

"Ralph Nader's *Breaking Through Power* is a brilliant analysis of corporate power and the popular mechanisms that can be used to wrest back our democracy."—Chris Hedges

RALPH NADER



BREAKING THROUGH POWER

IT'S EASIER THAN WE THINK



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It's Easier than You Think

Ralph Nader

City
Lights



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ONE

PLUTOCRACY OF MAXIMUMS,
DEMOCRACY OF MINIMUMS

When I was a student at Princeton University I learned from my anthropology studies that the concentration of power in the hands of the few is common to all cultures, societies, nations, tribes, cities, towns, and villages. Even where the thirst for self-governance and democracy is strong, as was the case in New England towns before the American Revolution against King George III, wealthy Tories were there too. In Central and Western Massachusetts, the farmers used the term “the River Gods” to describe the rich merchants using the Connecticut River as a profitable trading route. These days, most people protesting for economic justice use the term “the One Percent” to describe the ultra-small group of people who wield enormous influence over our society today.

There is something about the differences in skill, determination, lineage, avarice, and pure luck that stratifies most people from the rulers who dominate them. In the political realm, the few become dominant because they hoard wealth and are driven to exercise power over others. When a small group of people rules a society the political system is considered an oligarchy; when only money and wealth determine

how a society is controlled, the political system is a plutocracy. From the standpoint of a democratic society, both oligarchy and plutocracy are inherently unjust and corrupt.

Of course there are variations in the degrees of authoritarianism and cruelty that each system exercises over the communities it relies upon for workers and wealth. Scholars have resorted to using phrases like “benign dictatorships” or “wise rulers” or “paternalistic hierarchies—” to describe lighter touches by those few who impose their rule over the many. Thomas Paine simply called them tyrannies. People, families, and communities can only take so much abuse before they rise up to resist. The job of the rulers is always to find that line and provide the lowest level of pay, security, housing, consumer protection, healthcare, and political access for society so that they can extract and hoard the greatest amount of wealth, power, and immunity from justice for themselves. In many ways, the majority of Americans live in a democracy of minimums, while the privileged few enjoy a plutocracy of maximums.

This small volume is not just about the ravages of power or the assaults against disadvantaged and downtrodden communities. The subject here is the dominating influence of the One Percent in business, politics, health, education, and society as a whole. Over the past fifty years, Americans have suffered the relentless commercialization of everyday life—their privacy and their childhoods, their parks and prisons, their public budgets and foreign policy, their schools and religious institutions, their elections and governments, and the most basic societal institution of them all: the family.

Consider all the family functions that have been outsourced to business. Eating, cleaning, childcare, counseling,

therapy, entertainment, sports, lawn work, simple repairs, have been increasingly commercialized, commodified, packaged, and marketed back to us as products of luxury and convenience. Even mother's breast milk has been displaced by infant formula.

In a plutocracy, commercialism dominates far beyond the realm of economics and business; *everything is for sale*, and money is power. But in an authentic democracy, there must be commercial-free zones where the power of human rights, citizenship, community, equality, and justice are free from the corrupting influence of money. Our elections and our governments should be such commercial-free zones; our environment, air, and water should never fall under the control of corporations or private owners. Children should not be programmed by a huckstering economy where their vulnerable consciousness becomes the target of relentless corporate marketing and advertising.

American history demonstrates that whenever commerce dominates all aspects of national life, a host of ills and atrocities have not just festered and spread, but become normal—enslavement, land grabs, war, ethnic cleansing, serfdom, child labor, abusive working conditions, corrupt political systems, environmental contamination, and immunity from the law for the privileged few. History also shows that whenever there have been periods when enough of the country organizes and resists, we see movements of people and communities breaking through power. Progress is made. Rights are won. Education and literacy increase. Oppression is diminished. It was in this manner that people of conscience abolished the living nightmare imposed by

the laws and whips of white enslavers. The nation moved closer to promises of “Life, Liberty, and the Pursuit of Happiness” expressed in the Declaration of Independence. We won more control over our work, our food, our land, our air, and our water. Women secured the right to vote. Civil rights were elevated and enforced. Public schools, improved environments, workplace collective bargaining, and consumer protections did not spontaneously evolve; they were won by people demanding them and breaking through power.

These moments of great progress are expressed in terms of new legislation, regulations, and judicial decisions that directly benefit the life, liberties, and pursuit of happiness of most Americans. From the abolition of slavery to the introduction of seat belts, great social gains have been achieved when people mobilize, organize, and resist the power of the few. The problem is that these liberating periods of humanitarian and civilizational progress are of shorter duration than the relentless commercial counterforces that discourage and disrupt social movements and their networks of support. Some commentators have used the bizarre term “justice fatigue” to describe the pullback that often occurs when communities of resistance are faced with increased surveillance, infiltration, harassment, and arrest. A more accurate term is repression.

My sister, Laura Nader, Professor of Anthropology at the University of California, Berkeley, encourages her students to study and compare how other cultures develop and improve their collective “common good.” An illuminating comparison on a giant scale, for example, could be made between how the United States and our European allies and en-

emies developed after World War II. Maybe the difference in directions came from the complacency of the American victors, flush with “full employment” after a severe economic depression, in contrast to the motivation of Europe’s surviving middle class, to return to a better life. In any event, a destitute France, Belgium, Holland, Germany, Italy, and Austria and the damaged Britain and Scandinavian nations took their traditions of strong labor unions, multi-party systems, and large co-ops to a level of productive social democracy that continues to shame the corporate-dominated, two-party tyranny that passes itself off for democracy in the United States.

Granted, these war-weary countries had their own plutocracies, their own One Percent, but those ruling elites were successfully kept in check by the rest of society, not the other way around as is the case today in the United States. This combination of factors, coupled with a hungry, impoverished population thirsting for a decent livelihood, raised the critical expectation level that drove the momentum for far-reaching social progress. In this manner, people in most Western European nations granted themselves important accommodations such as affordable universal healthcare, tuition-free higher education, bountiful private pensions, powerful job-protection laws, four weeks or more paid vacations, accommodating public transit, paid family sick leave, paid maternity leave, and free child care. People in the United States today, with the exception of some of those protected by labor unions, have permitted the wealthy class to deny them these benefits, allowing their taxes for example, to be spent on what is, by far, the world’s biggest military budget and an ultra-invasive national surveillance system that allows

the government to violate their privacy. People in Europe insist that their taxes be spent to enrich the health, education and well-being of the entire population, not just those with extreme wealth, so there is less grumbling. Some European communities even calibrate fines and fees based on income. People in Finland, for example, charge fines according to income level so that the financial sting is experienced more equally. As a result, a wealthy Finnish businessman recently found himself with a speeding ticket in the amount of about \$58,000 (54,024 euros) “for traveling a modest, if illegal, 64 miles per hour in a 50 m.p.h. zone.”¹

Our country, which brags constantly about being number one in just about everything, managed to tie itself into knots after World War II. In 1947, a Republican Congress passed the notorious Taft-Hartley Act that handcuffed workers from forming new labor unions or expanding the ones that already existed. In 1948 the two-party duopoly smeared and suppressed the pro-labor efforts by the Progressive Party and its presidential candidate, former Vice President (under Franklin Delano Roosevelt) Henry Wallace. This was followed by more onerous restrictions on state ballot access and exclusions of third parties, enacted by both the Republicans and Democrats, that further stunted competitive choices of candidates and agendas. Today both parties increasingly represent the interests of big money, not the interests of the people, for it is big money that bankrolls their multi-million dollar election campaigns.

Almost as quickly as they emerged, radio and television stations in the United States conglomerated into big businesses beholden to the money and influence of their adver-

tisers. While the Europeans devoted their post-war budgets to expanding public works, improving public facilities, social services, parks, and the arts, the United States squeezed civilian resources and channeled them into military budgets that drove the Cold War. It was not for nothing that President Eisenhower's farewell speech in 1961 is remembered most for warning about the many damaging effects, on both the economy and our freedom, of a burgeoning "military-industrial complex." His original draft contained the phrase "military-industrial-congressional complex" which was edited down to avoid alienating the members of Congress who could have actually done something to confront this deepening omnivorous crisis.

Concentrated power in the hands of the few really should matter to you. It matters to you if you are denied full-time gainful employment or paid poverty wages and there are no unions to defend your interests. It matters to you if you're denied affordable health care. It matters to you if you're gouged by the drug industry and your medication is outrageously expensive. It matters to you if it takes a long time to get to and from work due to lack of good public transit or packed highways. It matters to you if you and your children live in impoverished areas and have to breathe dirtier air and drink polluted water and live in housing that is neglected by your landlord. It matters to you if your children are receiving a substandard education in understaffed schools where they are being taught to obey rather than to question, think and imagine, especially in regards to the nature of power.

If you're a little better off, it matters to you when your home is unfairly threatened with foreclosure. It matters to

you when the nation is economically destabilized due to Wall Street's crimes, and your retirement account evaporates overnight. It matters to you if you can't pay off your large student loans, or if you can't get out from under crushing credit-card debt or enormous medical bills due to being under-insured. It matters to you if you are constantly worried about the security of your job, or the costly care of your children and elderly parents.

Increasing numbers of people in this country are living in a precarious and diminished democracy of minimums because we have collectively enabled the wealthy few to create for themselves a plutocracy of maximums. According to Oxfam, "runaway inequality has created a world where 62 people own as much as the poorest half of the world's population."² Oxfam advocates cracking down on tax dodging, and promotes increasing investment in public services and increasing the income of the lowest-paid workers in our society as important first steps in addressing the shameful disparity in wealth.

How many tens of millions of Americans live oppressed by an inadequate minimum wage, minimum housing security, minimum healthcare, minimum access to quality education, minimum access to participation in the political process or use of our courts, minimal access to quality air, food and water, and minimum protection from abuse by corporations? How much more should we take before we start refusing to live this way, with our rights, security, and well-being taken away by the One Percent and often marketed back to us as luxuries we cannot afford?

Back in the Great Depression, the brilliant British

economist John Maynard Keynes wrote that modern societies were reaching levels of production that would allow for solving what he called “the economic problem” of impoverishment. Since 1900, American productivity per capita has increased twenty-fold, adjusted for inflation. Why then is one in six people in the United States seriously impoverished, and why are nearly half of those employed the working poor? The general answer is because “the power of the plutocracy” impoverishes them. Most material gains and resources are diverted away from benefitting society as a whole and are hoarded to advantage the economic growth of the few, or diverted into counter-productive activities such as war, overloaded prisons, surveillance, wasteful promotions, and commercialization of all aspects of our lives.

In the 1950s, at Harvard Law School, the faculty purported to teach us “the law.” We did not spend much time on the “lawlessness” of the rich and powerful (there wasn’t even a single course or seminar on corporate crime), nor on how the powerful always intricately wrote and passed laws (containing legal loopholes, tax escapes, or corporate subsidies) that became predatory instruments against the general public. More broadly, we, the future leaders of the legal profession, lacked strenuous instruction about how those with raw power overwhelm the law, not just once in a while, but often enough to warrant calling this domination “power-law”—the twisted law of those in command of the powerful industries, their lobbying associations, and the corporate attorneys who prey upon the people, families, and communities that compose this nation. The effect has been—and continues to be—that, as Catherine Rampell recently wrote

in the *New York Times*, “wealth has become more concentrated, in the hands (and bank accounts and houses) of the richest Americans.”³ Put more simply, the rich get richer while the rest of the country suffers.

By now, you might be wondering why in the world most seasoned law professors ignore such obvious realities. They must know that powerlaw is not restricted to lawlessness by police, the criminal courts, and the prisons. Many of my teachers had spent time working as government attorneys at regulatory agencies or the Justice Department, in addition to working with corporate law firms shaping and immunizing powerlaws for their lucrative corporate clients and business executives. What’s going on here? Well, law schools are not driven by kindness or the common good; they are driven by the market and its pursuit of profit. Their curricula, with exceptions, focus on training most law students for lucrative corporate law practice. True, there are wonderful law school-based clinics charitably serving impoverished communities, but after graduation, debt-burdened law graduates mostly head for commercial practices. There they apply powerlaw and power-procedures against whatever rivals or adversaries their wealthy clients hire them to over-run. Citizens and communities underestimate the creative power of the corporate law firms who shun publicity as they irresponsibly protect the extreme misbehavior of the ultra-rich who hire them. The power of these ultra-rich, their attorneys, their media, and the influence their money buys constitute the core of plutocracy in the United States today.

Perpetual plutocracy-serving economic growth and the hoarding of wealth and power are not easy tasks in societies

that claim to be democracies. Once in operation, political systems that become plutocracies come to view the power of citizens, communities, and the public interest mission of democracy itself as potential threats. Even when you're not consciously standing up to them, you are—collectively and individually—their adversaries. People running companies aim for their kind of endless economic growth by getting you to sign on the dotted line, click on “I Agree,” succumb to their marketing ploys, and buy into their vapid commercial culture. They also invest heavily in obstructing you from using your full power as citizens armed with rights, privileges, and resources available to keep them, and others with authority, in check. For big corporations like Walmart, McDonald's, and Target, the big banks, credit card companies, and insurance companies, this penchant for control has worked to their advantage, assuming no one makes waves from outside their ring of domination. Thus power has concentrated in both Western Europe and the United States, but it has also been responsive to the organized interests of the people in dramatically different ways.

But what happens when people use their civil rights to demand more from the system? What happens, for example, when people peacefully picket in front of their places of work, on their lunch hour, for a higher minimum wage? What happens when other workers from other places show up too in order to express solidarity and defend those on the picket line from retaliation? What happens if these demonstrations become more frequent, and begin occurring in front of giant retail chains and involve an ever-increasing number of people? What happens if this begins to catch the

attention of the local and national media, and the cause of the people picketing resonates with the conscience of the larger community? This is what happens: newspapers and other media start reporting the economic evidence and arguments of some think tanks and advocacy groups for a \$12 or \$15 minimum wage per hour, over three years, pulling up the minimum wage in companies where the CEO makes \$11,000 per hour plus ample benefits.

Spread this activity out over two years and suddenly the minimum wage for thirty million workers, making less today than workers made way back in 1968, adjusted for inflation, becomes front-burner news and a front-line issue in local, state, and federal elections. This is what has been happening in the United States over the past few years. As a result, cities and states have started passing higher minimum wage laws, including referenda in four “red states” during the November 2014 elections. Those who stood up, who spoke out, who organized are amazed. And they should be. With fewer people than the population of New Britain, Connecticut (73,000), scattered around the country, demonstrating for a few hours, giving interviews to reporters or writing letters to newspapers and elected representatives, these people demonstrate that the wealthy people who run corporations do not win all the time. Breaking through power is easier than you think.

Pressured also by a few full-time citizen advocacy centers, the big companies are starting to announce higher wages and some better benefits. Too little, you rightfully say, and very late; still, it’s a work in progress. But look at what a tiny number of hours and persons achieved with a little crucial help from largely one union—the Service Employees Inter-

national Union. These workers and their champions possess a moral authority that resonated with many millions of disadvantaged families and their empathetic friends and relatives. Majorities in polls supported their cause.

These working people are beginning to prevail over management and their executive bosses because they were undeterred when people told them: “You can’t win. You can’t fight Walmart. The politicians are in the Big Boys’ pockets.” They broke through because they got others involved and because they put into practice what the great abolitionist Frederick Douglass meant when he declared: “Power concedes nothing without a demand.”

In addition to stimulating the economy, creating more jobs, and establishing less need for public welfare assistance, the movement for a better living wage presents a useful lesson. It teaches how little it often takes to change the balance of power between the dominating and the dominated, especially when there is overwhelming public opinion supporting those fighting for their long over-due rights. These lessons can, and should, be applied to winning the myriad of public interest, ecological, and civil rights struggles that the ultra-rich and their commercial interests obstruct: some of these include increasing wages for working people, decreasing militarism and crushing levels of military spending, providing decent and affordable housing and healthcare, reducing corporate carbon emissions in order to prevent catastrophic climate change, strengthening diversity, and enabling democracy at all levels.

“We live in a beautiful country,” writes historian Howard Zinn. “But people who have no respect for human life,

freedom, or justice have taken it over. It is now up to all of us to take it back.”⁴ To better assess what it specifically takes to do just that, it is important to understand how the people profiting from plutocratic forces strategically and regularly dominate old and new circumstances with powerful controlling processes.



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