

Tells the Facts and Names the Names

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■ IN THIS ISSUE

Clinton/Gore and the Hollywood Liberals

- The Streisand Factor: Campaign Strategists Court Diva's Nod
- McGinty's Dash to Lear's Salon

Backstage With Citizens for a Sound Economy, Corporate America's Favorite Think Tank

- Money In, Study Out: Citizens' Unique Research Methodology
- Redneck as a Second Language: A Citizens Guide to Running for Congress
- A Few Diabetics May Need to be Sacrificed: How Citizens Plans to Reform the FDA

Plus:

- Only in Babylon: Elliott Abrams as Ethics Guru
- GOP Ultras Blast Newt's New Role as Defender of Wildlife

The Ultimate PC Joke

A person of unidentified ethnic origin goes into a bar and sees someone else of unidentified ethnic origin. The first person says something funny and the second person says something even funnier.

Fronting for the Fortune 500 "Grassroots" and the Money Power

Though it was recently rated by the beltway newspaper *Roll Call* as the fourth most influential organization in Washington — after the National Federation of Independent Business, the Christian Coalition and the National Association of Wholesaler-Distributors — the Citizens for a Sound Economy think tank is barely known beyond the purlieus of Babylon. In the thirteen years of its existence, Citizens has played a decisive or significant role in virtually every major issue of national importance. Citizens has also been the leading proponent of the Contract With America, especially on welfare cutbacks, "regulatory reform" and lower taxes on the rich.

In this issue of *CounterPunch*, we offer a behind-the-scenes look at Citizens for a Sound Economy. We were able to gain special access to Citizens by making a contribution of \$100, which elicited a flood of promotional material and invitations to membership events which are closed to the public.

Citizens differs markedly from other big corporate-backed think tanks that now bulk so large in the political landscape of Washington. The American Enterprise Institute bulges with household names such as James Q. Wilson, Robert Bork and the Bellcurver himself, Charles Murray. Heritage has Richard Allen, William Bennett and Jack Kemp. Eschewing such high fliers, Citizens offers as its chairman C. Boyden Gray, White House counsel during the Bush Administration and now a partner at the Washington law firm of Wilmer, Cutler & Pickering, and Counselor James Miller, ex-budget director under President Ronald Reagan and currently a candidate for the Senate from the state of Virginia.

What makes Citizens unique among the beltway's big think tanks is that it also runs a grassroots lobby shop. The think tank and lobbying unit are both housed in the "H" Street offices and have overlapping staffers, funders and board members. Legally, however, they are separate enterprises, a fictitious division that allows Citizens to solicit tax-exempt contributions for its think tank, which uses the money to provide research and intellectual ammunition for the lobby shop which, as an advocacy group, is barred by the Internal Revenue Service from accepting tax-deductible donations.

This dubious arrangement allows Citizens' business supporters to pay it to throw up the intellectual scaffolding needed to support corporate America's legislative program and then use the lobbying network to press for its approval. Since Citizens does not directly lobby members of Congress or the White House but organizes "grassroots" campaigns, companies aren't required to divulge their contributions to Citizens and Citizens isn't required to reveal who pays its bills.

All conservative think tanks are supported by corporate money and produce pro-business studies and reports, but in the case of Citizens for a Sound Economy, the quid and the pro quo march together in unusually tight formation. A confidential list of donors shows that during 1991 Citizens took in more than \$30,000 from Nissan North America, Toyota, Honda and the Coalition for Vehicle Choice, a front group for foreign importers. Before long, Citizens was leading a campaign to oppose federal tariffs on foreign minivans. The same year, Citizens received \$95,000 from Bell Atlantic, NYNEX and Southwestern Bell, money used to lead a drive for deregulation of the Baby Bells. (Another of the Baby Bells,

Ameritech, made donations to Citizens of \$75,000 in both 1992 and 1993. Citizens rewarded the company with a fawning report in the latter year, "The Future Is Now: Ameritech's Plan for Local Telephone Competition".)

On a blustery evening last February, some 60 people gathered at Citizens' headquarters, 1250 "H" Street, to attend the group's "1996 Campaign Kickoff", an event intended to rally the troops for upcoming legislative battles, introduce a few new Citizens staffers to the organization's corporate patrons and encourage the latter to unbuckle more dollars. Though it bulks large in the group's agitprop, the word "grassroots" did not entirely evoke the atmosphere. Other than an undercover **CounterPunch** agent and a dozen or so of Citizens' policy technicians, the Kickoff crowd was composed almost entirely of lobbyists and special interest reps, the dark forces that Citizens professes to oppose.

The heavy armor that evening took the form of plenipotentiaries from the Fortune 500. There was Tim Hyde, a public

relations man from R.J. Reynolds' Winston-Salem corporate office; Richard Kimberly, head of federal government relations at Kimberly Clark, the Dallas-based paper company; Walt Buchholtz from Exxon Chemical Company's Houston offices; Dr. Jane Work, a vice president at the National Association of Manufacturers; Patrick Gaston, a lobbyist with NYNEX; Ken Yale, a senior vice president at the Jefferson Group, a big corporate consulting firm. These "grassroots" types were flanked by representatives from companies such as Philip Morris, Intel, Bell Atlantic and Edison Electric. The light infantry consisted of fraternal delegates from assorted conservative think tanks — Laura Peterson of the Hoover Institution and Bruce Bartlett of the National Center for Policy Alternatives — and a few GOP congressional staffers, including J.T. Young, an economist for the Senate Republican Policy Committee.

The Kickoff audience arranged itself in the austere decorated front room, huddling in small groups near the open bar and generously stocked banquet table burdened with demure steak sandwiches, curried chicken skewers, cold shrimp, fresh fruits and pastries. After an hour of cocktails, Paul Beckner, Citizens' president, rose to pronounce the official welcome. He praised Congress for having passed the telecommunications reform bill, a measure long sought by Citizens and by a number of the corporate representatives on hand. He noted with pleasure that Steve Forbes — then briefly riding high in polls for the Republican presidential nomination — had done much to popularize the "flat tax", another of Citizens' most cherished goals.

Adopting a graver tone, Beckner pointed towards the audience and noted the presence of Leah Geraghty, the coordinator of the Citizens Roundtable, a program designed to conjure subventions of \$25,000 and up from the donors. "Some of you might be hearing from Leah by the end of the month," Beckner remarked. "By the end of the night!" Geraghty cried roguishly.

Beckner introduced Nancy Mitchell, a veteran of Dan Quayle's Council on Competitiveness and now a Citizens vice president. Mitchell galloped through a laundry list of the group's priorities: less government regulation, free trade, an overhaul of the legal system, a balanced

budget. The key to achieving the latter, said Mitchell, is "cutting spending, not raising taxes. We can't do it unless we're willing to take on the 800-pound gorilla called entitlements." At the mention of juicy targets like social security, Medicare and welfare, the audience gave a throaty growl of approval.

After brief remarks from several other Citizens staffers, the audience returned to the task of finishing off the food and drink. During a relentless, multi-pronged assault on the buffet table, John Berlau of Consumer Alert — a Citizens ally founded by John Sununu — derided Ralph Nader and mandatory air bags with equal vigor. "People shouldn't be forced to buy air bags," Berlau exclaimed, offering up his vision of consumer activism. "They're an added cost that shouldn't be mandatory."

During its early years, Citizens relied heavily on support from a small group of right-wing foundations, most importantly three outfits controlled by David and Charles Koch, billionaire owners of Koch Industries, the nation's largest privately-held oil company. Both Kochs are long-time conservative activists. In 1980, David Koch ran as the Libertarian Party's vice presidential candidate on a platform calling for repeal of minimum wage and child labor laws. Between 1986 and 1990, the two men funneled \$4.6 million to Citizens. With Citizens' growing prestige has come a great deal more money. By 1994, its budget had climbed to more than \$10 million and last year it leapt to more than \$17 million, ranking it with long established rivals such as the American Enterprise and Cato Institutes.

Although Citizens for a Sound Economy won't reveal its donors, we managed to assemble a profile of the group's finances from a combination of public and confidential sources. Among the group's donors — many who have contributed tens of thousands of dollars and some hundreds of thousands of dollars — are corporations such as Amoco, Boeing, Chevron, Citicorp, CIGNA, General Electric, General Motors, Georgia-Pacific, Metropolitan Life, Mobil; Philip Morris, Union Carbide, Xerox, trade groups like the American Petroleum Institute and the Pharmaceutical Research

(continued on p. 4)

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Planet Hollywood, Planet Earth and Planet Clinton

No political constituency has been more zealously courted and massaged by Bill Clinton and Al Gore than the Hollywood liberals. Not only has this community of stars long been an enormously important source of campaign money, but this year California is vital for Bill Clinton's reelection. Furthermore, support from the Hollywood liberals is a bellwether for how money-giving liberal trendsetters across the country are feeling about the administration.

In this liberal Hollywood set environmental issues are high on the agenda. Robert Redford sits on the board of the Natural Resources Defense Council and speaks out for mining reform and the protection of western wilderness areas. Meryl Streep founded her own group, Mothers for a Livable Planet, which campaigns against the dangers of pesticides. The grand diva of Hollywood, Barbra Streisand, promotes the virtues of the Amazon rainforest, while Richard Gere recites the eco-wisdom of the Dalai Lama. Clinton's pal Ted Danson heads up an ocean protection group. (For those with an appetite for Hollywood trivia, Governor Clinton slipped out for a date with Danson's wife and fellow Arkansan Mary Steenbergen the night slated for the first execution in Arkansas after the Supreme Court reinstated the death penalty.)

So it was scarcely surprising that a five bell alarm went off in the White House in mid-May when a series of full-page ads taken out by Voice of the Environment (or simply: VOTE) ran in western editions of *The New York Times*. Founded by Lewis Siler, son of a Hollywood producer, VOTE's operations are run out of Bolinas, California by long-time environmentalist David Orr. Its board is populated not by big money types but by hard-core activists, such as Andy Mahler, Susan Schock, Matt Jacobsen, and Dennis Banks.

VOTE's ad pulled no punches. Drawing on past exposes in *CounterPunch*, it featured in bold type the headline: America Betrayed. This was followed by a litany of Clinton-Gore sellouts on the environment: increased logging in ancient forests; support for NAFTA and GATT; retreats on banning the use of

ozone-depleting chemicals, such as methyl bromide; importing of PCBs for incineration in the US; attempts to overturn dolphin protection laws; quiet support for Norway's efforts to continue whaling; the salvage logging rider that suspended the rule of law on America's public lands; gutting the enforcement of the Endangered Species Act. "President Clinton," the ad declared, "you have done more to harm the environment and weaken environmental regulations in four years than Presidents Bush and Rea-

To quell a potential revolt among Hollywood greens, the Clinton team sent Katie McGinty to L.A. for a courting ritual with big stars.

gan in their 12 years. Your hypocrisy and deceptiveness while trying to greenwash your administration is not fooling anyone." The VOTE ad urged support for Ralph Nader's Green Party presidential campaign.

The White House received dozens of calls from supporters and big time contributors on the West Coast, worried that such direct attacks might harm the administration in critical states such as California, Oregon and Washington. Within

days of the appearance of this ad, no less an eminence than Vice President Al Gore was swiftly drafted to defend the administration's record. Gore duly placed calls to the Hollywood elite promising to personally address their concerns. He solicited radio and print interviews where he admitted that signing the salvage logging rider had been "the administration's biggest mistake". The vice-president pledged to use "every power in my hands to minimize the damage".

In fact, the administration has done nothing to slow down implementation of the salvage rider. Indeed, the Forest Service claims to be 15 percent ahead of schedule in taking off timber under the law. These sales have resulted in the logging of thousand year old trees in Oregon, irreplaceable rainforest in Alaska, and rare grizzly bear habitat on the border of Yellowstone National Park. The administration had the discretion to cancel all these timber sales and chose not to do so.

While Gore was popping up on talk shows, his former top aide, Katie McGinty, now head of the Council on Environmental Quality, was dispatched to Los Angeles for a courting ritual with celebrity, glamour and big money. McGinty had learned that some Hollywood greens had been making dangerous mutterings about defecting to the Nader camp. One of those leading this rebellion was the actor Ed Begley, Jr., one of the few Hollywood activists who has earned his reputation as a real environmentalist. He lives in a small bungalow in Studio City that is entirely powered by a bank of solar panels. He owns an elec-

Gingrich, the Market-hating Tree Hugger

The Ultras are turning against Newt. On June 4, *The Washington Times* ran a long op-ed piece denouncing Gingrich as a dolphin-loving green who was betraying all the most cherished principles of the Contract with America. Alluding to a recent appearance by the speaker on the *Tonight Show* with Jay Leno, the article noted that "while [Gingrich] exhibited knowledge about animals, like the fact that an x-ray of a legless lizard would reveal vestigial limbs, his approach to environmental policy has been less well-informed and could cost his conservative colleagues dearly." The article concluded by suggesting Gingrich "back off" his present bid to reclaim for his party the environmental mantle of Teddy Roosevelt.

The authors of this menacing tract were Rob Gordon and James Streeter of the deceptively named National Wilderness Institute. This group is a "Wise Use" body, whose board of directors includes House majority leader Dick Armey, and the Attila of Idaho, Senator Larry Craig. Also lodged on the board is Rep. Richard Pombo of California, who had drafted legislation finishing off the Endangered Species Act. Gingrich personally deep-six Pombos bill, correctly calculating that it would be a huge vote-loser in November. ■

tric car and usually hops Amtrak for out of town gigs.

McGinty scheduled a soirée at the home of Hollywood liberal Norman Lear, godfather of People for the American Way, and Begley was invited to attend. McGinty assured the gathering of celebs that the environment was indeed a pressing part of Clinton's agenda. She claimed that only Clinton and Gore stand between the GOP barbarians and the unrestrained looting of the nation's natural heritage. McGinty assured the celebs that once Clinton is re-elected, the True Bill will emerge with an even stronger environmental agenda.

Neither McGinty nor her mentor Al Gore proffered any explanations about the fate of the many now mildewed promises of the administration on the environment. What about Gore's pledge during the '92 campaign to halt the dioxin-belching WTI incinerator outside Liverpool, Ohio, a stand that was quickly reversed in one of the more disgraceful episodes in recent presidential politics? Then there were high-minded plans to eliminate the billions in subsidies to corporations that log timber and mine gold on public lands, plans that were 86'd only two months into the administration

Abrams Leads Ethics Crusade

After an energetic search for a new president for the conservative Ethics and Public Policy Center, the directors of that body have triumphantly announced their selection of the perfect man for the job, Elliott Abrams. Admiral Elmo Zumwalt, chairman of the center's board, spoke of Abrams' selection as "a very happy day for the center".

Carpers will of course be quick to point out the irony of a self-confessed liar to Congress now being at the head of a group with the word "Ethics" blazoned on its shingle. Zumwalt is ready for such critics. The old sea-dog bluffly stated that Abrams' act of lying is in fact a positive credential for the job, since the "ethical challenges faced by public officials and ethical issues at the heart of many public policy debates are no abstraction to him. He wrestled with them every day." ■

at the request of western Democrats.

The administration's response to the oil companies' recent frenzy of price gouging was to give them more oil from the strategic reserves and lift the 30-year ban on the export of Alaskan crude oil. This extraordinary action multiplies by five times the value of Exxon, BP, and ARCO's holdings in Alaska, and makes it profitable for them to accelerate their drilling rates, and thus renders it almost inevitable that the Alaska National Wildlife Refuge will be opened to drilling in the near future. There is no way a Republican president could have maneuvered this measure through Congress. Oilman George Bush tried and failed. Clinton gave the oil companies a prize they sought vainly from five previous presidents.

McGinty claimed that Clinton beat back Rep. Don Young's attempts to speed up clearcutting on the nation's largest temperate rainforest, Alaska's Tongass National Forest. Yet, only days before McGinty jettied off to LA, the Clinton administration unveiled its plan for the Tongass, prescribing threetimes as much clearcutting as its own biologists say is sustainable and legal.

Norman Lear and his crowd did not press McGinty on these matters. To speak out might mean forfeiting cherished access to the White House. Katie McGinty had only to soothe and placate, to set the celebs up for the large contributions that will soon be sought by the solicitors for the Clinton/Gore campaign. Only Begley stood up to challenge the administration's dismal record.

An irony here is that Dick Morris, the a Republican pollster and longtime Clinton intimate who now serves as a White House adviser, has been urging Clinton to hang tough on the environment. His polling data showed a 70 percent support for strong federal environmental protections. According to several White House sources, Morris, strongly urged Clinton to veto the salvage rider.

But Interior Secretary Bruce Babbitt ridiculed Morris' advice. He argued that by signing the salvage rider, the administration could appease the big timber corporations and pick up some votes in key western states without fear of losing the support of the environmental groups. The big green outfits, he predicted, would swallow any betrayal by Clinton with barely a whimper. Where else could they turn? Babbitt was right. ■

(Citizens, continued from p. 2)

and Manufacturers of America, and foundations such as John M. Olin, Sarah Scaife and Philip M. McKenna.

Foundations run by the Koch family are still the biggest givers to Citizens, kicking in nearly \$750,000 in 1994 and more than \$1 million in 1993. But the links between the Koch family and Citizens extend far beyond the realm of cold cash. David Koch sits on the Citizens' board. So, too, does Richard Fink, who attended UCLA and NYU graduate school on Koch scholarships and later became Koch Industries' registered lobbyist in Washington. Gracing the board of Citizens' lobby shop is Wayne Gable, another one-time Koch lobbyist and now head of the Center for Market Processes, a Koch-funded department at George Mason University in Fairfax, Virginia.

There exists a remarkable confluence of interests between Citizens and the Kochs on the political front as well. In 1993, Bill Clinton's budget plan included a \$72 billion energy tax, a proposal viewed with dread and loathing by Koch and America's other top oil companies. Between April and May of that year, Citizens received checks for \$6,000 from Chevron, \$5,000 each from Mobil and El Paso Natural Gas and \$1,000 from British Petroleum. This coincided with a highly prolific period at the think tank, which coughed up at least six reports on the so-called BTU tax, demonstrating that it would cripple the trucking industry, burden farmers, send gasoline prices soaring, injure the family and ravage the state of Virginia.

To mobilize the citizenry, Citizens sent a direct mail packet to some 16,000 "grass-tops" leaders thought to have special clout with elected officials, urging them to write anti-BTU tax letters to their senators and to President Clinton, and mail them back to Washington in an enclosed pre-paid express mail package. Recipients of the packet were then contacted by a telemarketing firm that offered to patch through a call to Congress at no expense to the protester.

Citizens also worked in conjunction with the American Energy Alliance, which coordinated opposition to the BTU tax in Oklahoma, Montana, Louisiana and other battleground states. Within a month of its founding in May of 1993, the Alliance had spent more than \$2 million

and hired 120 lobbyists, whose efforts were coordinated by Jim McAvoy of the Burson-Marsteller public relations firm. Just a decade earlier, the energy industry could have killed the BTU tax with a handful of beltway lobbyists, McAvoy lamented to the press at the time. "Now you have to hire 45 people and send them to 23 states because all the noise is supposed to have more credibility."

Paul Beckner, Citizens' Napoleon of the grassroots, kept Koch Industries intimately aware of his outfit's efforts to kill the BTU tax. On May 6, he sent Richard Fink, then a Koch lobbyist, a memorandum saying that "the cornerstone of CSE's strategy to stop the Clinton tax plan" was to kill the BTU tax in the Senate Finance Committee, where "we need only two votes" (the Committee at the time had eleven Democrats and nine Republicans). On May 26, he faxed an "update on the BTU Tax Project" to three Koch Industry executives in which he summarized Citizens' direct mail and telephone campaigns and included a few "letters to members of Congress our efforts are producing".

All went according to plan. Two Democratic senators targeted by Citizens and the Alliance, John Breaux of Louisiana and David Boren of Oklahoma, came out against Clinton, forcing him to strike the energy tax before the Finance Committee would approve his budget.

The public face of Citizens' campaigns is invariably a "broad-based" coalition listing hundreds of members but in fact funded and controlled by a few big interests. These coalitions rise with a given piece of legislation and fold when their mission has been accomplished. To press for trucking deregulation, Citizens worked with the hastily concocted Transportation Reform Alliance; to push for tax cuts there was the evanescent Coalition for Fiscal Restraint; to reduce funding for Medicare there's the brazenly named Coalition to Save Medicare; to lobby for a balanced budget there's the Coalition for — what else? — America's Future.

In 1994, Citizens mounted a lavishly funded operation to kill the Clinton administration's health care plan. Coordinating Citizens' drive was Elizabeth Sauer, whom the lobby shop hired away from the Fleishman-Hillard public relations firm and bedecked with the impres-

sive title of "Director of Mobilization". Citizens drew up plans for a "Middle Class Truth Squad" to lead the campaign, which was funded by its big donors (at least one contributor was the Olin Foundation, which ponied up \$25,000). Review of this funding proposal offers a good idea of what the group means by "grassroots" organizing.

Out of a budget set at \$321,000, Citizens allocated \$42,000 to shuttle its staffers around the country to distribute baseball caps, Frisbees and buttons. It budgeted another \$8,000 for counter-rallies in towns to be visited by the Clin-

Business-backed think tanks routinely produce corporate-friendly reports but with Citizens the quid and the pro quo march in especially tight formation.

tonites' "Health Security Express" bus tour, with Citizens staffers on hand to greet the administration's troops with a towed bus called the "Phony Express".

Most of the money — \$266,000 — went to pay for a media campaign painting Clinton's plan as the first step on the path toward "government-run health care", a Soviet-style nightmare in which everyone would "pay more for less care". One tv ad contained the following exchange:

Woman: Hello? This is Mrs. Taylor. My son is having a terrible earache and needs to see Dr. Murray right away."

Man: You will not see Dr. Murray. Dr. Johnson will see your son next week!"

Woman: Next week? He needs a doctor now! Is Dr. Johnson an ear specialist?"

Man: It doesn't matter.

The last time we saw Citizens close up was at an all-day affair it held in mid-May at the J.W. Marriott on Pennsylvania Avenue, under the chipper title, "The American Economy: Opportunities for Positive Change". The "A" list was out in force. There were at least three representatives from Koch Industries, including David Koch himself. There were officials from CIGNA, Dow Chemical,

Texaco, Domino's Pizza, Northrup Grumman, Columbia Gas, the US Chamber of Commerce and the National Association of Manufacturers. There were the familiar fraternal delegations from think tanks such as Cato and the Washington Legal Foundation. There were dozens of individual Citizens donors on hand, mingling with the beltway elite.

Panels, mostly on economic issues, often dissolved into musings on Bob Dole's campaign prospects. Rep. Joe Scarborough of Florida, one of the more rabid GOP freshmen swept into office in 1994, drew cheers when he called for the elimination of the Departments of Energy, Commerce, Education and Housing and Urban Development. Scarborough also lamented the pr dilemma faced by the Republicans. "There's always gonna be a 5-year-old African-American in the South Bronx who can be tied to spending cuts" and those cuts will then be "blamed on Republican sons of bitches".

Bizarrely, the participants took pains to stress how refreshing it was to be in a room full of down-to-earth folk from "outside the beltway". Indeed, many "real" Americans — albeit mostly millionaires — were assembled at the Marriott. During a question-and-answer period, Nancy

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Centofante, a doctor from Maryland and member of the Citizens President's Council (\$1,000 and up donors), strode to the microphone and argued that conservatives needed to be less "geeky" in seeking to communicate with the public. "Most of us in this room are employers," she said forthrightly. "We need to reach employees." The message that needs to be conveyed, Centofante continued, is that in their zeal to "soak the rich", workers are forcing CEOs to shift their companies' operations abroad, where labor is more docile.

This was no "ideas" conference, but an event designed to impress donors with Citizens' importance, thereby encouraging fresh dispensations. Trophy politicians — Senator James Inhofe of Oklahoma and House Whip Richard Arme — were prominently on display. Many donors excitedly lined up for a photo-op with Steve Forbes, the keynote speaker for the affair's dinner.

The hoped for transfer of wealth was carefully scripted, as we discovered from a confidential memo to Citizens staffers. At the conference lunch, held at the National Press Club, donors would get a full sweep of the CSE menu. At each of nine tables set for ten people Citizens would provide two staffers, a policy specialist and a grassroots practitioner. The memo outlines this strategy: "As table host, you will carry the conversation through lunch after Nancy [Mitchell] and Walter [Williams, Citizens board member] have finished making remarks. Your role will be to sell CSE to the donors at your table ...

[I]f you see donors you know, especially ones who are interested in your issue, encourage them to sit at your table, or follow them to their table and use the opportunity to sell the donors on CSE's most recent activities."

Before the dinner, people mingled and schmoozed over cocktails. A vibrant Centofante milled about, expressing astonishment upon learning that another doctor was at the affair. "I've never met another physician at [a CSE event]," she exclaimed. "The people I meet all

"I've never met another physician" at a Citizens event, marveled one guest. "The people I meet all own their own factory."

own their own factory or something." Justin Keller of Tennessee has attended classes at the Virginia-based Leadership Institute, which trains conservatives to run for public office. Like Centofante, Keller worried about communicating with "Joe Six-pack" and said he was going to "camp out at Wal-Mart" to pick up pointers. Fortunately, Keller confided, "My second language is redneck."

But this was also a day where donors could cash in their chips. A number of pharmaceutical companies and medical device manufacturers were on hand for the Citizens

conference. Terry Adkins, a representative of Pittsburgh-based Biocontrol Technology Inc., huddled with Citizens' government relations assistant, Jenny Rugland, and complained about an FDA panel's unanimous decision in late February to keep his company's Diasensor 1000 off the market pending further tests. The Diasensor allows diabetics to use infrared light to measure blood sugar levels instead of drawing blood.

The Diasensor's future is of huge import to Biocontrol, which has already invested \$66 million developing the device. On the day that the FDA rejected its use, the company's stock tumbled by 41 percent. The problem for the company is that during testing the Diasensor measured blood sugar accurately in only 8 of 23 cases. Because erroneous information about a patient's blood sugar level can be fatal, even the Juvenile Diabetes Foundation has opposed approval of the device.

Adkins and Rugland conducted a lengthy discussion, during which the Citizens rep excitedly talked about FDA "reform bills" Citizens is trying to get through Congress. She then offered to introduce Adkins to James Prendergrast, Citizens' new Director of Mobilization. "That's one of the reasons I came down," Biocontrol's salesman exclaimed gratefully. And perhaps here — with a businessman trying to shove his defective contraption past the government's watchdogs — is where we should take our leave of this grassroots assembly of good citizens, as they eagerly awaited that quintessential man of the grassroots, Steve Forbes. ■

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