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# THE BROADWAY DEMOCRATS

♦ District Leaders: Curtis Arluck, Paula Diamond Román ♦ President: Gretchen Borges ♦

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# **US/Russia Relations after Crimea**

**Featuring  
Guest Speaker  
PROFESSOR**

**KIMBERLY MARTEN**

**Ann Whitney Olin Prof of Political Science  
at Barnard College, Columbia University**

**Thursday, April 10<sup>th</sup>**

**7:45 Sign in**

**Meeting starts at 8:00 p.m. sharp!**

**Bank Street College**

**610 West 112th Street (between Broadway and Riverside Drive)**

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## **President's Corner**

Gretchen Borges

### **America, Inc.**

The disproportionate power of major corporations versus the power of sovereign nations is not limited to the United States. Governments no longer set priorities by considering the needs of citizens. Rather, governments are influenced to a grand extent by large, extra-national corporations. When two countries give the priorities established by a corporation greater consideration than those of its citizens one has to ask, who holds political power? Exxon for example has united the otherwise disparate priorities of the US and China, all for its own good. (To give some historical perspective, the precursor to Exxon, Standard Oil, gave away 8 million lamps in China to promote the sale of its kerosene in the last few decades of the nineteenth century.) For all intents and purposes, it is a stronger force than either government. It essentially functions as a super government.

One could ask what the difference is between China, where state-owned enterprises are still somewhat dominant (though being disbanded) and the US, where large corporations dominate government at several levels. The difference is not to the advantage of the US. In China, the advantages of state-owned enterprises all accrue to China. In the US, the multi-nationals influencing the direction of government have no inherent predilection to work to the advantage of the individual US citizen. Their priorities are determined by their bottom lines.

Throughout the world, the distribution of power in the hands of governments is steadily eroding. Increasingly, it is in the hands of multi-national corporations whose priorities are set by the demands for ever greater profits at the expense of considerations such as living wages or the environment. In the economic history of the world, such power distributions have occurred before. Not to good ends. Consider the role of the early trade companies in the world distribution of trade and political power. The Dutch West India Company

played a dominant role in the importation of African slaves into the Americas in the seventeenth century. The East India Company (1600-1873) played an even more pivotal role in world history. Their brutal domination of India established the base for the British Empire, and their importing of opium into China in the eighteenth century created thousands of addicts. They even contributed to the American Revolution. In 1773, the 342 chests of tea thrown into the Boston Harbor were symbolic of the colonists protests against the taxation without representation, but also against the monopoly held by the owner of that tea, the East India Company.

More recently, consider the role that Gazprom (in which the Russian government holds a 50.01% stake and which supplies 35% of Germany's gas imports) holds in the world's response to Russia's invasion of Crimea. (Last week Gazprom, taking a page from John D. Rockefeller's playbook, was finalizing plans to take over the major German gas and distribution business.) Without holding that card, of being the dominant natural gas supplier to Europe, it is less likely that Putin would have gone forward as aggressively with his annexation of Crimea.

And Gazprom is ranked at 72, well down on Global Trends' 2012 list of the world's 100 largest economic entities, a list that includes both sovereign nations and corporations. Royal Dutch Shell at 26, Exxon Mobil at 29, and Wal-Mart Stores at 30 are the top ranked corporations. The next three corporations listed are all Chinese (Sinopec Group at 35, China National Petroleum at 39, and State Grid at 46). And perhaps most revealing, if the generated revenues of the 40 companies on this list were combined and considered as a country, that entity would be third on the list (behind US and China but ahead of Japan).

The status of corporations is already approaching that of sovereign nations. Perhaps the most recent and most glaring demonstration of their power in our government and the outsize political role they play is the course of TPP, the Trans Pacific Partnership. Modeled to a great extent on its precursor, the Korea-U.S. Free Trade Agreement

(which has not produced the promised jobs), TPP is a free trade agreement being negotiated by officials from the US, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. Its text is dominated not by trade issues, but rather by the benefits that would accrue to foreign firms. As PublicCitizen has noted (<https://www.citizen.org/TPP>), "A major goal of U.S. multinational corporations for the TPP is to impose on more countries a set of extreme foreign investor privileges and rights and their private enforcement through the notorious "investor-state" system. This system elevates individual corporations and investors to equal standing with each TPP signatory country's government- and above all of us citizens."

In the US, the historical role of the citizen to have a voice in government's priorities by voting members of Congress into and out of office has been diminished by the money running our elections. Indicative of that diminished role, particularly in relation to the role played by corporations, is the secrecy with which the TPP has been discussed. In the course of the negotiations, the TPP's text was not originally made available to Congress, is still not officially available to individuals, but was available to some 600 official corporate "trade advisors."

Certainly big money had a role prior to *Citizens United*; but now, with unlimited amounts of corporate money flooding media markets for even the smallest of all races (c.f., the election of a planning board in a very small Michigan town considering developing a mine has attracted money from Americans for Prosperity, the Koch brothers' political front), big money has an unlimited role in influencing decisions at all levels of government.

It is revealing to consider the areas of influence, rather than the individual players. For example, in the 2012 US Presidential election, according to data posted on the website of the Center for Responsive Politics (<http://www.opensecrets.org/pres12/>), Obama and Romney had similar amounts of funding from the Defense and Health sectors, but significantly different amounts of funds from other dominant sectors. What stands out in the breakdown is the largest sum sited: almost \$59 million dollars from Finance, Insurance, and Real Estate that flowed to the Romney campaign. That amount is more than twice as much as Obama received from Lawyers and Lobbyists (roughly \$28 million), which was his most dominant sector.

Once these well-funded electeds are in office, they of course can determine the direction of the Judiciary, of the State Department, of the military. And they are beholden to the donors of their dubious sources of funding. We are witnessing the result from both sides of the aisle. To consider just a few: Increased pollution, continued funding of unnecessary and perhaps provocative military hardware, decreased taxes. And from the decreased taxes flow a river of problems including crumbling infrastructure, inadequate education, collapsing social services networks. And one of the first results, the diminished leverage of union and workers.

But now the place of corporate power, that abstraction that has surreptitiously determined priorities for so long, is being challenged. The most recent perversion of electoral funding has elevated the extra-governmental role of the individual. In contrast to the 2012 election, the 2014 elections thus far have been heavily influenced by money flowing from the coffers of individual billionaires. Sheldon Adelson, the Koch Brothers, Michael Bloomberg, and others. We probably are not really close to having one person determine the next President of the United States. But our current electoral process, by amplifying the voice of multi-nationals and individual billionaires, is endangering essentials characteristics of our representative government.



## **Letter to the Editor**

**William D. Hartung**

### **The Crisis in Ukraine Doesn't Justify Higher Pentagon Spending**

Russia's military takeover of Crimea is an unacceptable violation of international law, but it provides no justification for increasing the Pentagon's already bloated budget, as many observers have argued in recent weeks.

For example, earlier this month *Washington Post* columnist Robert Samuelson wrote that "The crisis in Ukraine reminds us that the future is unpredictable, that wars routinely involve miscalculation and that brute force—boots on the ground, bombs in the air—counts."

In fact, the situation in the Ukraine is an example of the limits of military power, not the need for more of

it. No U.S. president would be reckless enough to launch a land war against Russia on or near its borders. And although Sen. John McCain has publicly lamented the lack of a "military option," not even he is calling for a land war with Russia over Ukraine, nor has he explained what his "military option" would entail, or what the consequences of a military response would be.

The last time our policy was governed by advocates of "brute force"—the U.S. intervention in Iraq—the results were disastrous. Trillions of dollars, thousands of U.S. lives, and over 100,000 Iraqi lives later, Iraq is ruled by an authoritarian regime that has exacerbated sectarian tensions and created fertile ground for the growth of violent extremist groups like the Islamic State in Iraq and Syria (ISIS). Keeping U.S. troops in Iraq beyond the decade they spent there would most likely have postponed this result, not altered it.

Perhaps bearing this in mind, the Obama administration has crafted its latest Pentagon budget plan on the premise that the United States should no longer have as a primary objective the ability to launch what it refers to as "prolonged stability operations" like those undertaken in Iraq and Afghanistan. This objective was the administration's rationale for moving to reduce the Army from its post-9/11 high of 570,000 troops down to 440,000 to 450,000. This reduction is a step in the right direction, but if the United States is truly to implement a policy of avoiding large land wars, that figure can go considerably lower.

The President's critics often act as if determining how much to spend on the Pentagon is a simple numbers game. If only the United States were throwing more money at the Pentagon, they suggest, other nations would be duly impressed and avoid engaging in aggressive behavior in their regions. Robert Samuelson put the point as follows: "Even if every Pentagon spending cut were desirable—manifestly untrue—their collective size symbolically undermines deterrence. It telegraphs that the United States is retreating, that it is war-weary and reluctant to deploy raw power as an instrument of national policy."

The idea that more Pentagon spending equals more influence over the behavior of other countries is, to borrow a phrase from Samuelson, "manifestly untrue." Vladimir Putin is not huddled in Moscow toting up the figures in the Pentagon's latest budget proposal, and then using it as a guide as to whether to take military action. Nor is any other world

leader. They are following their perceived interests, weighing them against the consequences that might result from any given course of action.

The other fact that has often been ignored in the debate over Ukraine and the Pentagon budget is that the United States is already spending massive sums. The Pentagon budget has come down modestly from where it was a few years ago, when it was at its highest level since World War II. But even under the budget caps set out under current law it will settle in at half a trillion dollars a year—more than the next 10 countries combined, and eight times what Russia currently spends on its military forces.

Even if the United States were spending twice the half trillion dollars per year it now spends on the Pentagon, it would not have deterred Putin from moving into Crimea. The challenge is to find a mix of diplomatic and economic measures that can persuade Russia to reverse course and recognize Ukraine's sovereignty. This offers the best hope for resolving the situation. There is no military solution, and to suggest otherwise merely distracts from the difficult task at hand.

*William D. Hartung is the director of the Arms and Security Project at the Center for International Policy.*



## **From the Steering Committee**

Rachelle Bradt

### **Would the Keystone XL Pipeline Exacerbate Carbon Pollution?**

Last summer, at Georgetown University (June 25, 2013), President Obama offered hope to those who are looking to preserve a livable climate for our children and grandchildren. He would only approve the remaining portion of the 1,700-mile Keystone XL pipeline from Alberta to the Gulf Coast refineries if it would not "significantly exacerbate" the problem of carbon pollution. The pipeline's net effects on the climate, he added, would be "absolutely critical" to his decision.

In order to stabilize the planet's temperature at a level conducive to life as we know it, the current atmospheric carbon level has to be brought down from the current concentration of 400 parts per million (ppm) to 350 ppm. How then could such a massive fossil fuel infrastructure project not

significantly exacerbate the problem of atmospheric carbon levels? The delicate balance of oxygen and carbon we currently enjoy took billions of years to develop. It sustains the only livable planet in our solar system.

Granted, some more fossil fuel can be extracted by destroying the oxygen-producing Canadian Boreal Primal Forests. But at the critical level of man-made climate change that we are already experiencing, 80% of fossil fuels must be kept underground if the planet's warming is to stay below 2 degrees Celsius. If the international Keystone XL pipeline project is allowed to proceed, says former NASA climatologist Dr James Hansen, "it's game over for the planet".

Two million public responses have already been delivered to the State Department regarding the pending decision. On May 7, 2014 the Federal Comment Period will come to an end and the President has to make his crucial decision before May 21st. We can let President Obama know that we have his back if he decides to make history and reject the Keystone XL Pipeline: SIGN THE PETITION POSTED BY CREDO AT <http://www.credomobilize.com/petitions/keystone-xl-is-bad-for-public-health-and-must-be-rejected>. As the president said in the same speech: "Make no mistake. The world still looks to America to lead." So are we.



## **From the Steering Committee**

Richard Siegel

### **When are You in the Hospital but Not in the Hospital**

A significant change has occurred that **re-defines** when a person is admitted to a hospital. The changes are not patient-centered and may cost you money. The purpose of these changes is to save the government money and to limit the amount of money insurance companies pay to hospitals and other providers.

The Centers for Medicare and Medical Services (CMS) have now determined that you must stay over two nights in a hospital to be considered admitted. This **two midnight rule** went into effect early this year. If you go to an Emergency Room and it is determined that you need extended care—you may now be placed in a new category—**under**

**observation.** This status means your problem does not meet certain diagnostic requirements, or that you most likely will be able to go home within 2 days of treatment.

If you are **admitted**, Medicare Part A or your inpatient insurance benefit will pay for your stay. The cost to you will be very small (co-pays, etc) if at all. However, if you are placed under observation, your care will be billed as an outpatient, reimbursed by Medicare Part B (if you have that coverage) or the less generous outpatient benefit of your insurance company. There may be significant out of pocket expenses (co-pays, deductibles, medication charges, etc).

This billing is true no matter where you receive the needed treatment. Many hospitals will treat you in a bed on what was traditionally an in-patient unit. My colleague from the United Hospital Fund, Carol Levine, (a well-respected advocate of family centered care), states, "...They are outpatients, despite being treated just like inpatients. This ambiguous status is a source of confusion for patients and their families and a financial burden when un-expected bills start arriving."

This guideline is federal policy that NYS has embraced. It is simply an attempt to lower the cost of health care. Unfortunately, it may do this by cutting reimbursement to providers and shifting some costs to the individual who does not feel well (YOU).

There is some good news. Sens. Robert Menendez (D-NJ) and Deb Fischer (R-NE) have introduced the Two-Midnight Rule Coordination and Improvement Act of 2014 (S. 2082), to delay enforcement of the Medicare inpatient admission and review criteria (the Centers for Medicare & Medicaid Services' two-midnight policy). This bill is has not yet been taken up by the appropriate committee. If you are interested, please write our Senators and tell them you support the above noted bill. Also, please let our governor know that you object to this policy.



**Membership**

In order to vote in club elections (endorsements, elections of officers, judicial convention, amendments), you must be an eligible, voting member of the Broadway Democrats. You must have attended at least one of the previous nine monthly public meetings and you must pay your dues. Dues partially defray the costs of presenting forums and putting out this newsletter. Dues are \$20; senior dues are \$5.

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Newsletter Editor: Gretchen Borges

ADDRESS CORRECTION REQUESTED

**Professor Kimberly Marten (Barnard College):**

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