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Director's Page

Buzz Williams

Like most folks, I had Christmas dinner with my family. After dinner we always exchange gifts and enjoy each other's company while watching the kids play with their new toys. Inevitably the conversation turns to a discussion of current events. We don't always agree, but the airing of perspective is always healthy and cordial. This year's discussion ranged from the right to display the "Ten Commandments" in the local courthouse to environmental issues. My mother, as is her nature, listened intently and eventually joined in with thoughtful and sincere commentary. Her brief comment on the "state of the world" discussion this Christmas was simply, "People are really confused right now."

Simple but profound. People do seem to be really confused right now. I have since given this dilemma a great deal of thought. One of the things taught to me at an early age is

the best moral compass is the conscience. I also believe that our country was founded on the principle that government is best guided by the collective wisdom of a people free to express their views. Embedded in this philosophy is the bedrock principle of democracy that people are inherently good and when given the facts will make the right choices for our individual welfare and the common good. This certainly includes the assurance that government should protect the health and happiness of its people by protecting the environment.

This is a fairly straightforward interpretation of our framers' intent in the Constitution and the Bill of Rights.

Current polarization of opinion on everything from separation of church and state, how to best educate our children or how to best ensure environmental protection is evidence of the confusion in our country about where the truth really lies. One camp says the environment is just fine and even improving. Another group proclaims that we are on the brink of literally destroying basic life support systems. Some say global warming is not only real but that it is caused by humans. On the other hand, a group of podium-pounding senators in Congress call the whole thing a "hoax."

So how could there be this much confusion in a country with some of the greatest minds on the planet? Back when I worked for the Forest Service, I vividly remember a meeting in which we were considering some more restrictive management regulations for the Chattooga River. Someone expressed the opinion that these proposed changes would cause quite a backlash from the public. Finally, an old veteran ranger said, "Just throw in enough weasel-words and keep the whole thing as confusing as possible, and we

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can get away with whatever we want."

In America today, I believe there is a weasel in the henhouse. In fact, I am sure that our democracy based on the principle of the "silent hand of collective consciousness" has already been usurped by a silent coup that has taken over our government under the cloak of deception and campaign contributions. In short, corporate America has slowly but steadily gained control of almost every facet of our daily lives through advertising, political influence, and control of assets.

Às far back as the early 1800s, corporations in America and the industrial aristocracy that benefit from their power have slowly amassed the same rights as the individual in this country, including the same rights as "persons" under the Bill of Rights: equal protection, limited liability, "due process," and the power of eminent domain. One of the earliest warnings that corporate intent would threaten

> democracy was penned in the 1830s by the Frenchman Alex de Tocqueville, in his now classic work <u>Democracy in</u> <u>America</u>. He wrote, "The friends of democracy should keep their eyes anxiously fixed on the industrial aristocracy. For if ever again permanent inequity of conditions and aristocracy make their way into the world it will have been by that door that they enter."

> I am now convinced that corporations in, America are not only the greatest threat to our environment, but to our very cherished democracy itself. Look closely behind the flag of patriotism in Iraq and you will find the oil corporations. Tucked between the

pages of scientific theses supporting new government programs such as the Healthy Forest and Clear Skies Initiatives, you will find the special interest dollars of the timber and fossil fuel corporations. In the collection plate of religious zealots are political kickbacks from a government with scant respect for separation of church and state. In Congress and the White House, you will find a whole host of special interests pulling the strings of our government.

I have faith that you, the people, when presented with the facts, will understand that monstrous corporations are behind the deceit and confusion in this country, and that it is they that threaten not only the environment in this country but the very democracy which ensures its protection. We who love America must take back power from corporations who do not possess the same conscience as the individual. I hope you will join us in tearing down the veil of corporate deceit to expose it for all the threats that are taking our great nation.

Corporations Without Conscience

Author Unknown

"The greatest pyramids ... are made not of stone but of people: they are the vast bureaucracies that constitute society's core, and they function not necessarily to get the "job" done but to reward the personal loyalty of those at the bottom to those at the top." —William Langewiesche, <u>The Atlantic</u>, 2001 November.

Adam Smith's first major work was not <u>The Wealth of</u> '<u>Nations</u> but a book on ethics: <u>Theory of Moral Sentiments</u>.

As an ethicist he understood that the mechanism of the "invisible hand" would be most efficient if self-interest was restrained by conscience. With remarkable prescience

Smith warned that corporations (in his day called joint-stock companies) could slip the restraints of human conscience. In our day this is pretty much what has happened. Corporations have taken on a life of their own, entities without a conscience with the potential to wreak havoc on the societies that have created them.

This isn't the place to document the detrimental effects of corporations on society, the political process, the environment, etc. The journalist William Greider does an admirable job of this in his book <u>One World</u>, <u>Ready or Not—The Manic</u> "A substantial proportion of people do what they are told to do... irrespective of the content of the act and without limitations of conscience so long as they perceive that the command comes from a legitimate authority."

direction of malevolent authority. A substantial proportion of people do what they are told to do irrespective of the content of the act and without limitations of conscience so long as they perceive that the command comes from a legitimate authority. If in this study an anonymous experimenter could successfully command adults to subdue a fifty year old man and force on him painful electric shocks against his protests one can only wonder what government with its vastly greater authority and prestige can command of its subjects."

A little editing of Milgram's conclusion will put it in better context: "A substantial proportion of people do what they are told to do [by an anonymous experimenter] irrespective of the content of the act and without limitations of

> conscience so long as they perceive that the command comes from a legitimate authority. One can only wonder what [a corporation] with its vastly greater authority and prestige can command of its [employees]." This sobering assessment goes a long way in explaining how corporations slip the restraints of human conscience. There is just one problem. "A substantial proportion of people" isn't good enough for a full explanation.

Dr. Thomas Blass's website on Milgram and

Logic of Global Capitalism. Here attention will be focused for the moment on one question: What is it about corporations that allows them to slip the restraints of human conscience?

William Langewiesche has provided the key to answering this question: "Corporate bureaucracies function not necessarily to get the 'job' done but to reward the personal loyalty of those at the bottom to those at the top." The power to reward loyalty is the currency of the corporation. And this power is also used to command obedience.

The subject of obedience to authority will be linked forever to Stanley Milgram's obedience experiments of the 1960's. His conclusions in his own words were: "The results as I observed them in the laboratory are disturbing. They raise the possibility that human nature cannot be counted on to insulate men from brutality and inhumane treatment at the his work, www.stanleymilgram.com, cites 65 percent as the proportion of people who delivered the maximum shock to their unwilling victims. (The experiments were rigged. The "victims" were in on it and no shocks were actually delivered.)

So what about the 35 percent of people who won't subordinate their consciences to authority? Well, consider how an employee rises through the levels of a corporate hierarchy. At each level ability, loyalty and obedience can be rewarded with a promotion. If at any level conscience interferes with loyalty or obedience then the employee likely won't be promoted further. So we have an employee screening process that selects for ability, loyalty and obedience but selects against conscience. As Leo Durocher put it, nice guys finish last.

To summarize, corporations slip the bounds of human

Corporations Without Conscience

conscience because of two conditions. The first condition involves human nature. Milgram's obedience experiments empirically show that a substantial proportion of people are willing to subordinate their consciences to authority. The second condition involves corporate nature. Corporations use an employee screening process that selects for ability, loyalty and obedience but selects against conscience.

It is noteworthy that two words have not been used in this discussion: "power" and "corruption." It has not been necessary to appeal to Lord Acton's axiom and indeed it is probably not generally true that power corrupts those who wield it. Rather, the association between power and corruption is more likely due to a flawed screening process that tends to select non-conscientious people to positions of power.

If the employee screening process is flawed by a tendency to select against conscience, then the obvious remedy is to fix the screening process. The key to doing this is the line above: "If at any level conscience interferes with loyalty or obedience then the employee likely won't be promoted further." Why not? Because it is in the self-interest of superiors to command the loyalty and obedience of their subordinates.

But what if employees were promoted not just on the basis of loyalty and obedience but also on the basis of conscientiousness? To do this the role of superiors in the employee promotion process would have to be diminished. It necessarily follows that as the role of superiors decreases the role of peers and subordinates would increase. There is a name for this. It is called democratization.

The aftershocks from the Enron/Andersen/Wall Street scandal are providing an historic opportunity to challenge one of the most unexamined beliefs in business culture, that corporate government must be strictly authoritarian in nature.

During Europe's Middle Ages the divine right of kings and the feudal order went unchallenged. It took the Renaissance, the rise of the bourgeoisie, and the Enlightenment to legitimize the idea of government responsible to the people.

During the debate over the U. S. Constitution, Madison, Hamilton and Jay wrote the *Federalist Papers* to make the case for a centralized yet democratic federal government. The time is ripe for the world's most innovative thinkers on the subject of corporate governance to rethink the issue from first (*i.e.* democratic) principles with the aim of producing the corporate governance equivalent of the *Federalist Papers*.

2003 CORPORATEERS

The Foundation for Taxpayer and Consumer Rights (FTCR) is a non-profit organization working to protect and advance the interests of consumers and taxpayers. Recently the FTCR released its list of 2003 Corporateering's Top Ten Lessons. The list tracks the worst instances of big industries putting their commercial gain above the interests of individuals and society.

Number 1: State Farm convinced the Supreme Court that juries should not have control over punitive damages. In *State Farm v. Campbell*, the Supreme Court overturned \$145 million in punitive damages against State Farm and ruled that future punitive damages had to be in a single digit ratio to compensatory losses. This reversed a long standing practice of allowing juries to make independent decisions about how to punish corporations.

Number 2: Medicare was prevented from negotiating cheaper prescription drugs through bulk purchasing. Medicare's prescription drug law precluded the government from negotiating bulk discounts, which would give taxpayers the savings Canadians get. Drug companies' campaign contributions helped the Republicans win both houses of Congress and the White House. Coincidence?

Number 3: No-bid contracts in Iran costs taxpayers billions. Halliburton, Bechtel and other corporations won no-bid contracts to rebuild Iraq at huge cost to American taxpayers. Halliburton's \$1.7 billion Pentagon contracts were recently in the news when government auditors found the company was overcharging for fuel. War is profitable for those willing to take advantage.

Number 4: Medical malpractice victims lose rights due to insurer's bad investments. Insurance companies racked up big losses during the recent Wall Street downturn. Some states, including Nevada, Oklahoma, Texas and Florida have limited how much victims could collect, rather than limiting how much malpractice insurers could put into risky investments.

Number 5: Banks and insurers stamp out state privacy rights. After losing a big financial privacy fight in California, banks and insurers lobbied Congress to wipe out all state financial privacy laws that are tougher than the weak Fair Credit Reporting Act. Under current federal law, corporations can trade our private financial information with their partners without our consent.

For more information, go to www.corporateering.org or www.consumerwatch.org

Carol Greenberger

Buying my first house was one of the most exhilarating, frightening and satisfying experiences of my life. Ownership gave me a sense of security and safety. This was my home and as long as I paid the mortgage no one could take it away from me. Or could they? Across America people are discovering that sometimes holding a deed is meaningless, thanks to the growing use of the government's power of eminent domain.

Eminent domain is the power of the state to take private property. The 5th Amendment to the Constitution states that private property can be taken if two requirements are met: the taking must be for public use and just compensation

must be given. Most of the litigation and debate over takings is two fold: what constitutes fair payment to a seller who is often unwilling, and what constitutes public use? The use of eminent domain in America parallels our country's development. The first recorded uses were for building roads. The colonial governments also took property to give owners of land-locked properties access to public highways and for mill dams, allowing mill owners to flood lands belonging to others to provide water power. In most, but not all cases, landowners were compensated, although disputes arose over the amount of compensation. By the end of the colonial period, the use of eminent domain as a legal method for the government to take private property had begun to take shape. However, the question of the purposes eminent domain should be allowed for was not yet clearly defined.

At the time of the American

Revolution there was nothing limiting takings by eminent domain to public uses. In 1776 only Pennsylvania and Virginia's state constitutions mentioned "public use," but neither actually limited takings for that reason. The provision that emerged in the Bill of Rights in 1789 was also ambiguous. Madison's draft of the 5th Amendment originally included double jeopardy, compulsory testimony, and general due process clauses, along with an eminent domain clause stating, "No person shall be ... obliged to relinquish his property, where it may be necessary for public use, without a just compensation." The final revised language, "...nor shall private property be taken for public use, without just compensation" may have simply been an attempt to shorten the original clause or it may have been intended to weaken the public use provision. Some historians believe that eminent domain was just not of great

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concern to the men debating the Bill of Rights. The framers of the Constitution may have assumed that a representative government would adequately protect its citizens against abuses of eminent domain.

After independence, the primary uses of eminent domain continued to be road building and mill dams. Another class of benign uses was growing more common, as well. Takings to provide sites to carry on general government functions began, such as building town halls, courthouses, schools and post offices. Little litigation arose from these takings, suggesting either that the takings were infrequent or not thought of as unreasonable. Land was not scarce in America's early days, and when possible governmental

> bodies probably purchased available land rather than taking it. These types of takings, when justly compensated, have been seen as legitimate from early times.

As rail lines began to span the country, eminent domain was put to more extensive use than ever before. By 1860 over 30,000 miles of track had been laid and the courts and legislatures helped ensure the rapid expansion of the railroad system. Damages and valuations were limited, and many states allowed railroads to take property at virtually no cost.

Controversy over government takings increased as private land was taken for public parks, to preserve historic sites, and create scenic easements. In 1896 the Supreme Court upheld a federal statute that provided for the taking, restoration, and preservation of the

Gettysburg Battlefield. The definition of public use began to expand.

After transportation and industry were developed in the United States, a period of accelerated industrial development began. With it came a major expansion in mining. Under the Mineral Lease Act of 1920 and the Mining Law of 1872, the government made it easy to obtain the rights to prospect for and mine reserved minerals. The holder of the surface land had a right to compensation for damage to improved land, but no right to prohibit prospecting or mining. There is no evidence of mining companies using eminent domain to obtain claims, but they were almost always able to condemn property for access and transportation.

The surges in industrial growth and railroad expansion created a major drive to open western markets and exploit western resources. To spur development many western states handed out eminent domain to practically any source of capital that could use it. Some state constitutions declared that private property could be taken for private use. A new rationale employed by some state governments related the definition of public use to the nature of the state's resources and industry. For example, a Nevada high court made a distinction between ordinary businesses capable of operating on a variety of sites from those, like

mining, that were site-dependent. The court stated that the latter could legitimately be given eminent domain powers. This decision was cited over the next several decades because of its underlying general public benefit analysis.

The frenetic spurt of growth and expansion in America had slowed by the early 1900s and a large part of the necessary infrastructure to support. industry was in place. State and federal courts began to tighten up the compensation requirement of takings to prevent abuse. Many states began to require jury trials in cases of private takings and to include a broader variety of damages in compensation formulas. Energy producers were then the largest users of eminent domain, as city-wide distribution became state-wide and then national. Eminent domain was becoming an instrument of large, industry related projects involving industry cooperation with government. The future of eminent domain was, in infrastructure expansion and urban redevelopment.

Energy, transportation, and distribution have moved into the forefront of eminent domain usage and disputes.

Rabun County residents are certainly familiar with an energy company's attempt to use eminent domain. In March of 2000, Georgia Transmission Corporation (GTC) unveiled three potential corridors for a high voltage transmission line through Rabun County. Later that year the possible routes were increased to seven, increasing the number of citizens who could be affected. Homeowners, assisted by the Chattooga Conservancy, began to organize to protest the power line project. Residents in Cobb, Fulton, Gwinnett, Cherokee, Forsyth, Hall, White, Lumpkin and Dawson counties have also mounted opposition to proposed

power lines through their

neighborhoods. Homeowners accuse power companies of siting lines without public input and using their condemnation authority to take property when they face resistance. A question of whether or not the high voltage transmission delivery system is even needed became a hot topic of debate. An attempt was made to pass legislation in the last General Assembly session to require state oversight of transmission line routing, with public hearings mandated. The legislature will pick the issue back up this year. The power companies cite the need for quick construction of additional transmission lines to keep pace with growth. A Georgia Power executive noted that condemnation proceedings are used to acquire property for high-voltage power lines in only 3 percent of cases. Regarding the authority to take private property through eminent domain proceedings,

> stewards of eminent domain over the years." That is little consolation to homeowners who face losing their land.

The interstate highway system, authorized in 1944, and the Saint Lawrence Seaway, completed in 1959, made extensive use of eminent domain. These projects were largely uncontested. Takings by the Tennessee Valley Authority, however, placed the subject of eminent domain back in front of the Supreme Court. The TVA succeeded in taking land adjacent to a town that would be flooded, to create a reservoir. The Court rulings expanded the scope of takings that could be justified by public purpose, and gave federal agencies an expanded power of eminent domain. Since then the TVA has not lost any challenges on general public use grounds. Energy transportation and distribution have now moved into the forefront of eminent domain usage and disputes.

One affected homeowner told his story to a subcommittee of the Georgia House Judiciary Committee at a hearing in January 2003. He said in part, "My grandfather came to Cobb County in a mule drawn wagon in the 1800's. He was a hard working farmer and went on to accumulate property to pass down to my father and my father passed the property • to me. I have worked for 40 years to maintain and preserve this property for my three children, eight grandchildren and two great-grandchildren. Then comes Georgia Transmission Company [Corporation] in October of 2001... GTC has condemned my property with their legal staff, unlimited resources took it away against my will and have only giving me a fraction of the fair value." Other homeowners cited the cost of fighting a power company

GTC vice president Jerry Donovan

lightly. We feel we have been good

said, "It's not a decision we take

Opposing Power-line Encroachment, Inc. (H.O.P.E. of Georgia), told the subcommittee, "I feel there is a myth that people [who] have not experienced condemnation under the laws embrace. I know I did prior to my education. They hear that every property owner gets paid fair and just compensation and has rights, due process, because they have their own day in court. It sounds good. The facts as I have come to know them are you will spend many days in court, very expensive days. Just the transcripts from our hearings cost us right at \$4,000. That was just to get a copy of what was said in the courtroom when they seized the land against our will and claimed it was in our best interest. Then you add up the cost of the appraiser, witnesses, engineers, and attorney's fees, in most cases 60%-70% of the final judgment, goes out and is paid out to these other people. Actually you can only get to this point if you have lots of disposable income or go mortgage your property to raise money as in our case to be able to take the condemnation process to a jury trial. These services generally require

payment upfront or at completion, which is well before you will see any money. There is no way under the current system for the average citizen to stand up for their rights when they are challenged by the enormous, well-funded, and seemingly invincible power industry."

Another area of controversy over the use of eminent domain is in urban redevelopment. During the great depression a variety of government programs were created to build low-income housing. Cases brought before

the courts served to broaden the definition of public use. The courts saw decreasing juvenile delinquency, crime and disease, problems believed to be caused by slums, as a public benefit that satisfied the public use requirement of eminent domain. The United States Housing Acts of 1937 and 1949 authorized federal loans and grants to local housing agencies for slum clearance and public housing development. Condemned land could be sold to private developers and some commercial and industrial development was allowed. In a case involving property that would be taken and resold to a private developer, the Supreme Court cited "public purpose" rather than "public use," emphasizing that Congress must have broad discretion in choosing public objectives, such as eliminating slum conditions.

A 1984 Supreme Court case opened the door even further, allowing states to define "public use" as anything "rationally related to a conceivable public purpose." Now land could be taken from private owner and given to a new private owner. In Merriam, Kansas William Gross owned property that he leased to a used car dealership. The land was taken to allow a neighboring BMW retailer to expand his dealership. The City Council justified the taking, citing the expected \$500,000 per year in sales tax revenues. Around the country, privately owned homes and businesses were condemned by local governments so that higher tax producing shopping malls, high-end houses, and even ballparks could be built. Higher tax revenues were the "public purpose" met by these takings.

In recent years, redevelopment strategies have progressed from government public housing programs, where only blighted properties were taken, to privately operated projects taking nonblighted property in blighted areas. Most states have upheld such takings, citing local employment benefits and increased tax bases as meeting the public use test.

Taking land to mitigate urban blight opened up a door that has produced many abuses of eminent domain. In Lakewood, Ohio the mayor sought out a developer to build





According to Mayor Cain's definition, this home with a one car garage would be considered "blighted" in Lakewood, Ohio.

a lot to do with whether or not your home is painted....The question is whether or not that area can be used for a higher and better use....The term 'blight' is used to describe whether or not the structures generally in an area meet today's standards." And who sets those standards? The city does, so Lakewood set a standard for blight that would include most of the homes in the neighborhood, ironically named Scenic Park. In Lakewood, a home was deemed blighted unless it had three bedrooms, two bathrooms, an attached two-car garage and central air conditioning. "Everyone with eyes knows we're not blighted," Jim Saleet, organizer of the homeowners, said at the voters' forum in October. "Our county appraisals are up 14 percent. Obsolescent should mean people don't want to buy those homes."

Most of the homeowners agreed to sell their property, but some refused. A non-profit group, The Institute for Justice, filed suit for homeowners against the City of Lakewood. It made Lakewood a test case, suing over the blight study. Mike Wallace featured the controversy in a story on eminent domain that aired on Sixty Minutes in September. Over

8,000 signatures were gathered on petitions and the issue was placed on an upcoming ballot. The November 2003 referendum narrowly defeated a vote that would allow the multimillion-dollar project to go forward. Mayor Cain failed to win her bid for reelection. But the two sides are not done fighting. Homeowners want the blight study overturned in court or another referendum. The developer could sue, trying to push the project forward. The new mayor announced that if a recount confirmed the vote, he would propose scaling back the project to leave the homes intact:

Another controversial case involved the Cottonwood Christian Center, a nondenominational church outside of Los Angeles. As the congregation grew, the church decided to expand, purchasing 18 acres in Cypress. City officials were looking for greater tax revenues, however, and

churches pay none. So in May of 2002, the Cypress City Council voted unanimously to take Cottonwood's land and sell it to Costco, a bulk retailer. That summer a judge ruled the taking a form of religious discrimination and Cottonwood got to keep its property. The Center was protected by its status as a church. Other homeowners who have gone up against Costco and other large corporations, such as CVS, Home Depot and Walgreens, haven't been as successful in keeping their property. A Costco official admitted that the company had used eminent domain, or the threat of it "probably dozens" of times to take property from owners who did not want to sell their homes.

Dana Berliner, an attorney with the Institute of Justice, wrote, "If the

promise of greater jobs or profits is enough to take someone's property, then almost no one is safe. Practically, any home in the United States would generate more tax dollars as a Costco. Small businesses provide fewer jobs than an industrial park. And houses of worship produce no tax dollars and few jobs. The implications of the jobs/taxes mantra is that everyone's home, everyone's business is up for grabs."

The Institute recently published a report, *Public Power*, *Private Gain*, revealing that over the last five years state and local governments have threatened to take more than 10,000 pieces of property and give them to well-connected developers. Supporters of eminent domain argue that the Institute takes the horror stories and publicizes them. The American Planning Association claims that "in the average community in the typical state, the system is working well." Jeff Finkle, the president of the International Economic

"If the promise of greater jobs or profits is enough to take someone's property, then almost no one is safe. Practically any home in the United States would generate more tax dollars as a Costco."

Development Council, a professional association, warns that there is a downside to limiting eminent domain. Local governments might choose to take property and keep it if they cannot transfer property seized through eminent domain to private developers. The city of Coatesville in Chester County, Pennsylvania, near Philadelphia is doing just that. The city decided to revitalize itself with a 230-acre recreation center. Plans include ice skating rinks, rock climbing walls, bowling alleys, a hotel and conference center, golf course, and more. The city hopes to attract corporate executives after revitalization is complete. The current homes averaging a worth of \$56,000 have been condemned to make way for the newer, higher priced, higher tax based community.

Although there have been recent victories in halting abuses in eminent domain practice, the courts are unlikely to be of

> much help. Nicole Garnett, a law professor at Notre Dame, observed that when courts do intervene, they usually "pick up procedural aspects of the implementation of the law." Many of the recent victories have resulted from nonjudicial remedies. Pittsburgh was planning to oust 125 local downtown businesses to build a new upscale shopping center. A well orchestrated protest campaign led Nordstrom's department store, the key anchor, to pull out of the project. after facing negative coverage in the local press and public demonstrations, IKEA backed out of a planned project in New Rochelle that would have dislocated almost 200 residents and dozens of businesses. In Baltimore County, Maryland a redevelopment plan that would condemn 100 properties and replace them with

upscale homes, restaurants, and retail businesses was put on a ballot. More than two-thirds of the voters rejected the plan.

A grassroots group, the Castle Coalition, was founded in 2002 to help property owners fight eminent domain abuse. The organization takes its name from the principle that your home (or business) is your castle, a place where you should be free from abuse of government power. They recommend fighting takings by forming a citizen's group, making yourself heard by attending public meetings, organizing rallies and petition drives, alerting the media, and lobbying for new legislation and a voter referendum. Does property ownership really mean something or is it just a temporary condition subject to the whims of local officials? In the end, it will be up to the courts to determine how far eminent domain can go.

Factory Beef

Eric Orr

Of the 35 million cows slaughtered in the U. S. each year, roughly 80 percent are processed like automotive parts on an assembly line. Just like any good production process, the system has quickly evolved into a streamlined, cost effective means of turning a raw commodity into a consumable product.

The process normally starts in a picturesque country pasture. A cow spends the first eight months of his life in that pasture, feeding on his mother's milk and, eventually, eating nothing but grass. That's where his natural life ends.

Up until the 1950's, it took four or five years for a cow to reach slaughter weight. Then cattle farmers began to discover how much faster they could bulk up their herds with high energy diets of corn and protein supplements. Not only did it speed up the process, but it made for tastier beef. A cow's stomach

processes the unnatural diet like a car running on jet fuel. It burns real hot real fast. The nasty byproduct is fat. That's what gives the meat that marbled quality our culture seems to relish.

So we figured out how to crank out more hamburgers with more fat, but the process continued to evolve. It seems that cattle can be fattened up much more efficiently by cramming a whole pile of them into one huge over crowded cow city; the feedlot. It's a place you smell before you see. A place where a cow gets a five digit name and a lungful of fecal dust when he steps off the bus. He gets to stand shoulder to shoulder with 100,000 of his brethren, ankle deep in manure, existing only to eat. And eat they do... 'a steady supply of corn, liquefied fat, protein supplements, synthetic growth hormones, antibiotics, antibiotics, and antibiotics. The drugs are really what makes the feedlot work. The sudden change from grass to high octane grain is so stressful to a cow's digestive system, it can be lethal. A feedlot animal is subject to a myriad of immune depleting afflictions, including bloat, acidosis, ulcers, and liver disease, so to ensure the cows' survival it is absolutely necessary to treat every single animal with daily doses of antibiotics. About a third of all antibiotics sold in the U.S. is used to help fatten up livestock. The gross overuse of antibiotics is undermining the future health of our population by cultivating drug resistant bacteria. And some scientists say the added hormones are responsible for early maturation in girls and lower sperm counts in men.

Slaughter weight for a cow is usually 1,200 or 1,300 pounds, and a feedlot cow gets there four times faster than grass fed cows. He spends about six months on the feedlot, reaching slaughter weight at 14 months. That's when he



Thousands of cows are packed tightly into a Colorado feedlot. Photo courtesy Factoryfarm.org

gets herded onto another truck and shipped to his final destination. The slaughterhouse is much like the feedlot. A bunch of cows packed into a little patch of real estate. The cows wait, unknowingly, for their turn at the stunner. One by one they file up a ramp, onto a conveyor belt, and finally to the kill floor. Each one is finished off with a seven inch bolt from an air gun. To meet McDonald's standards, the first shot must be effective 95 percent of the time. The cows are then hung to bleed and sent down the line to be eviscerated, de-hided, and eventually butchered.

Feedlot and slaughterhouse conditions compromise safety with the increased potential for contamination. Though the meatpacking industry has significantly improved sanitation measures in recent years, the quality of assembly line beef is still questionable. The focus is money. Quicker processing means higher contamination risk, but it also means bigger profits. Eric Schlosser, author of Fast Food Nation, puts it like this, "...very big meatpacking companies have very close relationships with members of the Congress and with the administration and the USDA. So these big companies are often more responsible for our food-safety policies than the American voters..." To reduce the risk of tainted meat, slaughterhouses in Europe process beef much slower than the U.S. Here, the average slaughterhouse kills 250 cows in an hour. That push for speed forces meatpacking employees to work harder and faster than they ever have. Now they get paid much less to do a harder job. In the early 1970's, the industry had one of the most stable workforces, and now it's one of the least. Employee turnover rates are 75 to 100 percent per year, so workers rarely have the chance to develop the necessary skills to safely perform their jobs. Cows are often covered in fecal matter when they get to the kill floor, and critical steps like de-hiding and evisceration

Factory Beef

must be done properly to ensure that the meat is not tainted. Yet in a Frontline interview, National Farms CEO Bill Haw described his industry's system as "a miracle of efficiency as that live animal is reduced to a carcass and the carcass is reduced to parts that we're very familiar with in eating."

It's not nearly as efficient as it seems. Federal subsidies make the feedlot economically viable. The price for a bushel of corn is 50 cents less than the cost of growing it. You, the taxpayer, are footing the bill. Ironically, over the past 20 years the profit margin on a single feedlot cow has averaged \$3. It was actually more profitable to raise cattle before the advent of the feedlot. So then why does factory

farming still prevail? As the fast-food industry sought more reliable and consistent sources of beef, meatpacking companies consolidated and grew ever larger. Now the four biggest meatpacking companies have 80 percent of the market share, up from 20 percent in the 1970's. The huge quantity of cattle being processed is making those four corporations fat, while small scale farmers are suffering.

The environment is also suffering. The vast number of feedlot cattle require huge quantities of corn, which requires irrigation, fertilizer, pesticides, and fossil fuels. It takes nearly 300 gallons of oil and 550,000 gallons of water to produce a 1,250 pound feedlot cow, and the unnaturally high concentration of manure on feedlots pollutes ground water with excessive levels of nitrates and hormones, degrading water quality and threatening aquatic habitats.

The cow's digestive system has evolved to

convert grass into energy, so when cows feed on grass, they don't suffer from the same health problems as grain fed cows, which means they don't need all of the antibiotics to keep them alive. The downside to grass fed beef is the high cost. But when you look at the environmental and health costs of feedlot meat, grass fed is really much cheaper. It doesn't require any synthetic fertilizers or pesticides. Native grasses and "weeds" feed the cow, and the cow feeds the grass. For the most part, it's a natural cycle. But if feedlots magically disappeared and all the corn was replaced with pasture lands, we couldn't produce nearly as many cows as we do now. Beef would be less plentiful and more expensive, which probably would not be such a bad thing. The average U.S. citizen eats over 60 pounds of beef per year, compared with a world wide average of about 16 pounds per year.

A natural grass diet is easier on the animal and the

The fast-food industry is largely

responsible for the evolution of the factory farm.

environment, and it makes the meat healthier. Really, the health problems associated with red meat are problems caused by feedlot meat. And the recent discovery of Mad Cow Disease in the U.S. has further compounded the risk. But the chances of contamination are significantly lower in grass fed beef, and it has 2 to 6 times more omega 3 fatty acids and CLA (conjugated linoleic acid)-both are beneficial fats-than grain fed, so it may actually help prevent heart problems and cancer. Grass fed also has more vitamin E and fewer omega 6 fats, and it's much less likely to have pesticides, antibiotics, or hormones.

But "organic" should not be confused with "grass fed."

"Organic" beef is not necessarily sustainable nor healthy. Organic feed standards make it difficult for small scale cattle farmers to get certified. And feedlots can potentially attain organic certification, so it's really important to know the origin of the animal. If you're lucky enough to have access to a CSA (community supported agriculture), you may be able to purchase sustainable meat through it. It's always a good idea to buy locally, when you can, and familiarize yourself with the farm and the farmer's code of ethics. If you can't find anything nearby you might try finding a few friends to go in on a whole or half cow. For more info and a state by state directory of local suppliers, check out www.eatwild.com.

Bill Haw says, "My guess is that, could you interview a steer and ask him whether he'd rather be out in the pasture or in the feedlot, I think the vast majority of them would vote to be in the feedlot." Good guess. I wonder how many folks would choose to sleep in the corner of a truck stop bathroom. We all have to eat, and when we do, we have to take life.

But I don't believe money or meat is so important that an animal should be treated like dirt. I'm a meat eater, but I won't eat it unless it's wild or I know it was raised humanely and sustainably. When you buy a hamburger from McDonald's you have no idea where that meat came from or what it's been through. You really don't know what you're putting in your body or the environment. But when you buy grass fed beef, you're buying a level of comfort you can't get from the feedlot. You're also supporting local agriculture and a local economy.

More Resources...

In addition to www.eatwild.com, please consider supporting sustainable agriculture through Georgia Organics. You can visit them on the web at www.georgiaorganics.org, by email at georgiaorganics@georgiaorganics.org, or by phone at 770-993-5534.



Watershed Update

STEKOA CREEK GETS DUMPED ON-AGAIN

In case anyone missed the pictures coming from the Mars "Spirit" rover, take a trip down highway 441 south of Clayton, Georgia to the new Duvall/Home Depot site. This unearthly scene is being created by scores of earth-moving machines, which are essentially tearing down a big hill on the east side of the highway to be used as "fill" on the west side, in Stekoa Creek's flood plain. Stekoa is a major tributary to the Chattooga River, and it is on the Environmental Protection Agency's list of impaired waters. The federal Clean Water Act mandated that Georgia must have a plan to clean up impaired streams, and Stekoa was listed as being impaired from the effects of excessive amounts of both sediment and fecal coliform. But a recent Total Maximum Daily Load (TMDL) "implementation plan" that is supposed to reduce the creek's sediment load by 70% is being used by the state to argue that Stekoa Creek will soon be "un-impaired." Consequently, the Georgia Environmental Protection Division has decided to give the go ahead to large ground disturbing activities around Stekoa Creek. These TMDL implementation plans are with almost no substance, and certainly offer no assurance that the intent of the Clean Water Act is being met. The sad reality is that Stekoa Creek is in worse shape than ever, and tremendous amounts of sediment have been dumped in the creek just in the past couple of years. A lawsuit is sure to follow.

NEW NATIONAL FOREST PLANS SOON TO BE RELEASED

The new Forest Plans for the Chattooga watershed's Chattahoochee and Sumter National Forests will be released for public consumption soon. We anticipate these forest plans will be unchanged from the drafts, which emphasize logging, road construction and commercial developmentincluding mineral extraction, oil and gas drilling-instead of watershed and forest protection. In the Sumter National Forest, timber-cutting quotas would be doubled, and increased in the Chattahoochee National Forest as well. The Forest Service appears poised to ignore overwhelming public input for more protection of water quality, old growth trees, roadless areas, recreation opportunities, and forest ecosystems. Why? The present political climate that's being fueled by aggressive Bush Administration policies is the reason. What can you do? Plenty. Go on the record against the problems with the new Forest Plans (contact the Conservancy office for guidance, if needed). Participate in public land issues, and "hold the line" for protection of our irreplaceable resources housed there. Be active in your community for any number of environmental causes. Support and engage in "green" commerce. Vote for politicians who are sincere in their support for environmental protections. We have a long way to go...so don't give up.



Final arguments in Chattooga Conservancy v. the U.S. Forest Service were heard on December 22, 2003, by Judge William O'Kelly in Federal Court in Gainesville. Georgia. Larry Sanders from the Turner Environmental Law Clinic at Emory University was the lead attorney for the Conservancy, Georgia Forest Watch, the Sierra Club and several individuals from Rabun County (plaintiffs in the case). Sanders argued that the Forest Service had not met the requirements of the National Environmental Policy Act, which clearly directs the Forest Service to examine all reasonable alternatives to a power line planned by Georgia Transmission Corporation that would cross 8 miles of



s flood plain. the Chattahoochee National Forest in north Georgia, including old growth forest and a

Watershed Update

multitude of trout streams. Sanders argued effectively that there were other less intrusive options such as an electrical distribution system upgrade, which would meet the electric needs of the community without crossing sensitive Forest Service lands. Co-counsel in the case with Sanders were Bob Denham from Powell, Goldstein, Frazer & Murphy LLP, and Steve Novak from Wildlaw. Judge O'Kelly has scheduled his ruling for late January/early February; his decision will put to rest a 3-year campaign by the Conservancy.

Meanwhile, there is work in progress in the 2004 Georgia General Assembly to quash citizens' opposition to the power companies totally unbridled right of eminent domain. The burgeoning grassroots movement to reign in utilities arguably started in Rabun County with the case cited above, and continues to grow (an umbrella group is known as HOPE of Georgia) as more and more citizens fight property condemnation and intrusive power line projects. The new General Assembly bill is HB 373, and it would offer no relief to citizens seeking due protection of their property rights, and meaningful oversight of power companies. We urge Georgia residents to contact their statehouse senators and representatives and ask them to vote in opposition to HB 373.

WILDERNESS VALUES MAY BE STEAMROLLED

The South Carolina stretch of the Burrell's Ford road is slated for paving, according to recent paperwork from the Forest Service's Andrew Pickens Ranger District. But wait: wouldn't paving this road contradict the Forest Service's responsibility under the Wild & Scenic Rivers Act to preserve and protect the wilderness values that brought the Chattooga its Wild & Scenic status back in 1974? Readers may know the Burrell's Ford road, a 10-mile long gravel thoroughfare that crosses the Chattooga River in the heart of the watershed, in between the Ellicott Rock Wilderness Area and the Rock Gorge Roadless Area. Some might even know that back when the Chattooga was evaluated for Wild & Scenic eligibility, the study group recommended that the Burrell's Ford road be closed to preserve the wildness of the area, and the bridge crossing over the Chattooga removed. Now, institutional amnesia is rife within the Forest Service and with mounting pressures to develop wild areas, the. Burrell's Ford paving proposal has been approved by Forest Service-decision-makers in SC, with the dubious justification being erosion control. Meanwhile, the Tallulah Ranger District is also considering a paving project for the Georgia portion of the road. It's easy to predict that replacing gravel with smooth blacktop for the entire length of this winding, isolated road would then draw a multitude of cars, dirt bikes and motorcycles speeding through the area, with the noise-especially from motorcyclesreverberating far and wide. Clearly, the quiet solitude of this unique area, which encompasses portions of the Chattooga River, the Ellicott Rock Wilderness Area and the



Paving the winding, isolated Burrell's Ford road would harm the wilderness values of this unique area. photo by Butch Clay

Rock Gorge Roadless Area, would be harmed. In partnership with the Southern Environmental Law Center and SC Forest Watch, the Chattooga Conservancy is filing an appeal against the Burrell's Ford Road paving decision in SC.

GEORGIA WATER RIGHTS,

The expected showdown over water issues in the 2004 Georgia General Assembly may be defused by a new, lowkey bill that could place the whole controversy in the hands of the Department of Natural Resources. Last year's heated statehouse battles were over pivotal issues such as the buying and selling of water withdrawal permits. Now, Governor Perdue and key state legislators have crafted an uncontentious bill to launch Georgia's first statewide water management plan, and estimates are that the plan could be in the works for three years. Specific water policies such as the buying and selling of water rights and intra-basin water transfers are expected to be the subject of future legislation.

HORSE TRAIL SPECIALIST TO TEACH CLINIC

The Chattooga Conservancy is hosting a horse trail clinic on February 21st at 9:30am at our office. The instructor will be Mike Ritter, horse trail specialist with Gainesville College and the Georgia Department of Natural Resources. The session will cover the latest advances in trail design, construction and maintenance. Participants will learn how to avoid erosion, user conflicts, and impact problems through proper trail design. The session will give participants a good working knowledge of what causes trails to erode through water and soil relationships. The focus of the class is to teach long-term sustainability and ease of maintenance on horse trails. The one-day clinic will consist of class room time with a power point presentation, and a half-day of field work to emphasize the hands on practicality of what was discussed in the class room. For more information and to sign up, please contact the Chattooga Conservancy office at 706-782-6097.

Member's Page

MANY THANKS to all who recently renewed their membership, or joined the Chattooga Conservancy. Your generous contributions will help us continue to work on all of the important conservation issues facing the watershed.

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MEMBERSHIP

Winter 2004

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Your contribution is greatly appreciated! Donations will be used to support the Conservancy's work, and guarantee you delivery of the *Chattooga Quarterly*. We're a nonprofit organization, and all contributions are tax-deductible.

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Chattooga Conservancy

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Purpose: To protect, promote and restore the natural ecological integrity of the Chattooga River watershed ecosystem; to ensure the viability of native species in harmony with the need for a healthy human environment; and, to educate and empower communities to practice good stewardship on public and private lands.

Made Possible By: Members and Volunteers Appalachian Forest Resource Center National Forest Foundation Patagonia, Inc. Frances A. Close The Sapelo Foundation Environmental Systems Research Institute



Goals:

Monitor the U.S. Forest Service's management of public forest lands in the watershed

Educate the public

Promote public choice based on credible scientific information

Promote public land acquisition by the Forest Service within the watershed

> Protect remaining old growth and roadless areas

Work cooperatively with the Forest Service to develop a sound ecosystem initiative for the watershed

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