



The Best Democracy Money Can Buy

The Truth About Corporate Cons, Globalization,
And High-Finance Fraudsters

by Greg Palast

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Take-Aways

- The U.S. media is too focused on profit to investigate controversial issues effectively.
- The outcome of the Florida presidential vote was influenced long before the election.
- The names of more than 100,000 people, 54% of whom were black or Hispanic voters, were wrongly purged from the Florida election rolls prior to the vote.
- The Florida legislature forbid hiring an outside firm to purge the state's voter rolls, but Secretary of State Katherine Harris did it anyway.
- The Russian Duma recommended that the U.N. should oversee U.S. elections.
- The Bush Administration discouraged any investigation of bin Laden's financing, for fear it would embarrass the Saudi royal family.
- President Clinton was also inclined to help the Saudis save face.
- The Golden Straitjacket is the phenomenon of countries generating revenues by adopting restrictive fiscal policies.
- The Saudis, and indirectly the bin Laden family, had a strong hand in the business success and survival of George W. Bush.
- Solutions proposed by the California energy crisis committee would profit Bush pals.

Rating (10 is best)

Overall	Applicability	Innovation	Style
8	4	10	8

Relevance

What You Will Learn

In this Abstract, you will learn: 1) How a purge of voter lists led to the Florida election debacle; 2) How Saudi money helped stifle U.S. investigations of the bin Ladens; and 3) How big bucks buy FDA drug approval — in other words, how cash is corrupting democracy.

Recommendation

Investigative reporter Greg Palast is one of a kind. He delights in stinging big business and bulky government with facts both would prefer to ignore. Palast's strengths: his honesty, his willingness to admit he may be wrong, his sense of humor, his research and sourcing, and his unbridled passion to uncover wrongdoing. His weaknesses: his Tom Wolfe-influenced pop prose, his assumption that a conspiracy slithers beneath every log and his unbridled passion to uncover wrongdoing. He uncovers scandals such as the stolen Florida election, presidential protection of the Saudi royals right down to bin Laden's kin, bad energy and fiscal policy, and other mishaps and misdeeds, from the Exxon Valdez to Enron. Reading Palast is like drinking a stiff bolt of whiskey. It takes just a moment of reflection before you really start to burn. In this era of McJournalism, the citizenry needs more like him. *getAbstract.com* recommends his book to anyone growing weary of the status quo.

Abstract

The Best Lies Money Can Buy

The newspapers you read and the television you watch in the U.S. exemplify what is wrong with American journalism. The real stories have been ignored by the mainstream media.

Vote Fixing in Florida

Before the November 2000 balloting, Katherine Harris, then Florida's Secretary of State, collaborated with Florida Governor Jeb Bush to purge 57,700 voters from the Florida registries. Harris said these voters were felons who lost the right to vote. For example, the list states that a Mr. Cooper was convicted of a felony on January 30, 2007. Yeah, 2007. So his name goes off the voter rolls. The problem with the purge was its blatant inaccuracy.

In fact, 90.2% of the voters on the list were innocent citizens. Perhaps more interestingly, 54% were black and Hispanic. The list was overwhelmingly Democratic. Harris declared Bush the winner over Gore by a margin of 537 voters, so it doesn't take a math wizard to determine easily that Gore lost thousands of votes, and the election, because of the purge of voters. How did 100,000 U.S. journalists fail to cover the truth of the pre-election voter purge? They focused on counting a few thousand votes and largely missed the 100,000.

This says a lot about the shortcomings of today's media. Investigative reports are risky and expensive. Most profit-conscious media enterprises have no interest in probing into complex subjects. This lack of oversight helps explain why the Russian Duma requested that the American election be conducted under the supervision of the U.N. The story of the white-washed voter rolls appeared in *Salon* and, in response, the NAACP sued the company that was hired to do the purging, as well as Katharine Harris and others. The grounds for the action was that thousands of Florida citizens had been prevented from exercising their rights under the 1965 Voting Rights Act, as well as under the Constitution.

"Am I a bit too rough on the Republicans? I recognize that the selling of America is a bipartisan business. If I spill more ink here on the Bushes than the Clintons, it's primarily because a journalist's first job should be to discomfit those in power."

"No one ever lost their job writing canned statements from a press release."

“Remember, *All the President’s Men* was so unusual they had to make a movie out of it.”

“Opportunism does not require planning and conspiracy; it does require a cover up.”

“The Florida vote count vaudeville has been used as cover to monkey with voting systems in several states, all under the grinning disguise of “reform.”

“The Russians voted a resolution demanding that American presidential elections, like Haiti’s and Rwanda’s, should be held under the auspices of the United Nations.”

Part of the settlement that followed allowed the state to delete only one name in 20 from the original list, but it also resulted in a new list of names to be purged. NAACP lawyers understood that the results of the 2000 election were irreversible, but they wanted to prevent distortion of the electoral process in future races. Oddly, although the company that undertook the purging removed erroneous names from their list, Harris and Gov. Bush refused to go along. Harris’ office refused to restore some 50,000 wrongly-stricken names.

Eventually, those names will be restored. It’s only a matter of time. So how will the Jeb Bush team continue to insure the Republican advantage in future elections? The answer is simple: create new “felon” lists for upcoming elections. And that will happen. However, creating new lists will run afoul of the law. After the story of the voter lists appeared in those media outlets which had the nerve to run it, the Florida legislature voted to prevent the secretary of state from ever again hiring an outside firm to purge its list of voters. Instead, the Secretary must contract with the Florida Association of Court Clerks, experts on voter eligibility. Despite this law, in December 2001, Harris left a series of meetings with the county clerks to hire an outside firm. The story was spread that to assess the voter lists, the clerks wanted \$300,000 to cover costs. However the fee promised to the new consultant totals \$1.6 million.

Bush and Bin Laden

Another example of truth too hot for the American press is the relationship between George W. Bush and the bin Laden family. Disenchanted FBI agents provided a 30-page “SECRET” document indicating that agents were prevented from checking out two members of the family, Abdullah and Omar. According to a top-level CIA operative, a substantial shift in policy followed Bush’s inauguration. National Security Agency investigators were told to back away from investigations of Saudi financing of terror networks. The sensitivity involved the Saudi Arabian royal family and their close associates, thus essentially putting any bin Laden family investigation off limits. Of course, Osama was fair game as an archenemy of the U.S. Any investigation into how Osama received his financing, however, was hamstrung.

Bush inherited from Clinton the tradition of looking the other way. After the 1996 Khobar towers bombing, Clinton hunted Osama with a passion that unfortunately did not involve examining how the Saudis were protecting and financing him. Clearly, both administrations were very reluctant to inconvenience the Saudis with queries about their terrorism financing connections. Still, Bush seemed peculiarly jealous in this regard, and the question is “Why?”

The answers are found in the names Carlyle and Arbusto, two investment groups that helped George W. Bush succeed in the oil business with money linked to Saudi Arabia. Carlyle and Arbusto always seemed to step in and save Bush just when it appeared that another one of his business ventures was about to go belly-up. Arbusto — Spanish for “shrub” or bush — was funded in 1977 by James R. Bath, whose money came from representing Sheiks Salim bin Laden and Khalid bin Mahfour. In 1986, Bush sat on the board of Spectrum Oil which was saved by Harken Oil, which received a cash boost from Saudi Sheik Abdullah Bakhsh within the year. In 1990, Harken started to experience financial difficulty. Mysteriously, it was then chosen over Amoco to drill for oil in the Persian Gulf.

Carlyle is an “invitation-only investment group” which paid Bush senior and junior as retained advisers. Based on its investment holdings, it is one of the largest defense contractors. For example, it owns United Technologies, which manufactures fighter aircraft. The bin Ladens were among Carlyle’s select backers, although the connection

“They called it an election but it looked more like an auction.”

“Surreptitiously putting a hunk of the scientific community on its payroll can help a manufacturer win government approval for human and animal drugs.”

“For sheer narrow-minded, corrosive greed nothing can beat the grasping, whining, small businessmen.”

“The belief that a ‘price must be paid’ is religion, not economics — Calvinism dressed up in Marxist clothing.”

was severed after September 11. At the time, the chairman of Carlyle was none other than Frank Carlucci, Bush the elder’s former defense secretary. When Saudi Prince Al Waleed bin Talal bin Abdul Aziz wanted to buy 10% of Citicorp’s preferred stock, he hired Carlyle as his advisor, an odd choice since the company wasn’t an investment bank.

No one suggests that Bush went easy on pre-Sept. 11 investigations of the Saudis and the bin Laden family due to exchanges of cash. However, the result of the association was influence, a predisposition to look the other way rather than turn over every stone in the effort to prevent an act of mass murder and destruction against thousands of innocent Americans.

The Oil Funny Business

In May of 2001, President Bush issued dictums designed to help ease California’s energy crisis, which consisted of rolling blackouts. Oddly, the Bush solution would increase the state’s monthly energy bill by 1,000%, leading to the obvious question, ‘who was going to get all that money thanks to the president’s beneficence?’ Even more suspicious, Bush put Vice President Dick Cheney in charge of the committee whose job was to rescue California citizens. The committee’s first recommendation was to build nuclear power plants, a risky proposition at best in earthquake-prone California. It was, however, a very good idea in the view of the largest builder of nuclear power plants, the Brown and Root subsidiary of Texas-based Halliburton Corporation. Halliburton’s former CEO is Dick Cheney.

The second suggestion was that drilling should commence for oil in Alaska’s Arctic Wildlife Refuge. This was interesting given that California’s power plants do not burn oil. Commerce Secretary Don Evans approved the Alaska drilling proposal, however. Evan’s most recent employment, by the way, was with Tom Brown Inc., a billion-dollar oil and gas company.

Five main energy companies kicked \$4.1 million into the Republican presidential campaign war chest. Their investment paid off handsomely as Bush eliminated rulings by the Clinton administration that had halted uncontrolled speculation in the California energy market.

The Golden Straitjacket

New York Times columnist Thomas Friedman, author of *The Lexus and the Olive Tree*, says that the worldwide communications revolution has connected, empowered and enabled business in totally new ways. He advocates globalization to make economies grow. The only price for this prosperity is the “Golden Straitjacket,” which Friedman calls “the defining political economic garment” of globalization. The golden straitjacket involves approximately a dozen economic steps that governments must take to achieve prosperity. As Friedman observes, the tighter you wear the straitjacket, the more prosperity it generates.

The key elements of the straitjacket are: cut the size of government, reduce government spending, cut programs, deregulate currency and the markets, privatize industry as much as possible, allow unrestricted capital shifts across borders and eliminate tariffs. Let the social welfare net collapse and let the marketplace rule. The problem is that someone has to pay the price, and it’s generally citizens who don’t, or can’t, protest what has been done.

A Healthy Perspective?

According to a *New England Journal of Medicine* study, scientists supporting the development of drugs virtually always receive some form of financial reward from the pharmaceutical companies. The co-opting of scientists results in favorable journal articles and a greater likelihood of the drug in question being accepted. When that doesn’t work, manufacturers take advantage of even more proactive ways to influence regulators.

“I admit, of the nearly one million lawyers in the United States, you could probably drown 90% and only their mothers would grieve.”

“Twisted press coverage murdered the story of ethnic cleansing of the voter rolls.”

One example involves the U.S. manufacturer, Monsanto Company. When an international regulatory committee began investigating BST, the company’s controversial bovine growth hormone, Monsanto somehow obtained confidential documents of the committee’s business. BST has a benefit; it boosts a dairy cow’s milk output. Unfortunately, experts say it also has side effects, including an increased amount of pus in milk, along with the potential for a greater risk of breast and prostate cancers among people who consume BST-laced milk. Monsanto used the documents to maneuver to gain acceptance of BST-related processes.

Of course, regulatory approval is useless if consumers won’t buy the product. The FDA, however, refuses to require labels on products produced, in part, with hormones. In fact in 1994, the FDA barred competing dairies from promoting milk as “BST-free.” Michael Taylor, deputy to the FDA commissioner, authorized this milk carton exception to freedom of speech. Prior to joining the government, Taylor practiced law at the King & Spaulding law firm, where he represented Monsanto.

The Libel Suit Capital of the World

Britain has no First Amendment or Bill of Rights, and has become the world’s mecca for libel suits. A story that wins plaudits elsewhere results in steep libel judgments in England. This is a potential threat to freedom of speech worldwide. The *Guardian* papers, for example, receive three notices of legal action daily, more than 1,000 libel actions per year. The consequence is, in essence, the privatization of censorship. The newspaper essentially has a list of off-limits topics. It cannot afford the plethora of lawsuits that would otherwise follow.

Thus a reporter trying to get to the bottom of election theft in Florida became a test case for a multinational corporation’s attempt to use British libel law to stifle free speech in the U.S. The corporation simply filed an action against the writer’s newspaper since the writer had a U.S.-based web site for Americans. The threat panicked the paper’s legal department. The suit would be filed in Britain, because the website could be read anywhere, including Britain. Meanwhile, the British news media has made its peace with its libels laws. It makes symbolic payments for damages and issues twisted half-retractions even on true stories.

About The Author

Greg Palast has been described by the *Tribune Magazine* as “the greatest investigative reporter of our time.” Palast, an American, reports for the *Guardian* and the *Observer* in London, as well as the BBC. He went undercover to examine Enron years before the American press would touch the subject. He is a winner of the *Financial Times*’ David Thomas prize.

Buzz-Words

Arbusto / Golden straitjacket