



THE DARK SIDE OF FREE ENTERPRISE

By Harry Braun

Free enterprise is an important element of the American success story, but it has an unfortunate dark side, which essentially refers to the fact that “where interest lies, honor dies.” This aspect of human nature was well known to our Founding Fathers, who structured the very foundation of our constitutional democracy to try and limit the abuses of wealth and power. Free enterprise allows corporations to transfer jobs to foreign countries with low wages, slave labor conditions and no environmental concerns. Free enterprise encourages individuals and companies to pollute and destroy entire ocean ecosystems or create radioactive wastes that will remain lethal for 160 million years. The Bush Administration argues that we can “trust” the private sector, which is only interested in making money, but not the government scientists who are not influenced by personal financial gain. This political view underscores the Bush Administration’s efforts to dismantle 30 years of environmental quality legislation, and permeates the Administration’s views on policies that affect long-term impacts on energy, the economy and the environment.

It is as if the Bush Administration has no knowledge of the unfortunate history of abuse that caused the passage of the business and environmental regulations in the first place. While the Bush Administration and other right-wing conservatives like to pin the blame for the recent corporate scandals on the Clinton Administration, the fact is that the repeal of securities oversight was a key principal of the Republican-sponsored “Contract with America” that was pushed through the House of Representatives by the Republican Speaker Newt Gingrich. “Get the government off of the backs of business,” was the Battle Cry of corporate executives who then used the relaxed regulatory environment to steal over \$7 trillion from investors and employees.

Executive Irresponsibility

In a story published in *The New York Times* (September 17, 2002), U.S. energy companies are now building power plants across the border in Mexico in order to avoid emissions standards that would be required if the plants were operating in the U.S. These utility executives fully understand that the pollutants from these plants will not stop at national borders, yet they and their attorneys justify these unethical acts as economically necessary in order to marginally increase their companies return on investment.

Another glaring example is the fact that if it is not possible to bypass the environmental regulations by locating power plants across the border, they simply use loopholes in regulations to avoid their enforcement. Specifically, when it comes to pollution, the primary emissions of concern are sulfur dioxide, a major factor in acid rain; nitrogen oxides, components of smog; and particulates of soot. Engineers refer to these three pollutants as SO_x, NO_x and rocks, and although the standards for these emissions have been significantly reduced for new power plants, existing plants are allowed to release those pollutants at the rate that was allowable when the plants were initially built. The exception that was legislated as part of the Clean Air Act of 1977 stated that if the plants make certain renovations, they would then be required to the same emission rules as new plants under a procedure called “New Source Review.” In order to avoid this clean air measure, the utility executives have simply reclassified the upgrades to their power plants as normal maintenance, which means the old dirty plants that were intended to be phased out are instead refurbished piece by piece, making the dirty plants virtually immortal.

While this is a very clever maneuver, there is no doubt that these senior level utility executives and their high-priced attorney's took these actions to deliberately circumvent the Clean Air Act. These utility executives are well-educated individuals who know all too well about the health impacts of these toxic pollutants, yet they choose to ignore the public health in favor of marginally improving their profits. Can these corporate executives be trusted? Obviously not.

Nuclear Time-Bombs

According to a confidential report that was leaked to *The New York Times* (November 20, 2002), the highly secretive nuclear industry's internal oversight group has warned utilities that a focus on production over safety had endangered a number of nuclear installations, including the Davis-Besse nuclear plant near Toledo, Ohio. A series of additional articles by Matthew Wald that were published in *The New York Times* (Jan. 4, 2003, May 1, 2003 and June 6, 2003), further detailed that the corrosion at the Ohio reactor was only discovered after investigators from the Nuclear Regulatory Commission (NRC) ordered the plant closed for inspection -- in spite of the objections of the plant owners (First Energy Nuclear Operating Company) -- who argued the inspection was unnecessary. As it turned out, if the plant owners had not been forced to have the inspection, Toledo and the surrounding communities may have become a permanent radioactive deathcamp. The NRC inspectors found the plant was indeed a ticking time bomb because rust and corrosion had eaten away 70 pounds of steel that was 6 inches thick in the reactor cover. Only a quarter of an inch of steel was left to keep the reactor vessel from failing, thereby causing a meltdown that would be an unprecedented catastrophe for the U.S.

John D. Rockefeller

It is worth noting that when John D. Rockefeller started out in the oil business, it was a highly competitive industry. Eventually, however, Rockefeller and his associates were able to establish a monopoly that effectively ended the competitive nature of the business. The lesson is clear: An unregulated free market contains the seeds of its own destruction. Private companies are analogous to players in a game, and the government regulators are needed to act as referees to assure that the rules of the game are followed. The Bush Administration may like to assume that human nature has changed since the last election, but the reality is that President Bush is either unaware of -- or attempting to ignore the lessons of history. He is now directing that governmental regulatory provisions that were enacted in a bipartisan manner over 30 years be removed. The unregulated free market forces will continue to drive countless species into extinction, whether that means destroying the last of the rhinos, the last of the elephants, the last of the Redwood trees, or the last fish in the sea. The hour is late, and if the necessary regulatory actions are not taken soon, the human community will suffer the consequences.

Ocean Destruction

As vast as the oceans appear to be, the ancient and intricate ecological systems that lie below the surface are in the final stages of being pushed into extinction. They are being exterminated by a relentless armada of commercial fishing vessels that are hunting down the remaining fish and other marine organisms 24-hours a day with satellites, sonar and 50-mile long driftnets. Over 90 percent of the of the large commercial fish are now gone, and its not just the large fish that are being hunted into extinction. Ocean trawlers that use weighted nets operate like football-sized underwater bulldozers that are also devastating the very ocean habitats on the seabed floor that are needed to replenish the fish populations. Free market forces have utterly failed to protect the ocean ecosystems from this human-induced mass-extinction, and given the serious nature of the problem, the U.S. Navy and Air Force needs to be immediately deployed to help eliminate these on-going destructive fishing and chemical dumping practices. For more information, call (602) 955-4555 or send an email to hb@phoenixproject.net.