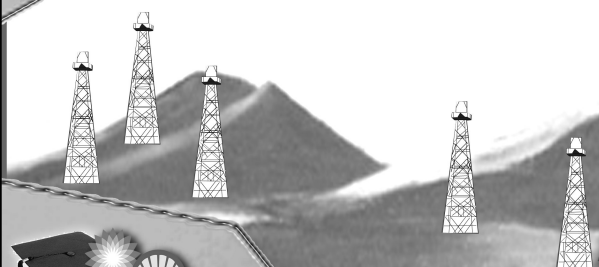


CORPORATE WATCH

ISSUE 27

£1



**UNIVERSALLY
CHALLENGED**



**BRITAIN'S
MOST
RADIOACTIVE
PROPERTY**



**POINT COUNTERPOINT:
ASDA: UNION BUSTING?**

**PRIVATE
MILITARY & SECURITY
COMPANIES IN IRAQ**



december

january

subvert of the month

write to corporate watch

**CW is printing
letters to the editor
get writing today!**



- 1 Indymedia film night**, Carlisle. Short films from around the UK; 7pm Tithe Barn, west walls, Carlisle. Free 01228 597689 marklloyd@riseup.net
- 2 'Globalisation, Education, Information and Libraries'**, Swansea. This event focuses on the possible future for libraries in the United Kingdom under new global trade rules; 10am-3pm Swansea University, The Library and Information Centre, Level 7 www2.swan.ac.uk/maps/campus.htm To book a place e-mail n.t.smyth@swan.ac.uk www.careerdevelopmentgroup.org.uk/divisions/wales.htm
- 2 Get Clued Up Bout Consumerism**, Manchester. An evening of films, workshops and speakers about consumerism and over consumption, with music, chitchat and cheap but delicious food. A fun evening not only to get clued up but to get involved with everything else going on, 7pm at The Basement, 24 Lever St Manchester. www.dosummat.org.uk
- 3 International Day of Climate Protest**. To coincide with climate talks in Montreal. Days of action in London, Edinburgh and Bangor (www.hebfinia.com) as well as simultaneous demonstrations in many other countries including USA, Canada, Greece, Turkey, Australia and Asia. www.globalclimatecampaign.org www.campaignccc.org
- 3 Anarchist Assembly Against Authoritarianism**, London. 'An invitation for an open dialogue between all anarchists and anti-authoritarians to discuss how we resist the state in our day to day lives, in our local communities, and on an international level'. 2pm - 6pm University of London Union (ULU) an_assembly@hushmail.com
- 3 Thomas Paine Society lecture**, London. 'Propaganda and Silence in the War on Terror'. Admission free; 3pm, Conway Hall, 25 Red Lion Square, London WC1 www.conwayhall.org.uk
- 3 Queer Barrio**, London. A night of radical DIY fun, with DJs, performers and the sexiest queers around. A benefit for Queer G8 and radical queer activism; 9pm-6am Ramparts, 15-17 Rampart St £5/3 donation www.queeruption.org.uk
- 3 Annual Dutch Anarchist Bookfair**, Utrecht. 11am till 6pm. De Kargadoor, Oudegracht 36, www.kargadoor.nl
- 3 Hands off Venezuela Conference**, London. 11:30am-5.30pm NATFHE, 27 Britannia St., London, WC1X 9JP www.handssofvenezuela.org
- 4 Ethical Dilemma Debate**, London. 'Should We Sacrifice Freedom For Security?' NO Argues Edmund McArthur, 3pm. Presented by South Place Ethical Society, Conway Hall, 25 Red Lion Square, London WC1 www.ethicalsoc.org.uk
- 4 'Beating the Bounds' of the No-Protest Zone around Parliament**, London. Meet 12 noon by Nelson's Column in Trafalgar Square, London.
- 6 ID Cards Debate**, Brighton. No2ID will debate with Andrew Burnham MP (Home Office Minister); 7pm, City College, Pelham Street, Brighton.
- 8 Brighton Peace and Environment** centre presents a fundraising night of folk, blues and soul @ Grand Central Pub (opposite the centre). Tickets 2.50 minimum donation
- 10 You Can't Buy Beauty**, Manchester. A day of street theatre and mischief around the city centre targeting the beauty industry. With 'makeovers', fashion show and real beauty tips. Noon, city centre. www.dosummat.org.uk
- 10 Stop the Arms Trade!** Defend the Right to Protest! Brighton. Churchill Square, 12 noon.
- 11 Bike Treasure Hunt**, Manchester. A fun free bike race around the city. A way to have fun without harming the environment or your wallet; 2pm starting from The Basement, 24 Lever St. www.dosummat.org.uk
- 11 Bulb Magazine One-Year Birthday Party**, London. Colombian Hip Hoppers 'Asilo 38', 7pm til nice and late, Carling Academy Islington. £10 in advance, £12 on the door 0207 720 2555 mike@bulbmag.com www.bulbmag.com
- 14 Peak Oil - A global impact?** London School of Economics Old Theatre, straight in the main doors, Houghton Street Free www.re-cycle.org
- 17 Free Market** in Manchester city centre. www.dosummat.org.uk
- 30 Brighton Critical Mass** 6pm The Level, www.tinyurl.com/dfkc2

7-8 Tenth Anniversary anti-Newbury Bypass Reunion. Ten years since the start of work on the Newbury Bypass www.roadalert.org.uk

9-15 Faslane Peace Camp 'Adventure Week'. <http://www.hull.ac.uk/php/ggsdah/faslane/Fashome.htm>

27 Brighton Critical Mass, 6pm The Level, www.tinyurl.com/dfkc2

28 Prison Abolition Seminar, London. Resisting prison construction, radical alternatives to prison and abolitionist theory past and present are the themes for this seminar. Conway Hall, Red Lion Square, Holborn, London 2 - 5pm. www.alternatives2prison.ik.com

Corporate Watch

**Newsletter 27:
December 2005/January 2006**

Corporate Watch is an independent not-for-profit group, which aims to expose how large corporations function, and the detrimental effects they have on society and the environment as an inevitable result of their current legal structure. Corporate Watch strives for a society that is ecologically sustainable, democratic, equitable and non-exploitative. Progress towards such a society may, in part, be achieved through dismantling the vast economic and political power of corporations, and developing ecologically and socially just alternatives to the present economic system. If you would like to help with research, fund-raising or distribution please contact us.

Disclaimer: The objectivity of the media is generally an illusion. Corporate Watch freely acknowledges that it comes from an anti-corporate perspective. It attempts at all times to be factual, accurate, honest and truthful in its reporting. We welcome any comments or corrections.

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I OK ON M/WORKS,
YE MIGHTY,
AND DESPAIR



A HOT PROPERTY

Britain's most radioactive residence up for sale

On offer for £179,950 is a four bedroom property in Reading. This price is less than half of what similar properties on the same road sell for. Why? Number 337 Wokingham Road, Earley is contaminated with plutonium at hundreds of times background levels. Yet estate agents, Mann & Co, and the Bradford & Bingley, who repossessed the house from former owner Ray Fox, are providing no warnings about the house.

The story of the house and its owner, Raymond Fox, has been covered by Corporate Watch, Radio 4, and several national newspapers, but in spite of this, the government, the European Commission and other authorities seem deeply reluctant to conduct anything but the most perfunctory investigation. They do not dispute the presence of the contamination, but refuse to ask the question: how did plutonium and highly enriched uranium get into a house and garden in suburban Reading?

Corporate Watch called Bradford & Bingley to ask why this potentially lethal property, which made Mr Fox very ill, is being put on the market without a health warning. In a written statement B&B

replied that, following allegations of radioactive contamination, it had commissioned 'a thorough independent survey of



the property'. This survey concluded that there was 'no nuclear contamination present'. In addition, B&B claims that Mr Fox has never shown it his reports detailing the radiological contamination of the house, in spite of repeated requests for them.

'That's bollocks!' according to Ray Fox, who says he sent the reports to B&B several times. He has certainly submitted them to numerous court hearings in recent years, whilst fighting repossession of his home - court hearings at which B&B's lawyers were present. These reports form the basis of his argument against repossession and B&B's lawyers cannot have failed to see them.

B&B initially ignored our request to see their survey report. When pressed, it said that we could not see it because (we quote) 'its ours' and 'its private', although it did offer to send an excerpt from the conclusions of the report. Mr Fox doubts that the report even exists; B&B will not show it to him either. B&B also seemed unsure whether it wants Corporate Watch to forward it copies of the previous reports showing radioactive contamination at the property. At the time of going to press we have not heard from it, neither have we received any details about B&B's survey: who conducted it and when, or even the promised excerpt from the conclusion. As with so many companies and governmental bodies involved in this case, Bradford and Bingley appears to be in a state of denial.

PFTHINK TANK PFONIES

Sound corporate PR needs to be backed by research. Across Europe, funders like Pfizer and Exxon Mobil are directing increasing sums to fund more US-style pro-corporate 'think tanks'; they are relatively cheap to fund, and 'wonk-slotting' - setting friendly experts up with companies - is an open secret.

PR consultancy Market House International (MHI) have recruited around 130 free-market European think tanks, including the Adam Smith Institute, into a coalition: the Stockholm Network. It offers 'both local messages and locally-tailored global messages', backed by 'Europe's brightest policymakers and thinkers.' Many members of the network do not understand just how commercial it is. Sacha Kumaria, the network's director of programmes, admitted that it does take corporate funding, from Pfizer and others, but declined to say how much.

MHI and the Stockholm Network (SN), were set up by ex-journalist, Helen Disney and Nicole Gray Conchar, formerly of right wing American tank, the Cato Institute. Ms Conchar is also linked to the pro-corporate Stockholm Network member the International Policy Network (IPN), as its contact for donors. The IPN specialises in climate change denial and pushing drug and software patents, aiming its message mostly at international bodies such as the United Nations and WTO. It is known to be funded by Exxon and widely believed to be funded by Pfizer, Merck and Microsoft.

Nicole Conchar spoke on raising funds from corporations at a

Stockholm Network conference in Brussels in Feb 2005. More fund-raising advice for the Network's members was given at a seminar in 2003, by Catherine Windels, director of SN policy communications, who talked about business sponsorship. Windels is a patron of the Stockholm Network and also sits on the board of the Centre for the New Europe (CNE), another SN member group. A source in Brussels told Corporate Watch that the CNE receives 50% or more of its funding from Pfizer. The sums involved are very large. The Netherlands-based Edmund Burke Foundation took over \$400,000 from Pfizer in 2001-5 and imploded when Pfizer stopped funding them.

Many free market think tanks, including SN members, prefer open software and generic drugs and are sceptical of corporate control. John Blundell, of the neo-liberal Institute of Economic Affairs, criticises corporate funded colleagues; 'an energy study funded by an oil company or a pharmaceutical study by a drug company hardly has the credibility we wish'. Corporations like Pfizer clearly see think tanks as an excellent investment and are cultivating them keenly. As they sell out their independence they will soon be recognised as corporate mouthpieces.

UNIVERSALLY CHALLENGED

Bloody students! With their fancy mobile phones and penchant for going out on the piss every night... Or are they future 'leaders of tomorrow' with a thirst for knowledge and desire to study and question?

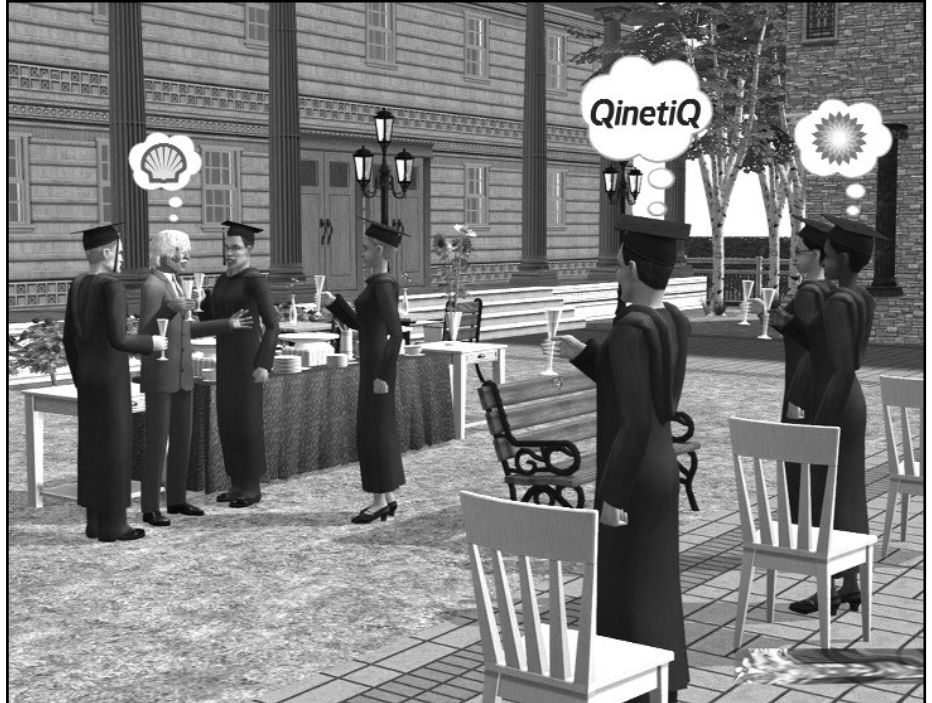
In theory, 'education' encourages free thinking and nurtures analytical minds. But at what cost? With student fees introduced in 1998, top-up fees heading our way in 2006 and sources of public funding cut off, higher education is becoming an expensive endeavour.

Without a steady supply of cash, institutions are being closed down or sold off. Citing 'market forces' as a major factor in deciding whether a course stays or goes, Higher Education Institutions (HEIs) are seeking other sources of funding, not only to survive but also to ensure competition with other institutions. Moreover, students need to secure more money for studying. This all means big opportunities for corporate investment.

For the high-achieving, cash-strapped students, universities have 'Access to Learning' funds, though this is usually not enough money to live on. Engineering and other physical sciences students are eligible for Chevening Scholarships, sponsored by companies such as BP, Bechtel, Cadbury Schweppes, GKN, Diageo and global arms company BAE Systems. Twenty four universities 'benefit' from such central joint funded schemes. Other scholarships up for grabs include cash for geology, chemical and mechanical engineering courses at Manchester and Leeds, offered by Shell. Astra-Zeneca have bursaries for chemistry, and Proctor & Gamble for engineering.

Corporate involvement does not stop at scholarships. For many corporations, university is a cheap way of undertaking research and development (R&D). Examples of corporate activity in the curriculum include shopping colossus ASDA and the University of Surrey running degrees for potential store managers, and defence company QinetiQ 'supporting' seven UK universities in areas of physics, electrical and mechanical engineering, IT and management.

Some university departments are even named after the corporates which sponsor them, such as the BP Institute at Cambridge University. In 2002, 18 universities took on the initiative of developing defence technology centres (DTCs). Corporations involved in this include BAE Systems, Rolls-Royce and GKN. The DTCs encourage military research and



promote a career in the 'defence' industries.

Another recruiting ground can be found at university careers fairs or through corporate backed student careers organisation AISEC.

However, students can see past companies' PR. Last year, six students from Lancaster University took action against a 'Corporate Venturing Conference' which featured delegates from companies such as BAE Systems and Shell. Lancaster University made an example out of the students, and took them to court for aggravated trespass of the George Fox conference building; named, ironically enough, after the seventeenth-century rebel and founder of the Quakers. The 'George Fox 6' received a two year conditional discharge and no fine. This verdict has worrying implications for future student activism.

But through campaigning on and off campus, UK students continue to express dissent. Actions against corporate involvement have included: disrupting careers fairs, withholding tuition fees, holding banner drops to support departments or halls facing cuts and action against companies such as ESSO. One example of students having a huge impact on corporations is the Lloyds and Midlands Bank (LAMB) boycott campaign from the

mid-nineties. In 1994, LAMB estimated that campaigning activity during Freshers' week at Manchester resulted in the two banks losing approximately 8,000 new accounts.

Currently, Campaign Against the Arms Trade (CAAT) is running a new 'University Clean Investment' campaign, targetting the 67 HEIs who are involved in supporting the arms trade through investments.

Solidarity and support for student activists is needed now more than ever. There is still a chance to save HEIs from total corporate takeover.

FOR MORE INFORMATION:

CAAT: University Clean Investment Campaign

<http://www.caat.org.uk/campaigns/clean-investment/universities/>

Support the George Fox 6!

<http://www.free-webpage.biz/GeorgeFox/index.html>

Degrees of Capture Report by Corporate Watch, Platform and New Economics Foundation on oil company influence in universities, 2003: <http://www.carbonweb.org/degreessofcapture.htm>

OFFICERS, GENTLEMEN, MERCENARIES

In September 2005, the BBC reported the deaths of four British 'security contractors' in Iraq, killed when their convoy was attacked by a roadside bomb. The use of various terms - 'security guards', 'security consultants', 'risk consultants' - masks the fact that there is a large force of privately managed, armed civilians in Iraq, who are taking an active part in the imposition of corporate control.

There are around 30,000 private security staff in Iraq, mostly in outfits run by British or US ex-army officers. Several of the 'private military companies' (PMCs), such as Erinyes and Aegis, run forces of thousands, and due to the Iraq private security boom even 'risk management' consultant firms, such as Control Risks, have recruited hundreds of personnel to act as security guards. . Mercenary soldiers are prohibited under protocols of the Geneva Convention (1977) from taking part in a conflict, and the private military and private security companies in Iraq walk the fuzzy line between legal and illegal, as they may have to use armed force against attackers, yet are officially prohibited from taking part in offensive operations. However, their duties include protecting the operations of the corporations, such as Bechtel, that are involved in aggressively 'reconstructing', that is, privatising, Iraq, and employees of Erinyes have been accused of using brutal methods to interrogate a boy they suspected of stealing from an oil company compound. A home-made video, allegedly showing Danny Heydenreycher, a South African employee of Aegis, shooting at civilian cars in Iraq, has also recently surfaced, fueling suspicion that the security firms may not be as passive in their tactics as they claim.

There is also the fact that British PMCs have a crossover with right wing terrorists. Hart Group employed Gray Branfield, a South African soldier who had assassinated the ANC's chief representative in Zimbabwe in 1981. An ex-Royal Marine employee of ArmorGroup was fired when he was recognised as a former collaborator with the UFF, a Northern Ireland loyalist paramilitary group. With British PMCs recruiting hundreds of former members of



apartheid-era South African security forces, and with the British army's links with loyalist terrorists, there is a worry that many of those operating as 'anti-terrorist' security contractors in Iraq could have been active terrorists themselves.

A very large proportion of the world's PMCs have been set up by British ex-army officers, graduates of training schools such as Sandhurst, which has strong connections to major UK private schools. Many of the PMC founders have also seen service in an elite UK regiments, such as the Scots Guards. The names chosen for British military corporations may reflect the public-school social background of the founders. For example, Tim Spicer named his outfit Aegis, a term meaning protection, drawn from the name for Greek gods Zeus and Athena's shields; the founders of Erinyes named their firm after the tireless avengers of Greek mythology. Other names that betray a preoccupation with the classics are Rubicon International, (Rubicon being the river that Julius Caesar crossed to take power in Rome); and Janusian - Janus being the Roman god of doorways, who was literally two-faced. More banal names, such as 'International Security and Surveillance Limited' possibly

indicate a more rank and file origin.

The question mark that hangs over private military and security companies in Iraq is a feature of the lack of regulation of this industry. The various contracts with corporations and government groups in Iraq have given the global PMC market a huge boost - with the industry growing from \$900m in 2003 to \$1.7 billion in 2004. Eager to keep this gravy train running, many of the PMCs have created a trade association, the Washington-based International Peace Operations Association (IPOA). This group, which includes ArmorGroup and Olive Group among its members, advocates a voluntary code of conduct for PMCs. This code includes pledges on ethics, arms control and human rights, but is not enforced by any measures other than possible expulsion from the IPOA. Such voluntary initiatives are common among industries that wish to gain respectability and an air of responsibility and head off government or international regulation.

The modern British military entrepreneur is a direct descendent of the freebooters who, with tacit British state support, played such an important part in expanding and defending the British empire. General Gordon, who met a famous death in Khartoum, 1885, made his name commanding a mercenary force in China, paid for by the transnational merchant community of Shanghai to defeat the Taiping Rebellion. Cecil Rhodes, the warlord who massively extended the British Empire in southern Africa, did so with a force of paramilitary police employed by his British South Africa Company, and the world's first corporation, the East India Company, also raised its own private military force. This process, of private companies extending the British empire, finds its modern expression in the activities of British-led private military companies that are playing an important part in the creation of a corporate dominated Iraq.

Aegis Defence Services.

<http://www.aegisdef.com/>

118 Piccadilly, London W1 7NW

Has £225m contract from the US government to oversee all private military personnel in Iraq. Headed by Tim Spicer, formerly of Sandline, and friend of Equatorial Guinea coup-plotter Simon Mann.

AKE Group

<http://www.akegroup.com/>

Head office: Mortimer House, Holmer Road, Hereford, HR4 9TA

London office, Gallery 4, Lloyd's Building, 12 Leadenhall Street, London, EC3V 1LP

'Formed by Andrew Kain after he left the UK's SAS in 1991' (Pipeline Magazine (September 2005)).

ArmorGroup

<http://www.armorgroup.com/>

25 Buckingham Gate, London SW1E 6LD

Has 'over 1400 employees in Iraq' (Iraq Development Program, 2004). Chairman is former Foreign Secretary and Minister of Defence Sir Malcolm Rifkind. The 'sole security provider to Team Bechtel.' (ArmorGroup press release, November 2005) Also guards British Embassy.

Control Risks Group

<http://www.crg.com/>

Head office: Cottons Centre, Cottons Lane, London, SE1 2QG

Control Risks Screening Division, Cambridge House, Cambridge Grove, Hammersmith, London W6 0LE

'Protects UK Foreign Office officials as well as those from the Department for International Development' (Financial Times, September 2003). Sir Michael Rose, former commander of the SAS is a director.

Erinys

<http://www.erinysinternational.com/>

25 Grosvenor St, London, W1K 4QN

Has a \$50m contract to guard the US Army Corps of Engineers, and their corporate sub-contractors in Iraq. Directors include a former director of British special forces, as well as the former head of security for BP in Colombia and Brazil.

Genric Security

<http://www.genric.co.uk/>

Hereford House, East Street, Hereford, UK HR1 2LU

Founded by ex-SAS and SBS (Special Boat Service) members. In partnership with Kuwaiti company Arab Orient Group, has set up 'Al-Amnelkhass Group', to run security for corporate and government figures in Iraq.



PRIVATE AND SECURITY COMPANIES

All companies listed, based on the latest information from the Iraq, and include British senior personnel.

Olive Security

<http://www.olivesecurity.com>

PO Box 44780, London SW1X 7YH

Has worked for Bechtel, Great Lakes Dredging, and others. Chief of operations is Harry Legge-Bourke, a former SAS member, and brother of former royal nanny Tiggy Guthrie.

Rubicon International

<http://www.rubicon-international.co.uk>

70 Upper Richmond Road, London, SW15 2RP

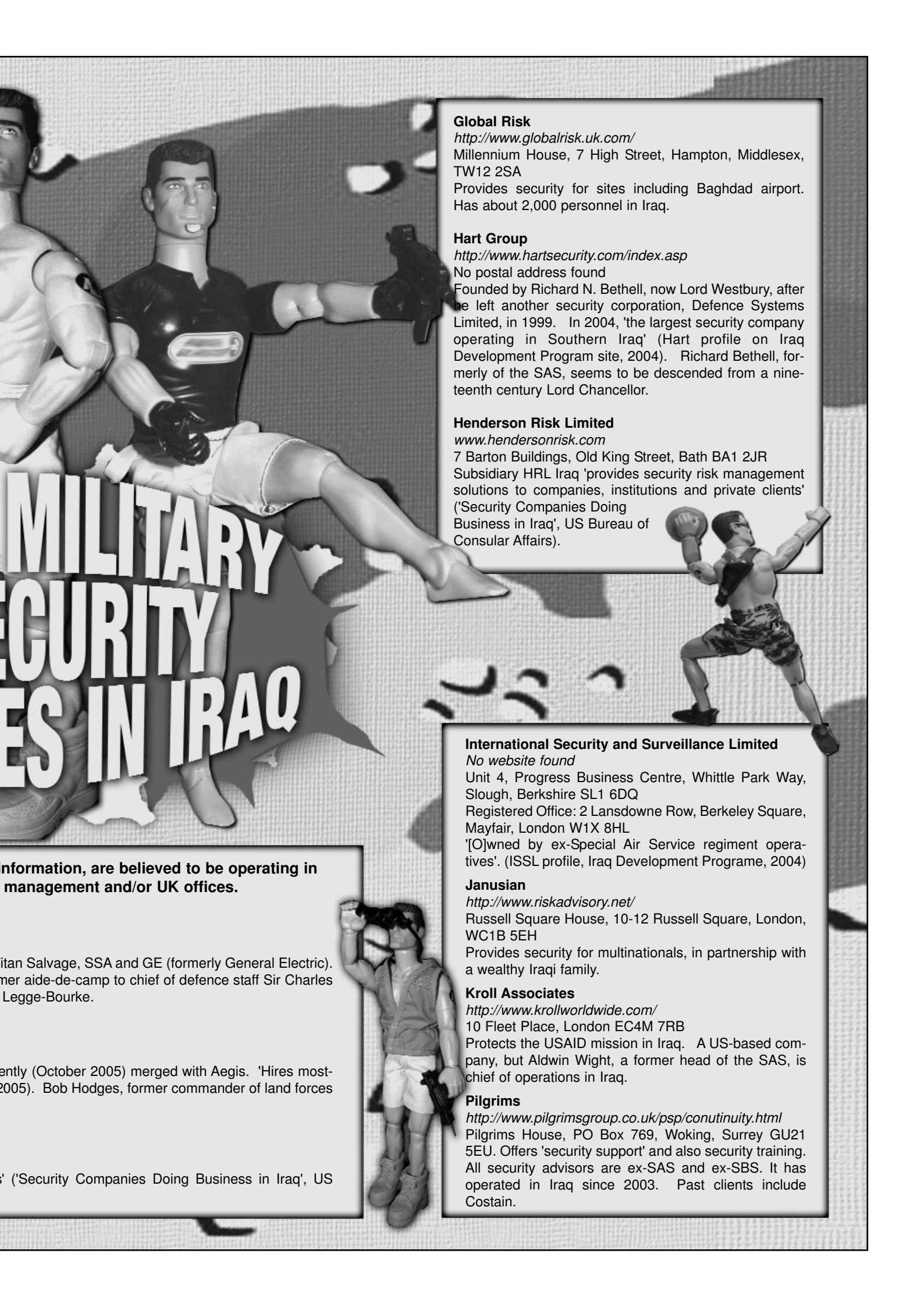
Handled UK recruitment for Erinys, and has received contracts from the SAS' (Sourcewatch profile, February 2005). In Northern Ireland, is a director.

TOR International

<http://www.torinternational.com/>

PO Box 226, Weybridge, KT16 0WL

'Works with USAID and USAID sub-contractors (Bureau of Consular Affairs).



MILITARY SECURITY COMPANIES IN IRAQ

information, are believed to be operating in
management and/or UK offices.

itan Salvage, SSA and GE (formerly General Electric).
mer aide-de-camp to chief of defence staff Sir Charles
Legge-Bourke.

ently (October 2005) merged with Aegis. 'Hires most-
2005). Bob Hodges, former commander of land forces

' ('Security Companies Doing Business in Iraq', US

Global Risk

<http://www.globalrisk.uk.com/>

Millennium House, 7 High Street, Hampton, Middlesex,
TW12 2SA

Provides security for sites including Baghdad airport.
Has about 2,000 personnel in Iraq.

Hart Group

<http://www.hartsecurity.com/index.asp>

No postal address found

Founded by Richard N. Bethell, now Lord Westbury, after
he left another security corporation, Defence Systems
Limited, in 1999. In 2004, 'the largest security company
operating in Southern Iraq' (Hart profile on Iraq
Development Program site, 2004). Richard Bethell, for-
merly of the SAS, seems to be descended from a nine-
teenth century Lord Chancellor.

Henderson Risk Limited

www.hendersonrisk.com

7 Barton Buildings, Old King Street, Bath BA1 2JR

Subsidiary HRL Iraq 'provides security risk management
solutions to companies, institutions and private clients'
('Security Companies Doing
Business in Iraq', US Bureau of
Consular Affairs).

International Security and Surveillance Limited

No website found

Unit 4, Progress Business Centre, Whittle Park Way,
Slough, Berkshire SL1 6DQ

Registered Office: 2 Lansdowne Row, Berkeley Square,
Mayfair, London W1X 8HL

'[O]wned by ex-Special Air Service regiment opera-
tives'. (ISSL profile, Iraq Development Programme, 2004)

Janusian

<http://www.riskadvisory.net/>

Russell Square House, 10-12 Russell Square, London,
WC1B 5EH

Provides security for multinationals, in partnership with
a wealthy Iraqi family.

Kroll Associates

<http://www.krollworldwide.com/>

10 Fleet Place, London EC4M 7RB

Protects the USAID mission in Iraq. A US-based com-
pany, but Aldwin Wight, a former head of the SAS, is
chief of operations in Iraq.

Pilgrims

<http://www.pilgrimgroup.co.uk/psp/conutnunity.html>

Pilgrims House, PO Box 769, Woking, Surrey GU21
5EU. Offers 'security support' and also security training.
All security advisors are ex-SAS and ex-SBS. It has
operated in Iraq since 2003. Past clients include
Costain.



IS ASDA WAL-MART UNION BUSTING?

In the news update of October 19, we ran an article by Joe Zacune, of War on Want, in which Asda/Wal-Mart was slammed for its policies towards its workers, including paying low wages and opposing union activity. We print below a reply by Asda's PR manager, followed by a response from War on Want.

NO: Dominic Burch - PR Manager, ASDA Press Office



I have to say that quite frankly we're baffled by the War on Want report - a lot of it is mumbo-jumbo. We have great relationships with our colleagues and have always been willing to work closely with unions where we have partnership agreements. Union membership at ASDA is relatively low (less than 10 per cent), but we've always respected the right of colleagues to join a union if they wish. We continue to respect that right. We have a partnership agreement with the GMB that covers our stores.

In depots we have a mixture of partnership and collective bargaining agreements - the latter at sites where we have acquired a depot from a third party operator such as the one you refer to at Washington. Where those agreements are in place, we continue to respect them.

A lot of the content appears to have simply been lifted from a number of different US union publications. Some of the people quoted haven't worked for us for quite a few years. The Iowa study and others are clearly union-sponsored papers that are designed to reach a predetermined conclusion. If it were true, then business growth would be declining, or at best static, where we operate, and the opposite is true.

On so-called 'Chip-Away' Strategy at Lutterworth - as I have explained to every journalist that I've spoken to - it is the output from a management away day at our Lutterworth depot last October. One of the proposals discussed was to 'Manage the site without involvement from the GMB'. This has obviously caused a stir, but the document you refer to is simply a record of all the things discussed at this meeting - it is not a strategy that was implemented - in fact it was even written up as a 'Parking Lot' idea i.e. a non-starter.

Any suggestion that this depot or any other for that matter has plans to stop involving the GMB is utter nonsense. As David Smith said in Personnel Today last month [October] - we back our colleagues' right to join a union and we've had partnership agreements with the GMB for donkey's years now. The depot in Lutterworth has a structured and professional relationship with the GMB that ensures proper consultation at all times and regular meaningful meetings.

The open and direct dialogue we have with our own people, plus flexible and innovative employment policies, is part of the reason ASDA has been consistently voted, by its own people, as one of Britain and Europe's best places to work. Only last month we were named Scotland's best employer. It's worth pointing out that we won the first of these awards after, not before, ASDA became part of Wal-Mart.

YES: Matthew McGregor - Senior Campaigns Officer, War on Want



Like many companies, ASDA Wal-Mart's glossy PR rhetoric fails to match the less pretty reality. The anger of the GMB at ASDA Wal-Mart's increasingly anti-union stance is obvious, with union reps even talking about the importation of US anti-union tactics.

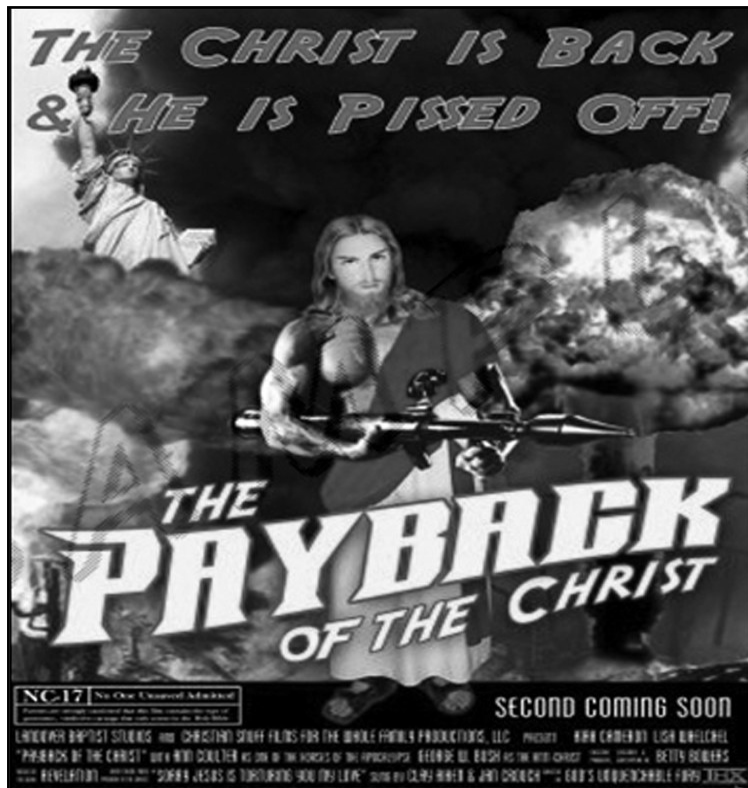
Recently, staff at ASDA Wal-Mart had a 10% pay raise offer withdrawn after they refused to give up their collective bargaining rights. ASDA's proud boast to accept the principle that workers are allowed to join a union if they wish is particularly ironic. Even Britain's weak labour rules give workers that right under the law.

It is telling that ASDA Wal-Mart concentrate on the union aspects of War on Want's alternative report rather than the high cost of their low prices strategy. ASDA Wal-Mart's relentless drive to push down the price of goods in its stores has taken a heavy toll on their suppliers as well as their staff. Suppliers are engaged in a race to the bottom in cutting labour and social standards to compete for ASDA Wal-Mart's tough demands. Wal-Mart even demands that suppliers open their books to the company to identify more and more cost savings.

The multi-million dollar PR war room that Wal-Mart has set up in the US to counter increasingly negative press about the corporation may have a new branch in the UK, but the facts speak for themselves: Wal-Mart's policies drive down wages and lock in poverty pay in some of the poorest countries in the world, while undermining trade unions in the UK.

MARY WHITEHOUSE ON CRACK

On commercial television, advertisers are key. The Parents Television Council (PTC) is using this fact to clean up television.



This November Mediaweek reported that the PTC had succeeded in convincing Toyota to pull its adverts from the US programme Nip/Tuck.

For two years, the PTC has sent all companies who advertise on Nip/Tuck info-packs, trying to convince them to boycott what it calls 'one of the most sexually explicit, profane and violent television programs in the history of American television'.

In 2004 the PTC was responsible for over 99.8% of the 240,000 complaints about 'indecentcy' to the FCC, the US media regulator. This impressive lobbying ability indicates that the PTC is not simply some pressure group made up of concerned parents. In fact, the PTC is an active part of the US conservative political machine, as a subsidiary of the 'Media Research Center (MRC)', an organisation with a \$6m budget and 60 staff. Funders of the PTC include the Castle Rock Foundation, set up by the founders of the Coors brewing corporation, and the Carthage Foundation, set up by the founders of Gulf Oil. The aim of the MRC is to counter what it sees as the 'strident liberal bias' in the US media. The founder and president of the MRC and PTC is Brent Bozell, a lynchpin of the Christian right, a former National Finance Chairman for Pat Buchanan in 1992, when the televangelist made a bid for the Republican presidential nomination.

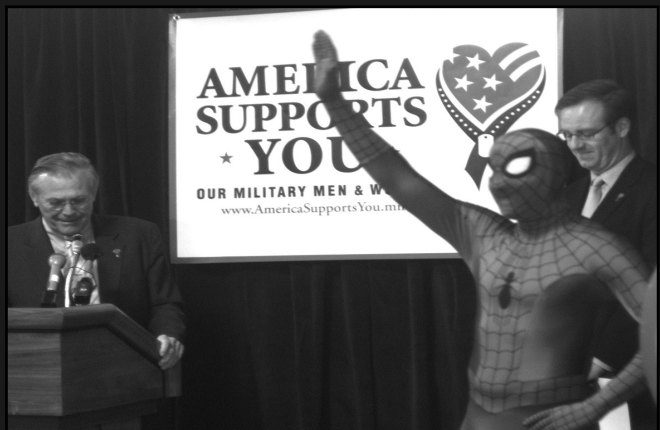
WAR, GAMES

Who's going to save the world? The US army, with a little help from the entertainment industry. With the development of high tech communications the overlap between the entertainment industry and the military is becoming closer. And potential recruits can download 'America's Army', a game that introduces them to the world of army life, developed and promoted in partnership with a number of computer games companies, including Epic (developers of Unreal), GameSpy (which review games) and THX, a special effects division of Lucasfilms. While the 'training' that players of America's Army receive may

only be training in using a mouse and keyboard, such skills are themselves now part of soldiering. Remote-controlled unmanned aerial vehicles, or UAVs (pilotless drones), are becoming increasingly common in modern war. During the invasion of Afghanistan, UAVs made by Northrop Grumman were among the most used items, and in 2003, Northrop earned a record \$11.1bn from US defence contracts. The UAV 'Predator' is equipped with a Hellfire missile, and has been used to kill suspected terrorists in Iraq. However, the Predator can be controlled by a US army soldier thousands of miles away, over a satellite link, making its use very much like firing a missile...in a video game.

CASTING A WEB

Spiderman is helping The US to government to reach the, overwhelmingly young and male, audience of computer-game and comic book fans. These potential keyboard-warriors are being played to by specialist comic books as part of 'America Supports You', a programme designed to offer civilian and corporate backing for US troops. Marvel Comics is one of the corporate partners of this scheme, and printed a million copies of special issue of 'The New Avengers', featuring the Fantastic Four, X-Men, and other Marvel characters. Other corporate partners of America Supports You include McDonalds and Wal-Mart as well as AT&T, and entertainment events such as the GrandOleOpry, Indianapolis 500 and Professional Golf Association.



reality is sometimes even stranger than photoshop

IMAGE OR REALITY?

Corporate Social Responsibility (CSR) is supposed to be win-win. The companies make profits and society benefits. But who really wins?

If there is a benefit to society, which in many cases is doubtful, is this outweighed by the losses to society in other areas of the company's operation and by the other gains the corporation is able to make as a result? CSR has ulterior motives. One study showed that over 80% of corporate CSR decision-makers were very confident in the ability of good CSR practice to deliver branding and employee benefits. Corporate philanthropy is rarely altruistic. When corporations make donations to charity they are giving away their shareholders' money, which they can only do if they see potential profit in it. They may want to improve their image, to exploit a cause for advertising, or to counter the claims of pressure groups, but there is always an underlying financial motive.

'If corporate responsibility did not already exist then BAT [British American Tobacco] would have to invent it... It's what BAT and the industry need in order to make itself acceptable to investors and governments and to resist more regulation'.

**Jeff Collin, London
School of Hygiene and
Tropical medicine**

As Deborah Doane points out in 'From Red Tape to Road Signs', CSR enables business to claim progress despite the lack of evidence of verifiable change. Similarly, a 2004 survey of media coverage by Echo Research found that journalists dismissed a majority of CSR reports as 'self-congratulatory' and full of 'unsupported statements and claims'. So much of the business case for CSR depends on corporations being seen to be socially responsible, that perceptions are the key concern rather than sustainability; it is easier and cheaper to spin than to change. Most CSR workers in companies sit in the communications and PR

CSR ISN'T A SUSTAINABLE SOLUTION

1. CSR as a tactic will only last for as long as it is good business.
2. Many companies have reneged on their CSR commitments when they have hit financial problems. For example, Littlewoods pulled out of the Ethical Trading Initiative and disbanded its ethical trading team when it was bought out by L. W. Investments Ltd in November 2002.
3. The long-term profitability of CSR is probably over-hyped. As other companies get in on the game, CSR will no longer give the 'leaders of the field' an edge. Once CSR is no longer flavour of the month with investors will companies continue to care?
4. The corporate mindset is very short-termist, with profits increasingly being announced quarterly. Apart from pension funds, which look for a return on investment over the long term, the quarterly results are the key benchmark of corporate performance. This leaves little room for investment in long term shifts towards more sustainable modes of operation.



departments. The strategies of CSR: dialogue with NGOs, codes of conduct, social reports - were all designed and developed by PR companies such as Burson-Marsteller, E.Bruce Harrison and Hill and Knowlton.

Many CSR activities can be defined as public-private partnerships (PPP), a common euphemism for privatisation. This covers the projects where companies pool their resources with governmental or civil society organisations. Examples include running community development projects, sponsoring school playgrounds or providing healthcare. These projects blur the boundary between the role of governments and the role of companies. As Nigel Twose from the World Bank Group put it, 'with the private sector increasingly centre stage, questions are being raised around prior assumptions that global public goods can only be tackled (ethically and practically) by the public sector.' CSR shifts the ground towards privatisation, it makes the government/corporate relationship acceptable, generates contacts and builds trust and reputation, to smooth the transition towards private ownership and control.

'Like the iceberg, most CSR activity is invisible... It is often an active attempt to increase corporate domination rather than simply a defensive 'image management' operation'.

**David Miller,
'Unspinning the globe'**

So is CSR just a bubble that will imminently burst? Unless the corporate structure is changed so that companies are able to act on the basis of what is good for society, or unless corporate power is reined in through effective regulation, then the idea of corporations acting responsibly will inevitably fall off the agenda once it is no longer profitable.

This is an edited extract from Corporate Watch's forthcoming report on Corporate Social Responsibility.

NANO-TOXICITY

Hi

I read your recent Newsletter [No.26] with interest. I'd like to comment on two issues mentioned (although not directly related to Corporate Watch's scope).

Thanks to Stagecoach and Oxonica we all now breathe in nanoparticles. The [nano-based] fuel-additive they use reduces diesel-emissions 5-7%. There is, however, very little research on impact of nanoparticles on lungs. Existing reports (in peer-reviewed journals) indicate that breathing nanoparticles cause inflammations in rodents. In some cases their effect is worse than silica particles (reminder: asbestos is of silicate family).

Use of nanoparticles in cosmetics (e.g., suncreams of Boots) would defy any logic. These nanoparticles are as small as 10-13nm. Even the scientific establishment (a.k.a. the Royal Society) has warned against such small particles as they translocate very easily in the body and human body seems to be defenceless to particles smaller than 40 nm. It is possible that, in some cases, toxicity of such particles might take 20+ years to develop (remember variant CJD)

Semse, by email

NGOS IN THE SPIDERS' WEB

I wanted to say how much I appreciate your latest newsletter [No. 26], which I read this morning on your website. I found page 12 - ('Watching them - watching us') of particular interest. I have viewed the work of Arquilla and Ronfeld with a mixture of fascination and steadily increasing alarm since I first encountered Netwar, and especially. Noopolitik, etc. in August, 2001. Your Susan George quote ('Those who genuinely want to help the movement should study the rich and powerful, not the poor and powerless...') struck me - really quite dramatically - as a very simple and useful guiding principle. I am actually frightened by the systematic appropriation of social movement theory, discourse analysis, constructivism and so on by RAND over the last 30-40 years. Not enough is being written about this - but how to approach it? Perhaps more worrying is their explicit objective of co-opting civil society networks - having us become an extension of the intelligence apparatus - either willingly - or through surveillance. NGOs seem in general (perhaps inherently) to be unwilling or incapable of assessing this risk.

Name and address supplied

SUPERSTORE STOPPING

Dear Editor,

I'm a regular reader of Corporate Watch, and have also seen your pamphlet 'What's Wrong With Supermarkets'. A certain large corporate supermarket chain is planning to build a 'superstore' in my local town and I'm worried about the effect this will have on local shops, the environment, and so on. What action would you recommend to help us stop this development?

Irene Ainsworth, Yorkshire

Dear Irene,

You're right to be concerned about the impact of a new superstore in your town. Supermarkets claim they bring choice, jobs and are good for local economies, but the reality is very different. Supermarket-based food retailing creates a negative impact on local jobs and shopping choice, as smaller independent stores close down in the face of competition from supermarkets. The local environment suffers from increased traffic congestion; and supermarkets also push for increased packaging and exploitation of farmers and farm workers.

You're also not alone in your concerns; there are at least 250 local groups around the country actively campaigning against supermarket developments and working to build local support for the alternatives to supermarkets.

There are lots of ways to get going with your campaign: the golden rules for successful campaigns seem to be :

- Know your enemy
- Build local support
- Understand the planning process
- Develop your arguments and fight them through the planning process- many local groups have succeeded
- Build a local campaign to support the alternatives to supermarkets

For more information on the impacts of supermarkets, how to oppose them and for case studies of campaigns by local groups see our newly revised report '*Checkout Chuckout: a DIY Guide to Opposing Supermarket Developments*' <http://www.corporate-watch.org.uk/?lid=1916>.

Also see the new Friends of the Earth briefing '*How to ...Oppose a Supermarket Planning Application*' http://www.foe.co.uk/resource/briefings/campaigning_against_supermarkets.pdf.

There's also lots of useful information on the Tescopoly website www.tescopoly.org

Good Luck!

Kathryn Tulip Food and Agriculture Researcher, Corporate Watch

You read right! CW is giving away a years subscription to the lucky person who sends us the best letter for our next issue!
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letters to the editor

Babylonian Times

*Babylon hath been a golden cup in the Lord's hand,
that made all of the earth drunken: the nations have drunken
of her wine; therefore the nations are mad. Jeremiah 51:7*



WOULD YOU LIKE FREEDOM WITH THAT?

In the last ten years, managers at over seventy fast food restaurants around the US were phoned by a hoax caller purporting to be a cop investigating an employee for crimes such as theft. Many were convinced to order young employees to perform dehumanising and humiliating acts, such as stripping and performing sex acts. The last case, November 2005, involved Louise Ogborn, an 18 year-old McDonalds employee, who was imprisoned for two hours and subjected to beatings by her manager, all at the phone request of a supposed policeman.

So why did it take so long before any action was taken to end the calls? Sociologist Ester Reiter in *Making Fast Food: From the Frying*



Pan into the Fryer (1991) theorised that: 'obedience... is the most valued trait amongst fast food workers'. Various US media following the story reported that fast food restaurants are an 'easy target'. Once management are told of something that goes beyond the corporation's rule book they would not really know what to do. They would obey the 'voice of authority'.

Dr Stanley Milgram carried out a controversial experiment into human obedience, in the 1960s. '[The]...experiment...[tested]...how much pain an ordinary citizen would inflict on another person simply because he was ordered to...The extreme willingness of adults to go to almost any lengths on the command of an authority constitutes the chief finding of the study...' *Obedience to Authority* (1974).

McDonalds' response to the final hoax stated that they have safeguards written in place in their training manual. They added '...our greatest asset is our employees. We greatly value their contributions to our brand...' With the indoctrination, culture of obedience and brand loyalty force-fed to employees it's best to remember that it is better, and right, not to do what we are told to. The fact that one of Louise Ogborn's fellow workers refused to participate in her ordeal, even when ordered to by management, shows that even McDonald's training regime cannot totally crush human capacity for sensible disobedience.

NICE WORK IF YOU CAN GET IT (PT2)

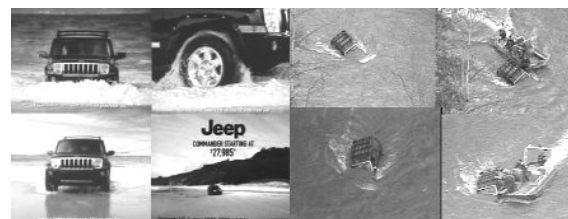
More fat-cat jobs in housing, spotted in a recent magazine:

London Borough of Merton,
'head of regeneration': **£77,500pa.**
Birmingham County Council,
'head of housing development': **£49-58,000pa.**
North Norfolk Housing Trust, 'assets' director',
£60,000pa.

MYTH MEETS REALITY

'*Engineered to Go Anywhere, Do Anything*', boasts the Jeep press release for its new Commander family-sized SUV. The advert shows one model emerging from underwater. Unfortunately, as spotted by media gossip site Jossip.com, for one driver in Washington State, Jeeps are not, actually, able to drive underwater. After suffering a black out and driving into the Pilchuck river, the man was saved by rescuers in a boat.

The TV show *CSI Miami* focuses on the adventures of a police forensic team, who drive around in a Hummer, a famously unsafe and fuel-inefficient vehicle that is derived from a military transport. General Motors, who make the H2 model shown in the programme, sponsor the show, which essentially acts as a long, glamorous advert for the H2. Residents of real-life Miami, which suffers from hurricanes and floods on a regular basis, may not be so keen on the climate-busting Hummers.



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