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March 24, 2006

NATIONAL CHAMBER OF COMMERCE GROUP TO RELEASE DECEPTIVE AND MISLEADING ATTACK ON WISCONSIN BUSINESS CLIMATE

On March 27, 2006, the U.S. Chamber of Commerce is scheduled to release its new annual state liability rankings criticizing the business climate of certain states because they have laws that protect consumers' legal rights. The survey is based solely on the views of corporate lawyers who defend corporate wrongdoers who injure and kill average Americans.

Like its four predecessors, this "survey" is designed to elicit responses that support a set of arguments reflecting the Chamber's political agenda to limit lawsuits and the liability of corporate wrongdoers.

This year's report attacks the state of Wisconsin claiming that its business environment is suffering due to its liability climate. But this is contrary to strong evidence showing just the opposite: Wisconsin's economy, considering several fundamental indicators, is strong and growing. The Chamber seems utterly unconcerned with Wisconsin's actual business climate or the hurtful impact this survey might have on its communities.

THE STRENGTH OF WISCONSIN'S ECONOMY IS ILLUSTRATED BY THE FOLLOWING:

- ❖ "Wisconsin ranked among the nation's top seven states for its economic development climate" according to the 2006 Development Report Card for the States.¹
- ❖ The 2006 Development Report Card for the States gave Wisconsin an A for economic performance and Bs for business vitality and development capacity. The rating by the Corporation for Enterprise Development was

the only time the state made the corporation's "honor roll" in the study's 19-year history.ⁱⁱ

- ❖ Forbes.com ranks three Wisconsin metro areas in their 150 “Best Places for Business and Careers,” including Madison, WI which was selected as the 10th best overall, and 8 in their 168 Best “Small Places.”ⁱⁱⁱ
- ❖ “Wisconsin's export numbers were up 17 percent in 2005 versus a national average of just over 10 percent... growing at nearly double the national average...” according to Wisconsin Commerce Secretary Mary Burke.^{iv}
- ❖ According to the Wisconsin Department of Revenue’s 2006 news release entitled “Wisconsin’s Economy Continues to Improve”:

““ Over the last two and one half years, Wisconsin has seen the creation of nearly 140,000 new jobs, as well as creative business incentives, generating economic activity around the state...’ stated Secretary of Revenue Michael L. Morgan.”^v

“Wisconsin’s economy will continue to improve producing growth in real personal income averaging three percent per year over the next five years. Over the same time period, Wisconsin per capita incomes are expected to remain above 98 percent of the U.S. average.”^{vi}

“Overall, Wisconsin personal income is expected to grow at a six percent annual rate in the fourth quarter of 2005, followed by a 4.4 percent annual rate of growth in the January through March period of 2006. On a per capita basis, income adjusted for inflation is projected to increase by 2.8 percent in 2006 and by 2.6 percent in 2007.”^{vii}

OTHER FACTS ABOUT THE U.S CHAMBER OF COMMERCE

DEFENDS CORPORATE WRONGDOERS

President and chief executive of the U.S. Chamber of Commerce, Tom Donohue, “has repeatedly criticized Eliot Spitzer, the New York attorney general, who has brought prosecutions against brokerage firms, insurance companies and mutual funds.”^{viii} Said Spitzer, “I think he is a shill for guilty people, and Tom Donohue

has never once found a crime that he couldn't justify, as long as it was committed by one of his dues-paying members."^x

FUNNELS LOBBY MONEY FOR MULTINATIONAL INDUSTRIES

The Chamber “spent more than \$53 million on lobbying in 2004, more than any organization has ever spent in a year, according to PoliticalMoneyLine, which tracks federal lobbying”^x and has spent “more than \$72 million on lobbyists, research, advertising and other weapons to revamp the legal system around the country.” In 2001, “internal chamber documents reviewed by *The Wall Street Journal* show[ed] that the organization has created several special accounts to take in money for projects on behalf of individual companies or groups of companies.” In 2001, these included the insurance, pharmaceutical and auto industries. However, the U.S. Chamber “isn't required to report the sources of its funding, which makes it an attractive vehicle for those ... who sometimes like to operate under the radar.”^{xi}

PARTISAN POLITICAL AGENDA AT EVERY LEVEL OF GOVERNMENT

From forming an organization to defeat the Democratic presidential ticket, to ousting pro-consumer local judges they do not like, the U.S. Chamber is spending massive amount of money to influence elections – and more each year. In 2000, the Chamber began the practice of funding negative attack ads against judges. The U.S. Chamber's Ohio front group has argued that these are “issue ads” allowing it to conceal its corporate contributors, although this is being challenged by the Ohio Elections Commission.^{xii}

But in 2004, the Chamber invested far more money into election efforts than ever. According to U.S. Chamber President Tom Donohue, the election of 2004 represented, “a landmark achievement for the Chamber's political program ... [investing] up to \$30 million in the November 2nd elections. What was the return on this investment? In House and Senate races, the Chamber endorsed 269 candidates and 249 of them won. But the real story is what happened in the select number of close, very tough races that we targeted. In the House, we targeted 28 races and were successful in 20. We targeted nine Senate contests and were successful in seven.”^{xiii}

BUYS NEWSPAPER TO MANIPULATE PUBLIC OPINION TO SUPPORT POLITICAL AGENDA

The U.S. Chamber established a Southern Illinois newspaper called The Madison County Record, presenting readers with biased accounts of cases and pro-“tort reform” commentary. The U.S. Chamber refused to tell readers about its connection to the paper “because it might be pre-judged.”^{xiv} Professor Michael Hoyt at the Columbia School of Journalism said, “If this is an attempt to poach the legitimacy of independent reporting, to falsely fly under that flag, then it’s unethical.”

ⁱ Balousek, Marv, “Wisconsin Earns High Marks for Development,” *Capital Region Business Journal*, March 1, 2006.

ⁱⁱ *Ibid*

ⁱⁱⁱ Forbes List of Best Places, <http://www.forbes.com/2005/05/05/05bestplaces.html>

^{iv} Stitt, Jason, “Commerce secretary Mary Burke on innovation, expansion and BIO,” *Wisconsin Technology Network*. March 20, 2006.

^v Wisconsin’s Economy Continues to Improve, Wisconsin Department of Revenue, March 1, 2006, found at <http://www.thewheelerreport.com/releases/Mar06/Mar1/0301doreconomicrept.pdf>

^{vi} *Ibid*

^{vii} *Ibid*

^{viii} Gretchen Morgenson and Glen Justice, “Taking Care of Business, His Way,” *New York Times*, February 20, 2005.

^{ix} Interview with Neal Cavuto, *Fox News*, February 15, 2005.

^x Gretchen Morgenson and Glen Justice, “Taking Care of Business, His Way,” *New York Times*, February 20, 2005. (emphasis added)

^{xi} Jim VandeHei, “Political Cover: Major Business Lobby Wins Back Its Clout By Dispensing Favors,” *Wall St. Journal*, Sept. 11, 2001.

^{xii} Jim Provance, “Ohio chief justice wants law to say who pays the bills,” *Toledo Blade*, Nov. 5, 2004.

^{xiii} Letter from U.S. Chamber President and CEO Tom Donohue to U.S. Chamber Board of Directors, “President’s Update – Elections 2004,” December 6, 2004, found at <http://www.smartbrief.com/hosted/c100/c100-president-letter.pdf>. (emphasis added). See also, CJ&D White Paper, *Chamber of Horrors*, Feb, 2005, <http://centerjd.org/lib/chamber.htm>; <http://centerjd.org/private/papers/ChamberWhitePaper.php>

^{xiv} Jeffrey H. Birnbaum, “Advocacy Groups Blur Media Lines; Some Push Agendas By Producing Movies, Owning Newspapers,” *Washington Post*, December 6, 2004.