence citizens concerned with diverse, high-quality broadcasting, strong bargaining power vis-a-vis broadcasters.

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Audience Network would function as a separate FCC licensee. Its management would be chosen by direct election of the members. Audience Network would air programming shaped by member interests and needs. It would produce and acquire for presentation a range of quality public affairs and entertainment programs. Management would conduct quarterly membership surveys to ascertain the programming priorities of members. Boards comprised of Audience Network staff, members and contributing creative artists would select programming. Audience Network would provide national programming, while local Audience Network chapters would contribute additional local programs.

Audience Network public affairs and entertainment programming, aired without commercials, would address issues of interest to a broad range of viewers -- including, as a core concern, issues related to communications policy. Audience Network would provide a strong outlet for the discussion of social and political issues, elections and referenda at the national and local levels. It would also help turn the passive television medium into a vehicle for action by focusing on citizen participation, education and organization -- ways for people to become involved in social and political causes of concern to them. Audience Network would frequently provide viewers with names of groups to contact, events to attend, publications to read. An Audience Network site on the Internet would provide computer-capable viewers with additional, detailed information on matters addressed on television and radio. It would also provide computer users in this country and around the world with access to audio and video materials from Audience Network programming.

Non-profit organizations -- from community groups to the Girl Scouts to the Sierra Club to the American Cancer Society to the Junior Chamber of Commerce to labor unions -- would be offered opportunities to create and broadcast programming. Such groups have a wealth of important information to share with the public, yet rarely have an opportunity to communicate over the airwaves at any length.

Well-known entertainers and civic leaders would be recruited to participate, to lend their talents to the cause of more diverse and intelligent media and to educate audiences on issues of concern to them. Less well-known creative artists and citizen advocates would be given an opportunity to reach broader national and local audiences.

There is a precedent for the Audience Network approach, and it works. In the Netherlands, radio and television air time is apportioned to citizen groups, with the size of membership determining the extent of access to the airwaves.

Audience Network would also maintain a small staff of communications policy experts who would be charged with representing consumer interests before the Federal Communications Commission, Congress and the courts, and communicating with the public on communications issues, including not only traditional television and radio but the whole range of issues affecting our technological future, such as telephone, cellular, high-definition TV, direct-broadcast satellite, the Internet and other computer on-line services. When the FCC considered proposed hikes in cable television rates or rules for awarding scarce broadcast and cable frequencies, and the giant media corporations appeared with scores of lawyer-lobbyists, Audience Network's presence would help ensure that the consumer viewpoint was not lost in the crowd.

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Audience Network, as conceived by the Act, is fully consistent with the First Amendment rights of broadcasters. Under the Communications Act, a broadcast license does not confer ownership, only temporary use of a designated frequency, with the First Amendment rights of viewers and listeners remaining paramount. The scarcity inherent in the broadcast spectrum, the Supreme Court and the FCC have long recognized, justifies government regulation in the public interest. The advent of cable television has not undermined that rationale: 40 percent of households have no cable service, and rising cable subscription prices, resulting from government deregulation, may increase that percentage, especially among lower-income families. The "must-carry" provisions enacted by Congress, and the entry of new cable channels owned by the broadcast networks are just some of the indications of the continued economic and political power of broadcasters. Moreover, even cable has not eliminated scarcity; there are more channels but even more programmers seeking access.

The Supreme Court has clearly left the door open for Congress to expand access to the airwaves. As the Court stated in *CBS v. Democratic National Committee*, 412 U.S. 94, 131 (1973), "Conceivably, at some future date Congress or the Commission -- or the broadcasters -- may devise some kind of right of access that is both practicable and desirable."

The Audience Network Act would not strip from broadcasters editorial control of their own broadcast time or otherwise implicate the free speech rights of broadcasters. Instead, it would in effect redefine the broadcast license to cover 23 hours, instead of 24, with the remaining hour becoming the property of Audience Network. In no respect would the content of the Audience Network's programming be imputed to the broadcast licensees sharing a particular piece of the spectrum. The Supreme Court, in its landmark decision in *Red Lion Broadcasting Co. v. FCC*, 395 U.S. 367, 390-91 (1969), recognized that "[r]ather than confer frequency monopolies on a relatively small number of licensees, ... the Government could surely have decreed that each frequency should be shared among all or some of those who wish to use it, each being assigned a portion of the broadcast day or broadcast week." The only connection between the television and radio broadcasters and Audience Network would be that the national broadcast networks and local broadcasters would provide Audience Network with reasonable access to their transmission facilities, and Audience Network would reimburse the broadcasters for the actual costs.

The Audience Network Act says that we can free ourselves of the trap we have set: We have given away the people's airwaves and received very little in return that enhances the public interest. We need not be at the mercy of broadcasters and cable providers and simply hope that these enterprises will offer high-quality, public-spirited programming. We can reserve for the public just a small piece of the airwaves, and thereby enhance our culture and our democracy.

Citizen Utility Boards

CUB is a non-profit, consumer-controlled organization that represents residential utility ratepayers before regulatory agencies, courts, and legislatures on telephone, gas, electric, and water rates, as well as other safety and economic issues involving utility monopolies. It is designed to redress more closely the imbalance of consumers' power vis-a-vis the utility companies. The utilities spend millions of

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dollars of your ratepayer money hiring armies of lawyers, economists, and scientists to advocate the companies' interests before state Public Service Commissions and legislatures. Although residential ratepayers have direct interest in proceedings, they lack the resources, expert advocates, or organization to respond to the utilities' arguments. The cost and complexity of a typical rate case effectively prohibit regular active consumer participation.

CUBs help rectify this imbalance by giving consumers a mechanism to pool their resources and hire their staff of professionals. At the heart of the idea is CUBs right by law to enclose notices inside monthly utility bills to communicate with the public and solicit memberships. This enclosure provides CUB with an efficient and effective way to reach and organize ratepayers: the insert is cheap to print, costs CUB no postage to deliver and reaches the residential ratepayer at the peak moment of interest (or outrage), upon opening the monthly bill.

Organizationally, CUBs have broad appeal, they do not cost the taxpayer a cent, are voluntary to the consumer to join and do not create another government agency. In states where CUBs operate, any residential consumer can join by contributing a minimum of \$5 per year. Members are entitled to vote in the election of the CUB Board of Directors, which governs the organization, determines its policies, and hires its staff. Because CUB depends on donations, it must work for public support if it does not perform, or if it is not accountable to its members, people will not contribute and CUB will shrink or go out of business.

The experience of Wisconsin CUB shows the impact that even a modestly-well financed, well-organized consumer group can have. Established by the state legislature in 1979, CUB has developed into the largest and most effective consumer group in Wisconsin, with about 110,000 members. CUB is credited with saving consumers more than \$80 million in unnecessary rate increases, defeating measured billing for local telephone calls and securing a \$23 million refund (about \$15 per customer) from Wisconsin Bell.

The success of Wisconsin CUB has sparked interest in the model throughout the country. In late 1983, after a two-year campaign by consumers, the Illinois legislature approved a CUB bill. Illinois CUB, in full operation for just 16 months, has 120,000 members and is involved in several major rate cases. The city of San Diego, California has a CUB which focuses on the local gas and electric utility. Last November, Oregon became the third state to set up a CUB when voters passed a ballot measure despite a utility-backed anti-CUB campaign which outspent CUB supporters 20 to one. CUB proposals are pending in almost a dozen other states, including Massachusetts, New York, and Rhode Island.

A key ingredient in the successful campaign to establish CUBs is the broad-based, grassroots support for the proposal. Consumer, environmental, church, labor, and senior citizen groups, recognizing the need for ratepayer input in the regulatory and legislative arenas, have led the legislative fight for CUB. Their task has not been an easy one the utilities are well financed and have considerable influence in the state legislatures. But as experiences in Wisconsin, Illinois, and Oregon demonstrate, if consumers are organized on the grassroots level, they can counteract the utilities' clout and break through with this important institution.

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The CUB concept an independent group of full-time staffers funded by and working on behalf of consumers of a particular service has many applications. Tenants, insurance policy holders, and banking customers can all band together in groups this way to protect their interests (the Audience Network is an extension of the idea to television and radio users). These groups have one feature in common: the right to enclose a solicitation in the billing envelope or other seller's communication of the service industry they wish to reform.

Democratic Revolution in an Age of Autocracy

By Ralph Nader originally published April 1993 in Boston Review

The Clinton Administration says it has big plans for "fundamental change" in the way our government and economy work. Change was certainly the mandate of the 1992 election, and the Clinton people have already set out some ambitious plans (keeping in mind, of course, that virtually any presidential leadership seems bold after four years of the Bush administration).

But is fundamental change achievable?

What neither Clinton, nor his Cabinet, nor most other Democratic Party proponents of change seem to realize is that significant, enduring change will require an institutionalized shift of power from corporations and government to ordinary Americans. While politicians have now made an art of populist symbolism, virtually none have a serious agenda to strengthen Americans in their key roles as voters, taxpayers, consumers, workers, and shareholders.

To deliver on his promise for change, President Clinton must adopt a more fundamental priority: the rejuvenation of the democratic culture of this nation through specific institutional reforms. It is, after all, the failure of our "civic infrastructure" not simple fate or isolated mistakes that is the root of many of our intractable national problems. If civic standards got the television airtime of Morris the Cat and associates, the savings and loan scandal would have never occurred: outraged citizens would have intervened long before it became a \$500 billion scandal.

Thomas Jefferson said that "a little rebellion now and then" might be a good thing. He was right, and we need such a rebellion now: a democratic revolution that will reinvent and rediscover democracy. All sorts of latent energies are waiting to be tapped. But they will never be released by simple exhortations to "good citizenship," or by celebrating the values of civic engagement, praising a thousand points of light, and hosting quadrennial candidate forums.

Instead, reinventing democracy requires that we create new tools of empowerment: new mechanisms of civic communication, political organization, government assistance, and legal rights that can advance the distinct interests of citizens, taxpayers, consumers, workers and shareholders. These structural and procedural reforms will help to foster a new "fifth estate" of individual Americans, capable of acting independently from entrenched institutional that is, chiefly corporate and governmental power. Pursuing new forms of joint action, we can reclaim our government from the

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oligarchy that has made it a caricature of the Jeffersonian vision and overcome the sense of powerlessness, alienation, and fatalism that threaten to erode the commitment to democracy itself.

Here, then, is the North Star of a democratic revolution: reassert democratic principles by giving the ideal of self-government new and creative applications in everyday life. What follows are ten urgent, practical empowerment strategies that will help to advance the democratic promise by reclaiming democracy and checking corporate power.

Reclaiming Democracy

1. Facilitate voter initiatives. The 1992 campaigns dramatically illustrated the depth of voter disillusionment with politics as usual and the deep yearning of ordinary Americans to participate in the democratic process. Unfortunately, except for a few media-driven vehicles such as call-in talk shows and candidate forums (which, significantly, were convened by candidates, not by voters), citizens have few opportunities to take the initiative in bringing issues to public attention.

One of the best tools for breaking this logjam is the voter initiative the process by which citizens may enact or reject laws directly through the voting booth rather than through elected officials. The process is simple: citizens gather a specified number of signatures on petitions. An initiative then appears on the ballot, and is enacted or rejected by popular vote. Through this initiative process citizens can propose new laws, state constitutional amendments, or city or county charter amendments.

Citizen initiatives are an important democratic remedy for unresponsive state legislators or city officials. Without initiatives, self-government all too often means only giving voters a choice of electing the lesser of two evils. With the initiative process, voters can control specific policies of government, and even change its structure. Frequently, just filing an initiative petition inspires legislators to pay attention to a citizen or community campaign. Government becomes more responsive. Political power cannot be so easily monopolized by a few influential officials. New and often crucial items can be put on the political agenda. And citizens, reacting to direct democracy, are more likely to participate in civic life.

Any politician who is serious about rejuvenating our democratic traditions must promote the use of the initiative process. Where initiatives are not now permitted -- at the national level and in some states this means changing the rules that prevent them. Congress, by majority vote of both houses, could create a non-binding national initiative process or mandate national advisory referendums on any subject at any time. This act alone would send a powerful message to the American public: that democratic principles are indeed valued; that citizen-driven participation is important in our public life; and that legislators are willing to be directly responsive to the public will.

2. Reform our corrupt campaign finance system. It is now a well-accepted fact that our system for financing presidential and congressional campaigns is fundamentally corrupt and pernicious. The only way to ensure effective and honest representation by lawmakers is through decisive campaign finance reform, with public funding of campaigns. Ellen Miller's article on "Money, Politics, and Democracy" (in this issue of the Boston Review) presents one proposal for such reform.

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An important first step in the campaign to limit the impact of money in politics was taken in February. A major coalition of 300 citizen organizations launched a massive "Clean Up Washington" campaign, announcing its own 800 number to marshal citizen support (800-847-6611). The object of the campaign is overall spending limits for congressional races, a reduction in the limits on P.A.C. and individual contributions, a ban on "soft money" contributions (which are channeled through political parties), and the elimination of special tax breaks for lobbying. By loosening the grip of entrenched interests, these reforms promise to unleash other new possibilities for the culture of citizenship.

3. Set term limits for Members of Congress. Few issues have so galvanized spontaneous citizen action as the idea of term limits. The chief value of such limits is their ability to liberate new energy for political elections. A fresh crop of candidates can emerge and win and more citizens can become excited recruits to electoral campaigns. Because incumbents typically have a hammerlock on reelection, ordinary citizens who used to participate actively in campaigns have largely given up. They reasonably say, "Why bother? How could I possibly make a difference? There's no chance that a challenger-candidate could possibly unseat a well-funded lifetime politician."

Limiting terms to twelve years changes this equation. Congressional elections matter again. New blood enters the democratic process. Diversity of representation is enhanced. Legislators can be elected who have energy and determination, who are not burnt out or bought off. Newcomers will generally be closer to their constituents than the career politicians of Washington. Their arrival can help end the reign of the ruling cliques, whose entrenched power is such a potent barrier to progressive change.

Opponents of term limitations warn that inexperienced citizen legislators will be at the mercy of special-interest lobbyists and that the voters will lose the experience and wisdom of career lawmakers. This argument is not convincing, given what the established "experience and wisdom" has accomplished in Washington. There were a lot of amateurs in Philadelphia 200 years ago; they didn't do too badly. Constitutional objections may be more formidable. Some experts argue that congressional term limits require a constitutional amendment, and not simply legislation in individual states. This was the method used to limit presidential terms in 1951. At the very least, however, it is clear that the states can limit the terms of state officials. Twenty-three states already limit the number of terms that their governors can serve.

Members of Congress are not likely to approve a constitutional amendment limiting their own terms. So attention must turn to ways to compel Congress to act. The 22 states with the initiative/referendum process where voters have direct access to the ballot box will have a head start in organizing term limit campaigns. These states account for nearly half of the House of Representatives, and 44 of the nation's 100 senators. A state-by-state blitz of term limitation initiatives will create tremendous national momentum to limit Congressional terms, even in the 28 non-initiative states. In those states, citizens must demand that their legislators vote for term limits, or that the question be placed on the ballot for the public to make their voice heard.

4. Expand citizen standing rights. What can be done when government itself becomes lawless, flouting the very Constitution and congressional laws that it is duty-bound to uphold? This is one of the most important yet neglected problems of self-governance of our time.

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Historically, one important tool for citizens and taxpayers has been a broad right of legal standing a right to gain access to the courts to sue the government and challenge its arbitrary and capricious actions, its failure to enforce existing laws, and its illegal behavior. The Supreme Court recognized the importance of broad taxpayer and citizen standing in a series of decisions in the 1960s and early 1970s. They upheld, for example, the standing of taxpayers to challenge expenditures of tax revenues that were alleged to violate the Establishment Clause of the First Amendment, and the standing of ordinary users of the environment to challenge the legality of environmentally harmful government regulations even though the interest of the particular plaintiffs was generalized and diffuse.

Unfortunately, since the mid-1970s the Supreme Court has reversed this tradition, and developed an increasingly restrictive law of standing. Narrowing citizen access, the Court has transformed the law of standing into a smokescreen that masks and sanctions many governmental misdeeds. The Court has refused, for example, to grant standing to taxpayers who were challenging government spending alleged to violate the Establishment Clause, or to taxpayers arguing that secret C.I.A. funding violated the Constitution's requirement of a public accounting of public expenditures. These changes in effect license government officials to violate the law whenever it is expedient for them to do so, because no one, except perhaps an attorney general, will ever be able to hold them accountable in court.

This is no way to promote official compliance with law or citizen confidence in the operation of government. If public confidence in the legitimacy of government is to be restored, Congress must immediately enact remedial legislation that gives taxpayers and citizens broad standing to sue government. Such a reform would be a virtually cost-free way to improve the quality and responsiveness of government operations. It would also send a strong message that our nation is indeed governed by law and not by the arbitrary caprice of political officials or government bureaucrats.

5. Regain control over "taxpayer assets." On behalf of the American people, the U.S. government owns and manages a wide variety of taxpayer assets: national forests, grazing lands, mineral deposits, power projects, information resources, research and development rights, broadcast frequencies, among others. The Reagan and Bush administrations boasted of their intention to run government "like a business" before proceeding to host a massive fire sale of taxpayer assets to assorted corporate interests. Here, too, citizens and taxpayers must be empowered to stop the widespread abuses of government stewardship of publicly owned assets.

The federal government has historically funded about half of all U.S. expenditures on research and development (R&D) some \$74 billion in fiscal year 1992. Over the past twelve years, the allocation of property rights in these research projects has dramatically changed. Before Reagan/Bush, the government generally sought to have research products enter the public domain, or to patent its inventions or license them on a non-exclusive basis. Exclusive licenses were used, but only sparingly, and often for limited terms. After 1980, however, a series of statutes, rules, and policy memoranda sanctioned a broad use of exclusive licenses. In effect, taxpayers invest billions of dollars in R&D every year and then the returns on these investments are privatized.

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One of the more egregious abuses of taxpayer assets involves azidothymidine (AZT), the A.I.D.S. treatment developed chiefly through government grants. Despite the government's development funding, Burroughs Wellcome later gained monopoly rights to the drug, initially charging \$10,000 (\$3,000 today) to A.I.D.S. patients, many of whom have no health insurance.

This same pattern is replicated in the government's stewardship of federal information resources, many of which are available through electronic means. The U.S. Government is the largest publisher of information in the world. Yet the government has raised prices sharply for these taxpayer-sponsored information resources; has given them away to private vendors who sell the identical materials at inflated prices; and has eliminated many publications altogether, effectively barring public access to government information and policy.

One partial solution that deserves immediate congressional action is pending legislation that would require the Government Printing Office to set up a one-stop-shopping program for on-line access to hundreds of federal databases. The service would be free to 1,400 federal depository libraries, and would be available to everyone else through subscriptions priced at the relatively low "incremental cost of dissemination."

Another way to help taxpayers defend public assets against waste and abuse is to create a taxpayer watchdog group, in the form of a set-aside program, as a requirement for all uses of taxpayer assets. This money say one or two percent of a given subsidy would finance ongoing citizen oversight of private use of taxpayer assets. Like other accountability mechanisms, this expenditure could be one of the most cost-effective ways for the government to prevent waste and abuse of public assets.

The government does seem newly receptive to such ideas. Interior Secretary Bruce Babbitt recently announced, for example, that the U.S. Government will no longer charge nominal fees for grazing rights, mineral rights and other private exploitation of federal lands. Instead, taxpayers will begin to receive market rates, and that will encourage private users to treat these resources more responsibly. Whether President Clinton will be able to overcome the cattle, farming and mining interests is, of course, another matter which is precisely why democratic reforms are so vital.

6. Reclaim the public airwaves. The privatization of the broadcast airwaves one of our most important taxpayer assets has caused serious deformations of our politics and culture. The basic problem is that private broadcasters control what the public owns. And in return for free licenses to use taxpayer property, broadcasters give us a steady stream of increasingly coarse, redundant, superficial programming and, of course, exclusively decide who says what on our public airwaves.

The result is that there is no place to hold a public discussion. Ordinary citizens can speak to their neighbors, but they cannot speak to millions of their fellow Americans without paying a giant toll and obtaining the permission of large corporations. The grotesque paradox is that a First Amendment originally intended to empower citizens for self-government is now being used to shield business entities, who control the major channels of communication and have little interest in using them as public fora. (See Cass Sunstein's article "Is Free Speech the Enemy of Democracy?" in this issue of the Boston Review).

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To give the audience access to the airwaves that it already owns, Congress should create a new broadcast vehicle, the Audience Network. A national, nonprofit, nonpartisan membership organization, Audience Network would be granted one hour of prime-time television and one hour of drive-time radio on every commercial channel each day. It would function as a separate licensee, airing diverse programming shaped by the membership, which would be open to all citizens over age 16 for a nominal fee (say, \$10 annually). In addition, Audience Network would represent consumer interests before the Federal Communications Commission (F.C.C.), Congress, and the courts. This would redress the long-standing disenfranchisement that millions of viewers and listeners have suffered under the current regulatory regime.

The Audience Network would be democratically controlled. The Network and its professional staff would be managed by persons accountable to the membership through a direct elective process. Besides membership fees, it could lease some airtime back to stations or networks. This would help assure the Network's financial security, and allow it to avoid paid advertisements. During its time slot, the Audience Network could air a variety of cultural, political, entertainment, scientific or other programs that it produced or obtained. Freed from the constraints of corporate advertisers, the Audience Network would air major abuses which are not publicized for years by the commercial media.

Over time, Audience Network would transform a powerless, voiceless audience, conditioned to a debased regime of programming, into an active audience with the ability to initiate innovative and consequential programming and reforms. Its open programming by diverse non-commercial groups would greatly invigorate the civic marketplace of ideas a signal challenge for our times.

Checking Corporate Power

7. Create shareholder democracy. Corporate democracy has been an illusion for nearly 100 years which has not of course deterred business executives and the New York Stock Exchange from annually proclaiming its vitality. What is the scope of management power and what are the checks upon it? In nearly every large American business corporation, one person or a small coterie of executives have unquestioned operational control. In theory, this small group of managers serves as an agent of the board of directors; in reality, it is just the reverse. The chief executive or executive clique chooses the board, and, with its acquiescence, controls the corporation.

The legal basis for such a consolidation of power is the proxy election what British law professor L.C.B. Gower calls "this solemn farce." Given the nearly insuperable barriers faced by insurgents challenging management, it is no surprise that the board of directors has ceased to perform its statutory function of "managing the business and affairs of every corporation." Indeed, it is often hard to tell whether the boards of many corporations perform any independent function at all. "Directors," William O. Douglas complained as early as 1934, "do not direct." Management control has overwhelmed the rule of law.

Such autocratic corporate governance imposes serious economic and social costs -- in terms of self-dealing, inefficiency, and illegality. Even Business Week now concludes, "So much of this trouble for America's corporate titans [General Motors, IBM, Westinghouse, American Express] might have been

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avoided had the same parochial perspectives not clouded the judgment of many outside directors. They simply failed in their duties." Many institutional shareholders such as the California State Employees Pension Fund, newly aware of the long-term economic costs of unaccountable managements, have mounted campaigns to oust lackluster management teams. This is a step in the right direction, but the impulse needs to be taken much further.

What is needed is a Corporate Democracy Act to give all stakeholders in corporate decision-making a real voice in corporate governance. Redesigning the rights and obligations of shareholders, boards of directors, and executives can make giant companies both more efficient and law-abiding. Critical to this task is installation of full-time outside directors selected by beneficial owners in elections entirely funded by the company. To short-circuit wasteful competition among states to woo corporate investment by sanctioning unfair labor practices, pollution, and wasteful subsidies federal chartering of corporations with minimum national standards are essential. Moreover, victims of corporate malfeasance workers, consumers, local communities, shareholders, and small businessmen should be accorded greater access to the court system to redress their complaints (see point 9 below for more details).

Adding together all the social costs of our baroque, ineffectual sham of corporate governance, it becomes clear that corporate autocracy is not conducive to a prudent, productive economy nor to socially benign corporate behavior. But this will not change until corporations begin to abide by minimal national standards of business responsibility and shareholders are empowered to gain greater access to reliable corporate information, participate in fair elections for board seats, and exercise meaningful oversight of management.

8. Establish a new model of consumer representation. Mancur Olson, in his excellent book, *The Logic of Collective Action*, asks, "Why is it that throughout history large numbers of people are preyed upon by small numbers of people? What is it about the victim class that makes it incapable of asserting itself?"

One answer is that the "victim class" has great difficulty in bringing itself together, as a group. If only because of sheer numbers, it typically lacks organizational means for asserting its collective will or developing a common identity and culture. This dynamic is played out in dozens of milieus in our political economy. For example, sellers who are consummately capable of organizing themselves to protect their interests develop myriad means to exploit buyers who have preciously few means of organizing themselves. Public interest groups can help, but they often cannot provide a consistent presence that is technically competent, financially stable, and directly accountable to consumers.

The 1980s saw the emergence of a promising new solution to this classic problem. The Citizens' Utility Board, or C.U.B., is a model approach for bringing together large numbers of diffuse consumers into a voluntary organization, which can then pursue a common citizen/consumer agenda in banking, insurance, housing or dozens of other arenas. It is the "silicon chip" for the citizen movement because it is a low-cost, high versatility, powerfully effective device.

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How does a C.U.B. work? Typically, residential consumers lack the organization, resources, or expertise to respond to utility arguments on such matters as ratesetting and safety. C.U.B. offers an ingenious way to provide effective citizen representation. By authority of state legislatures, a C.U.B. is given the right to enclose notices inside certain company and state mailings to invite the public to become voluntary members of the C.U.B. for a modest annual fee of \$5 to \$10. C.U.B. pays for this enclosure. This "piggybacking" on state mailings provides a convenient, effective way for the C.U.B. to organize a membership and to communicate with it, and a basis for self-sufficiency and financial accountability.

All members of the C.U.B. have the right to vote in the election of the C.U.B. Board of Directors. This process ensures that the leadership of C.U.B. reflects the interests of the ratepayers. The Directors serve without pay and hire full-time staff of accountants, attorneys, economists, organizers, and lobbyists. The staff can intervene, for example, in rate proceedings; advocate before the legislature; research issues of concern to consumers; survey public opinion on energy and telecommunications issues; analyze the way the utilities are handling complaints; and provide information and assistance to consumers interested in conserving energy.

Illinois C.U.B., for example, attracts tens of thousands of members and has blocked literally billions of dollars in gratuitous rate hikes. It would be easy to apply the C.U.B. idea to organizations like the Social Security Administration, the Veterans Administration and the U.S. Postal Service. Big mailers (magazine publishers and the direct-mail industry) routinely use lobbyists and trade associations to advance their interests in postal commission rate hearings. Don't residential mailers deserve their own independent voice?

The beauty of the C.U.B. concept is that, as a voluntary group, it costs taxpayers virtually nothing. It is anti-bureaucratic, because no new government personnel or procedures are needed. It enhances civic participation, because the C.U.B. depends for its success on the energy and vision of its members. And it counters the massive inequities of power that afflicts consumers in their dealings with government and business.

9. Protect victims' rights. Another constituency of individuals that is increasingly impotent are the innocent victims of dangerous products, unsafe workplaces, toxic waste, and other hazards. In recent years, insurance companies, manufacturers, and other corporate interests have waged a massive campaign to roll back the legal rights of plaintiffs to obtain full compensation for their injuries. In one of the most unprincipled public relations scams in the history of American industry, this coalition has pursued a draconian package of changes that it calls "tort reform." Among others, the proposals seek to place arbitrary caps on "pain and suffering" awards; eliminate punitive damage awards (often the only effective deterrent against intentionally unsafe practices); impose mandatory limits on plaintiff lawyers' contingency fees (without setting any corresponding limits on fees for defense lawyers); eliminate strict liability (one of the most effective deterrents against unsafe products and workplaces); and restrict the role of both judge and jury.

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The coalition's fundamental message is that the jury system is out of control because the common law and jury awards are so unpredictable. Claiming a ruinous "litigation explosion," insurance companies dislike the jury system because they cannot precisely budget damage awards as a cost of doing business. But this unpredictability is the very essence of deterrence a function of the civil justice system which is just as important as compensation and which, like the system's other social benefits, cannot be precisely quantified in dollars and cents.

A citizen empowerment agenda must deal with the structural problems of the insurance industry. Congress should repeal the industry's exemption from antitrust laws, federal regulation, and Federal Trade Commission scrutiny. A cycle of surge-and-decline of cash flow almost every decade has precipitated the bogus "insurance crisis." Congress should also establish a federal office of insurance to monitor the industry and establish standards for state regulators to follow. Voter Revolt, a California-based citizen group, broke important new ground by mobilizing broad-based support for Proposition 103 an initiative measure that reformed the property-casualty insurance industry in California and rolled back excessive insurance rates.

At the state level, insurance companies must be required to disclose routinely how much they take in on premiums and investment income, and how much they pay out in verdicts and settlements (plus reserves and other expenditures). State insurance departments need more authority and funding, and consumers need greater consumer representation before insurance regulatory bodies. Insurers should be required to engage in greater loss prevention efforts, and to disclose evidence of known defective products or hazardous conditions to appropriate law enforcement and regulatory authorities. And, C.U.B. style insurance-consumer organizations should be established to enable consumers to grapple with this powerful industry.

Eroding basic victims' rights will not stop premium-gouging and policy cancellations. Only effective insurance reforms will stop the cyclical insurance crisis which leads to the volcanic eruptions of premiums and contracted coverage.

10. Ensure an hospitable environment for whistle blowing. Alfred North Whitehead wrote, "Duty arises from our potential control over the course of events." Since the early 1970s, this insight has given rise to the ethics of whistle blowing -- the lone individual of conscience within a corporate or governmental organization who sees wrong and tries to right it, often at great personal risk.

Society has an acute interest in fostering a more muscular whistle blowing ethic. Corporate and government employees are among the first to know about fraud and corruption, industrial dumping of toxics into waterways, defectively designed automobiles, or undisclosed adverse effects of prescription drugs and pesticides. They are the first to understand how to prevent existing hazards. But they are very often the last to speak out.

There is a great need now to extend the reach of this ethic into such organizations as corporate and governmental bureaucracies. But the ethic will only flourish in these settings if employees have the right to due process within their organizations, and if rights now used to protect people from state

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power for example, the right to speak freely are expanded into protections from corporations and comparable bureaucratic powers. Large corporations should have a bill of rights for their employees and a system of internal appeals to guarantee these rights. Unions and professional societies should strengthen their ethical codes. The courts, professional and citizen groups, the media, the Congress, and other sectors of society must actively work to prevent the trammeling of a fortified conscience within their midst.

If carefully defined and protected by law, whistle blowing can become another of those adaptive, self-implementing mechanisms which distinguish a free society, which empowers people to govern themselves instead of being subordinated to autocratic controls.

Conclusion

The tools for democracy have fairly common characteristics. They are universally accessible; they provide instruments of self-funded voluntary community action; they can make government deliver, and have constructive effects on other areas of policy. Without a reconstruction of our democracy in order to ensure facilities for informed civic participation to all citizens, no ambitious program of political and economic change will succeed. Nor can worries about poverty, discrimination, joblessness, the troubled conditions of education, environment, street and suite crime, budget deficits, costly and inadequate health care, and energy boondoggles be addressed in a constructive and enduring way. These facilities are the magnets for the genuine exercise of rights, remedies, and responsibilities.

So it is time for a civic rebellion, Jefferson style.