



The Stealing of America: The Incestuous Relationship Between Government and Corporate America

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By John W. Whitehead

“The only difference between the Republican and Democratic parties is the velocities with which their knees hit the floor when corporations knock on their door. That’s the only difference.”—Ralph Nader

The U.S. Supreme Court’s landmark 2010 decision in *Citizens United v. FEC* not only gave unfettered free speech rights to corporations but paved the way for unlimited amounts of money to be poured into election campaigns, especially those of presidential candidates. However, what really made that ruling so significant was not that the Court granted First Amendment rights to corporations—formerly reserved only for individual citizens—but that in doing so, the Court legitimized an incestuous relationship between government and its corporate controllers.

Although big business and government have always had intimate relations, that relationship was at one time governed by a tacit understanding that the government’s first priority was to protect the individual rights of its citizens, while corporations—private entities, separate from government—were free to concern themselves with making a profit. Unfortunately, the rise of the corporate state over the past 70 years (a development that both President Eisenhower and Martin Luther King Jr. warned against) has done away with democratic government as we have known it. In the process, the interests of mega-corporations have been prioritized over those of the average citizen. Nowhere is this emphasis on corporate profit at the expense of the American citizenry more evident than in the American Legislative Exchange Council (ALEC).

A nonprofit membership organization which purports to uphold principles of “limited government, free markets, federalism and individual liberty,” ALEC is comprised of state lawmakers and corporate representatives with a mutual interest in seeing legislation adopted at both the state and federal levels. ALEC was founded in 1973 by a number of conservative activists. About 2000 state



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lawmakers are presently members of ALEC, or roughly a quarter of state legislators in the nation. Unlike lobbying groups, however, ALEC is not required to disclose its relationship with legislators.

ALEC has been described as a right-wing organization, largely because its legislative members have a conservative bent. In fact, House Speaker John Boehner was one of ALEC's early members. However, the only credo—political or otherwise—subscribed to by that of its corporate members is materialism, which gives allegiance to no interest, political or otherwise, other than its own. Indeed, while ALEC keeps the names of its corporate members under tight wraps, its roster includes some of the biggest names in the corporate world. As Adam Sorensen reports in a recent *Time* magazine expose:

Giants from almost every major American industry comprise the highest echelon of ALEC's corporate participants. Retail (Walmart), tobacco (R.J. Reynolds, Altria né Philip Morris), pharmaceuticals (GlaxoSmithKline, Pfizer, Bayer, Johnson & Johnson), telecommunications (AT&T), beverages (Diageo), oil (Koch Co., ExxonMobil), coal (Peabody Energy), utilities (Energy Future Holdings, Salt River Project), publishing (Reed Elsevier), insurance (State Farm), shipping (UPS) and umbrella lobbying groups like PhRMA and Centerpoint360 are all represented on ALEC's Private Enterprise Board, which advises the organization on the needs of their industries. Until last week, Coca-Cola and Kraft also had seats on the board.

Sorensen's article on ALEC focuses on "what exactly the 39-year-old organization does, why it matters and how its role in spreading laws—governing everything from voter ID requirements to anti-illegal-immigration efforts—came to be a problem for some of America's foremost corporate citizens."

In a nutshell, ALEC's formula for success relies on creating model legislation. Although ALEC legislation crafting meetings are off limits to nonmembers, the group's political might is well known. Roughly 1000 ALEC bills are introduced in legislatures throughout the country each year, and about one-fifth become law. The model legislation which ALEC produces and which state legislators, having paid a fee to access, can introduce to their own legislatures has been described as "ready-made, just add water, written in language that can withstand partisan debate and legal scrutiny." Not surprisingly, given the corporate bent of its membership, much of the model legislation created by ALEC involves privatizing government functions or creating policies which favor corporate profits over public interest. Incredibly, in Florida, legislation lowering the corporate tax rate was so closely worded to the ALEC model that it accidentally included the ALEC mission statement.

ALEC has been behind a number of controversial pieces of legislation that have become law. For example, ALEC worked with



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the National Rifle Association in order to pass legislation in states across the country similar to Florida's "Stand Your Ground" law, which has become the focal point of the Trayvon Martin shooting controversy. Twenty-five states now have similar laws.

ALEC has also helped engineer a number of laws which bolster the aura of an emerging police state. For instance, ALEC has been the mastermind behind the recent strengthening or imposition of voter ID laws across the country. In the past, these laws have been used to discriminate against specific demographic groups of voters.

One of ALEC's most infamous pieces of model legislation, one that has ushered in a police state in Arizona, formed the core of that state's controversial immigration law, which is now facing a legal challenge before the U.S. Supreme Court. Among those members who helped draft the model legislation was Corrections Corporation of America, the country's largest private prison company, which has benefited greatly from ALEC's legislative efforts to privatize the prison industry. That model legislation turned into SB 1070, a law which promotes racial profiling and allows police to randomly violate the Fourth Amendment by patting down, detaining or arresting anyone they suspect might be an illegal immigrant, including American citizens. Two-thirds of the 36 immediate co-sponsors of the bill in the Arizona Senate were ALEC members or attendees at the legislation drafting meeting.

Another one of ALEC's more egregious pieces of legislation, the Prison Industries Act (PIE), privatizes prison labor and directs any money earned by the prisoners towards expanding the prison industry, creating more prisoner work programs and paying corporations for setting them up. Prior to ALEC's intervention, that money was used to offset taxpayer expenses. Now it fattens corporate wallets. Some 30 states operate PIE programs based upon legislation derived from ALEC. Florida has 41 prison industries, California has 60, and there are roughly 100 throughout the other states that employ prison labor.

What some Americans may not have realized, however, is that these resulting prison labor industries, which rely on cheap, almost free labor, are doing as much to put the average American out of work as the outsourcing of jobs to China and India. "It's bad enough that our companies have to compete with exploited and forced labor in China. They shouldn't have to compete against prison labor here at home," noted Scott Paul, Executive Director of the Alliance for American Manufacturing.

States influenced by ALEC are also seeking to replace public workers with prisoners who work not for pay but to get time off their sentences. Coupled with the trend towards privatized prisons—where, in exchange for corporations managing state prisons, states agree to maintain a 90% occupancy rate for at least 20 years—this expansion of the prison labor industry contributes to an environment in which there is a financial incentive for ensuring that more people are put and kept in jail. Thanks in large part to ALEC's handiwork in

introducing “three strikes” laws, “truth in sentencing” laws, and harsh immigration laws, approximately 13 million Americans are introduced to American jails in any given year.

Efforts to expose ALEC as a group enabling smoke-filled backroom deals and lambast them for their conservative ties and connections to controversial legislation have resulted in a recent exodus of members. This includes Coca-Cola, Kraft, and Intuit (which pulled out of ALEC in the wake of the controversy surrounding the Trayvon Martin shooting). The Bill and Melinda Gates Foundation, McDonald’s, and Wendy’s are among the latest to break off relations with ALEC.

However, don’t let this corporate exodus from ALEC fool you into thinking that these corporations have grown a conscience or that they have given up on influencing the political process, influence which cannot in any way be matched by the average American through voting or writing letters to Congressmen. The upcoming presidential election illustrates perfectly what the aim of Big Business in America is all about—money, power and influence. Why else would corporations be so careful to hedge their bets, divvying up their campaign donations between the leading contenders from the Republican and Democratic parties?

Rest assured, these corporations are not seeking candidates who will end wars abroad or reduce the deficit. They are seeking candidates who will serve their monetary interests and who will give them tax breaks, subsidies and government contracts—all at the expense of the average American taxpayer. Thus, the next time you turn on C-SPAN in an effort to observe Congress in action, keep in mind that the spectacle playing out before you is not so much democracy in action as it is a meeting in the boardroom of the corporate-state. And when next you see the president on television talking about his latest policy, what you are really seeing is the CEO of the corporate-state making his case for more government control over our lives.

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