

# WESTERN ORGANIZING REVIEW

Volume VIII, No. 3

August 2002

## Beef Checkoff Unconstitutional

On June 21, independent cattle producers scored a victory when Judge Charles B. Kornmann ruled that the national beef checkoff program is unconstitutional. Kornmann, a South Dakota Federal District court judge, ruled that the checkoff violates the First Amendment rights of cattle producers because it forces them to pay for speech with which they may disagree. The Western Organization of Resource Councils (WORC) and the Livestock Marketing Association (LMA) challenged the mandatory, \$1 per head tax on cattle sales. "This decision is a victory for cattle producers, WORC and the Livestock Marketing Association," said Linda Rauser a North Dakota rancher speaking for WORC. "Independent cattle producers have triumphed over the beef packers and packer-led institutions in the battle to take back control of our livestock markets."

Kornmann ordered that the collection of the \$1 head checkoff fee was to end on July 15<sup>th</sup>. The Justice Department appealed Judge Kornmann's decision and requested a stay on behalf of the Cattlemen's Beef Board, a checkoff funded organization. The U.S. Court of Appeals granted a stay of Judge Kornmann's injunction on July 10. The Court of Appeals did not address Judge Kornmann's opinion on the constitutionality of the checkoff. The stay will remain in effect



Northern Plains photo

while the Court of Appeals considers the Justice Department's appeal of Judge Kornmann's decision. "We are disappointed but not surprised by the stay but we remain confident that we will win any appeals and that Judge Kornmann's decision will undoubtedly prevail," said Linda

*More on Checkoff p. 9*

## DRA Scores Victory on Amendment A

### *Voters Tell Factory Farms to Stay Out of South Dakota*

On June 4, Dakota Rural Action (DRA) and ten other South Dakota organizations scored a victory against factory farming in South Dakota by generating enough voter turnout to strike down Amendment A. The groups united and called themselves The Stand Firm! Coalition. The coalition argued that Amendment A would allow factory farming into South Dakota. "South Dakota voters sent a clear message. They want production agriculture in South Dakota to be in the hands of family farmers," said Charlie Johnson, a DRA member and organic farmer who chaired the Stand Firm! Coalition.

Supporters of Amendment A argued that it would have brought capital into the state. The Stand Firm! Coalition charged that corporate agriculture would not solve the problems facing South Dakota farmers and ranchers. "If commodity and livestock prices were where they should be in rela-

tion to our costs of production, we would not have a problem with capital in agriculture. When a loaf of bread costs more than a bushel of wheat, something is wrong, and corporate money won't make it right," said Karen Englehart, a DRA member.

Amendment A was defeated by a difference of over 14,300 votes in 47 of 66 counties in the state. "I don't believe for one minute that the voters were confused about this issue. South Dakota voters go to the polls informed and know what is right for our state. They said no to corporate farming in 1998 and reinforced that decision on June 4th," said Englehart. "The voters are to be congratulated for going to the polls in near record numbers and by doing the right thing by defeating Amendment A."

—Catherine Hoss

## WESTERN ORGANIZING REVIEW

## Editor

*Brandy Hinkle, Communications Coordinator*

## Contributing Editors

*John D. Smillie, Program Director*

*Sara Kendall, Washington D.C. Representative*

*Kevin Dowling, Development Director*

*John Crabtree, DRC Lead Organizer*

*Julia Zander, Northern Plains Organizer*

*Elsie Winnie, WSERC Organizer*

*Terrence Kardong, DRC member*

*Cathrine Hoss, DRA Staff Director*

The *Western Organizing Review* is published quarterly by the Western Organization of Resource Councils Education Project, a private, nonprofit corporation which supports the charitable and education activities of WORC.

WORC is a regional network of seven grassroots community organizations that include 7,000 members and 46 local chapters. WORC helps its member groups succeed by providing training and by coordinating regional issue campaigns.

© 2002 by the Western Organization of Resource Councils Education Project.

## Contents

<b>Beef Checkoff Unconstitutional</b>	<b>1</b>
<i>Victory for independent producers.</i>	
<b>Ranchers ask for fair markets</b>	<b>5</b>
<i>WORC asks Senate to adopt a ban on packer ownership.</i>	
<b>Citizens Unite to Fight CBM</b>	<b>7</b>
<i>Colorado community denies unregulated coalbed methane development.</i>	
<b>North Dakotans Say No to GM Wheat</b>	<b>10</b>
<i>Concerned citizens ask for a moratorium on genetically modified wheat.</i>	
<b>Fast Track Passes by Thin Margin</b>	<b>12</b>
<i>The battle over Fast Track was lost but the war for fair trade continues.</i>	
<b>Farmers Outraged by Thomas Door</b>	<b>14</b>
<i>Family Farmers denounce Bush's appointment.</i>	
<b>The View from WORC</b>	<b>3</b>
<b>Around the Region</b>	<b>4</b>
<b>Corporate Roundup</b>	<b>13</b>

## Western Organization of Resource Councils

### WORC Offices

#### Billings Office

2401 Montana Avenue, #301  
Billings, MT 59101  
Phone: 406-252-9672 FAX: 406-252-1092  
E-mail: [billings@worc.org](mailto:billings@worc.org)  
Website: [www.worc.org](http://www.worc.org)

#### Washington, DC:

110 Maryland Ave. NE #307  
Washington, DC 20002  
Phone: 202-547-7040 FAX: 202-543-0978  
E-mail: [dc@worc.org](mailto:dc@worc.org)

#### Montrose, Colorado:

60584 Horizon Drive  
Montrose, CO 81401  
Phone: 970-323-6849 FAX: 970-323-6849  
E-mail: [montrose@worc.org](mailto:montrose@worc.org)

### Member Organizations

#### Dakota Resource Council

P.O. Box 1095

Dickinson, ND 58601  
Phone: 701-483-2851 FAX: 701-483-2854  
E-mail: [drc@dickinson.ctctel.com](mailto:drc@dickinson.ctctel.com)  
Website: [www.drcinfo.com](http://www.drcinfo.com)

#### Dakota Rural Action

Box 549  
Brookings, SD 57006  
Phone: 605-697-5204 FAX: 605-697-6230  
E-mail: [drural@brookings.net](mailto:drural@brookings.net)

#### Northern Plains Resource Council

2401 Montana Ave., #200  
Billings, MT 59101  
Phone: 406-248-1154 FAX: 406-248-2110  
E-mail: [info@nprcmt.org](mailto:info@nprcmt.org)  
Website: [www.nprcmt.org](http://www.nprcmt.org)

#### Powder River Basin Resource Council

23 North Scott  
Sheridan, WY 82801  
Phone: 307-672-5809 FAX: 307-672-5800

Email: [resources@powderriverbasin.org](mailto:resources@powderriverbasin.org)  
Website: [www.powderriverbasin.org](http://www.powderriverbasin.org)

#### Western Colorado Congress

Box 472  
Montrose, CO 81402  
Phone: 970-249-1978 FAX: 970-249-1983  
E-mail: [info@wccongress.org](mailto:info@wccongress.org)  
Website: [www.wccongress.org](http://www.wccongress.org)

#### Idaho Rural Council

P.O. Box 118  
Bliss, ID 83314  
Phone: 208-352-4332  
E-mail: [irc@rmci.net](mailto:irc@rmci.net)  
Website: [www.idahoruralcouncil.org](http://www.idahoruralcouncil.org)

#### Oregon Rural Action

P.O. Box 1231  
La Grande, OR 97140  
Phone 541-975-2411 FAX 541-975-1844  
E-mail: [maray@worc.org](mailto:maray@worc.org)  
Website: [www.oraction.org](http://www.oraction.org)

## Ranchers Celebrate Checkoff Freedom

*Skip Waters*

In 1776, thirteen colonies celebrated a milestone in their struggle for political and economic freedom, declaring their independence from King George and England on the Fourth of July. They protested taxation without representation, and economic domination by the Crown and its chartered corporations. They fought for freedom of speech and the other rights later established in the Constitution.

On the Fourth of July, United States cattle producers celebrated a milestone in our own struggle for independence. South Dakota Federal Judge Charles Kornmann declared that the Beef checkoff is unconstitutional in a case brought by WORC and the Livestock Marketing Association.

The beef checkoff is unfair, undemocratic, and unconstitutional. Cattle producers are assessed one dollar per head, but we don't elect those who spend our dollars. That's taxation without representation, and it's unfair. We have been

---

*"On this 4<sup>th</sup> of July, we celebrated a victory against domination by the packers. And we're starting our march towards independence by taking our checkoff dollars back from the NCBA."*

---

denied the right to vote on the checkoff. That's undemocratic. Judge Kornmann ruled that the checkoff forces us to pay for speech with which we disagree. That's unconstitutional.

The National Cattlemen's Beef Association (NCBA) gets 90% of its budget from these checkoff dollars. NCBA uses the money to promote beef, but it promotes imported beef and U.S. beef as all the same thing. That's fine for the big supermarkets which sell U.S. steaks and hamburger right along with imported beef. And that's fine for the beef packers who turn cattle into steaks and hamburger.

They sell imported beef right along with U.S. beef. But U.S. farmers and ranchers – the ones who pay the checkoff – sell cattle born, raised and processed in the United States. When the NCBA tells consumers that Australian beef is "what's for dinner," it is using our money to advertise for our competition.

The NCBA is making a habit of working against most of the country's one million cattle-raising ranchers and farmers.

The NCBA works instead for the packers, whose economic self-interest is in keeping the price of cattle as low as possible.

Hundreds of organizations with millions of members – ranchers, farmers, and consumers – convinced Congress to require country of origin labeling for meat and produce in the Farm Bill passed earlier this year. The major packers and the NCBA did not want consumers to have the right to choose where their beef comes from.

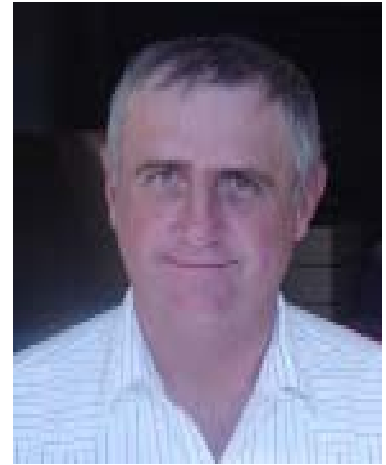
More than 200 organizations and the United States Senate, support a ban on packer ownership of livestock. Banning packer ownership would restore competition in a market dominated by just four big meat packers. The big packers and the NCBA are fighting against the ban.

More than 100 organizations representing hundreds of thousands of farmers, ranchers, and consumers supported WORC's 1997 proposal to reform cattle markets to eliminate captive supplies — monopolistic, price-manipulating practices by packers. The NCBA and the packers opposed it.

WORC and most grassroots farm and ranch organizations believe that NAFTA has been bad for family farmers and ranchers, and passing fast-track would insure that new trade agreements will make things even worse. But the NCBA supported NAFTA, and it supports fast-track.

In 1776, the Tories sided with King George against the colonists struggle for independence. The NCBA has played Tory to the Big Three beef packers' King George for too long. On this 4<sup>th</sup> of July, we celebrated a victory against domination by the packers. And we're starting our march towards independence by taking our checkoff dollars back from the NCBA.

*Skip Waters is the chair of WORC. He and his wife, Vanna, along with their family operate a ranch north of Moorcroft, Wyoming.*



## Bits and Pieces

**T**he **Powder River Basin Resource Council**, Wyoming Outdoor Council, Natural Resources Defense Council, and Defenders of Wildlife filed a motion in U.S. District Court on July 24th to uphold an April ruling by the Interior Board of Land Appeals (IBLA) halting activity on three federal coal bed methane (CBM) leases in Wyoming. IBLA ruled that the U.S. Bureau of Land Management's (BLM) 1985-resource management plan for the region failed to address the impacts of CBM development.

According to the U.S. Environmental Protection Agency, the BLM's plans for 51,000 coal bed methane gas wells in Wyoming won't protect crops and soils from the trillions of gallons of salt-laden wastewater that accompany coal bed methane drilling. "My family has invested five generations in protecting our land and our way of life," said Eric Barlow, a rancher near Gillette, Wyoming and Powder River Basin Resource Council member. "The gas companies could ruin it all for a few years' worth of profits."

In June, Pennaco Energy, Inc., a subsidiary of Houston-based energy giant Marathon Oil Co. and the firm that holds the gas leases in question, filed suit to overturn the IBLA decision. Also in June, top lawyers in the U.S. Department of Interior sided with industry and asked the IBLA panel to reverse its ruling. The motion to intervene asks the District Court to grant the conservation groups standing in the Pennaco case so that they can defend the IBLA decision. A decision is expected in late summer.

In other CBM news, the Montana Board of Environmental Review unanimously voted in late July to grant a request by the **Northern Plains Resource Council** and other irrigation groups to start a process that would limit the amount of sodium and salinity pollution allowed in rivers threatened by coal bed methane development.

"We think doing it right means protecting our irrigation water," said Tongue River irrigator Mark Fix, Chair of Northern Plains' Coal Bed Methane Task Force. "That means limiting the amount of sodium and salinity allowed in our rivers."

Any standards adopted by Montana would apply to water entering the state, in effect making standards binding on methane development in Wyoming or on tribal land.

**Dakota Rural Action** sponsored a presentation on biomass by John Sellers Jr. on June 13. Sellers is the field coordinator for Chariton Valley Resource Conservation & Development Biomass Project in Centerville, Iowa. The project is working to change switchgrass and other grasses into an energy cash crop. The project is proposing to co-fire this biomass with

coal to generate 35 megawatts of biomass-derived electric power at the Alliant Energy Ottumwa Generating Station. The project will need up to 200,000 tons of biomass from over 50,000 acres and involve as many as 500 farmers. Research indicates that substitution of biomass for some coal will likely reduce the emission of air pollutants at power plants.

**The Dakota Resource Council's** Missouri Valley River Council convinced the North Dakota Game and Fish Department to survey anglers on their awareness of fish consumption advisories due to mercury contamination. Less than one-third of the anglers were aware of the advisories. As a result, the department set up a pilot program to make advisories available through all Burleigh County fishing license vendors. The department will evaluate the program after the fishing season. According to the EPA, North Dakota ranks 15 in the country in toxic mercury emissions. In 2001, 44 states issued fish advisories warning anglers to limit consumption of some fish and to avoid eating certain types of fish.

**Oregon Rural Action** served as the regional coordinator for a statewide petition drive to put an initiative on the November 2002 ballot that mandates labeling of genetically modified food in Oregon. Ten ORA members gathered signatures in eastern Oregon. On July 23, the Oregon Secretary of State validated the signatures submitted by the Concerned Citizens for Safe Foods. ORA Board member Ulee Yanok participated in a rally on the Capitol steps in Salem when CCSF delivered 101,255 signatures on July 5. To qualify, the group needed 67,000 valid signatures.

The **Three Island Rural Council** is the newest community group to join the **Idaho Rural Council**. The group consists of 25 family farmers and ranchers and rural residents in eastern Elmore County. They organized to preserve water rights and water quality, stop the invasion of factory farms into the area, and protect and preserve family farms and ranches.

Syndicated columnist **Molly Ivins** will speak at the Annual Meeting of the **Western Colorado Congress** on Saturday, September 21, at Mesa State College in Grand Junction, Colorado. Known for her political satire, Ivins has written four books for several newspapers. She is the former co-editor of the monthly *Texas Observer* and former Rocky Mountain bureau chief for the *New York Times*. For more information, contact WCC at 970-249-1978 or [info@wccongress.org](mailto:info@wccongress.org).

—Kevin Dowling

## Ranchers Ask Senate For Fair Markets

In July, the Western Organization of Resource Councils (WORC), asked a Senate Committee to support two bills to prevent meat packers from manipulating livestock markets. WORC Chairman Skip Waters asked the Senate Agriculture Committee to adopt a ban on packer ownership of livestock and a proposed bill that would end unfair and manipulative livestock marketing contracts. Waters also asked the Committee to use its oversight powers to strengthen enforcement of the Packers and Stockyards Act, an agricultural anti-monopoly law.

“Four companies control more than half of all U.S. hog slaughter and more than 80% of U.S. fed cattle slaughter,” Waters wrote in testimony submitted to the committee. “In such a concentrated market, buyers (the packers) can use captive supplies to manipulate markets – much as Enron is alleged to have used its dominant market share and unregulated forward contracts to manipulate energy markets. The estimated cost to family farmers and ranchers from the increased use of captive supplies amounts to more than \$1



John Gayusky photo

*Northern Plains member Bill Gillin cares for his cattle on his ranch in Forsyth, MT.*

*“Members of Congress who oppose the packer ban are standing against independent producers and family farms and favor corporate control of agriculture.”*

-Rhonda Perry, Campaign for Family Farms

billion per year for cattle alone,” Waters said.

“The most damaging lost market share cattle producers suffer today is the lost share of the consumers’ beef dollar from the packers and retailers,” South Dakota livestock auction yard owner Herman Schumacher told the Committee. Schumacher, a member of Dakota Rural Action and a director of R-CALF-USA, endorsed the ban on packer ownership, captive supply reform, and strengthened enforcement of the Packers and Stockyards Act.

“Members of Congress who oppose the packer ban are standing against independent producers and family farms and favor corporate control of agriculture,” said Rhonda Perry, Program Director for the Missouri Rural Crisis Center and a spokesperson for the Campaign for Family Farms. The Campaign for Family Farms and the Organization for Competitive Markets also endorsed Senator Enzi’s Captive Supply Reform Act. Representatives of the American Farm Bureau Federation and National Farmers Union supported the packer ban. Eric Davis, an Idaho cattleman who is presi-

dent-elect of the National Cattleman’s Beef Association, testified against the ban.

“USDA market reports indicate that well over half of the cattle delivered to U.S. plants for slaughter were acquired through contracts with no negotiated price,” Waters wrote. “The farm share of the consumer’s beef dollar, which was 60% twelve years ago, fell to just 42% in May of this year. Put another way, the producer’s gross share of the money consumers spend on cuts of choice beef at retail has declined 30%. USDA has failed to address the market imbalances and dysfunctions that allow packers and retailers to capture such large, increasing, and unwarranted shares of the consumer beef dollar,” Waters wrote.

Waters asked the Committee to support banning packer ownership of livestock as proposed by South Dakota Senator Tim Johnson, and a captive supply reform bill by Wyoming Senator Mike Enzi. Waters said that Senator Enzi’s bill would “take the ‘captive’ out of captive supplies.”

Waters said Enzi’s bill “would restore competition by making packers (and livestock producers) bid against each other to win a contract. Forward contracts and marketing agreements allow packers and producers to coordinate supply and reduce risk,” Waters said, “but as they are currently negotiated – in secret, with all of the bargaining power on one side – they unjustly depress prices and reduce market access for small and independent producers.

—John D. Smillie

# Congress: Start Over on Energy Policy

Terrence Kardong

The U.S. House and Senate have each passed an energy bill, and an attempt to reconcile the two bills has begun in conference committee. The House bill is bad, and the Senate bill is mediocre. Nothing good can come of the marriage of these two bills, and Congress would be wise to start over.

In August 2001, the U.S. House of Representatives passed the "Securing America's Future Energy Act of 2001." In reality, this act would do little to secure America's energy future. It is one-sided and at best represents half an energy policy.

The House bill would subsidize fossil fuel and nuclear production to the tune of \$28 billion over the next decade, shortchange investments in energy efficiency, and de-emphasize renewable energy resources. The House bill would also roll back common sense laws that protect public lands and private land that lies over federally owned minerals.

In April 2002, the U.S. Senate passed its own version of an energy bill. The bill represents a hodge-podge of policy ideas – some good, some bad – and not the kind of visionary leadership this country desperately needs on energy policy.

The Senate bill would suspend public scrutiny of the dangerous practice of injecting water, sand and toxic fluids under very high pressure into underground formations to enhance oil and gas production. Even though this practice threatens drinking water, our Senators want to exempt it from regulation under the Safe Drinking Water Act.

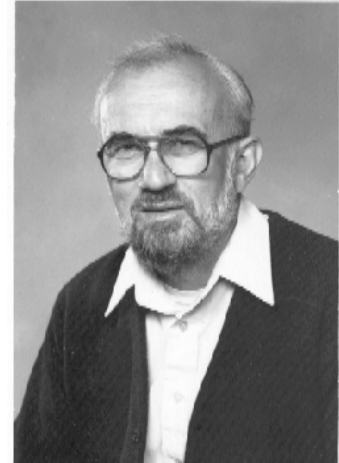
The Senate bill does include a federal renewable energy standard whereas the House bill does not. This standard is a modest improvement over the status quo.

Both bills fail to protect landowners who do not own the minerals under their land in the face of mounting threats from oil and gas development. Both bills include the renewal of "Section 29" tax credits for coal bed methane development. These credits squander taxpayer dollars (more than a billion dollars a year) on an already profitable industry. Both bills provide tax incentives and subsidies for so-called "clean coal" technology. Coal is America's dirtiest energy source, and increasing dependence on any type of coal technology is not a true move towards a cleaner energy policy.

Neither bill secures a safer, more diversified and environmentally responsible energy future for the United States. This country would be more secure and prosperous if the nation focused its technological know-how and ingenuity on renewable energy and efficiency measures.

We've got to stop living as if there's no tomorrow. Everyone knows that fossil fuels will eventually run out, and we need to get serious about renewable energy before it is too late.

Do we really want to be known as the generation that mortgaged the future? Congress needs to pull its head out of the sand and come up with a real energy policy.



Terrence Kardong lives in Richardton, North Dakota and is chairman of the Dakota Resource Council's Energy Policy Committee

## Call today!

You can reach any member of Congress at **202-224-3121**

Conference committee chairman Rep. Billy Tauzin (R-TX) has proposed an ambitious schedule to complete action on a conference report by September 30. Four Senators and one Representative from WORC states are on the conference committee and they need to hear from you. Senators: Baucus (D-MT), Nighthorse Campbell (R-CO), Larry Craig (R-ID), Thomas (WY-R) and Rep. Cubin (WY-R).

### What to say when you call:

Congress should start over and come up with a more balanced and sustainable energy policy. If a compromise bill does emerge from the conference committee, please work to ensure that it **DOES NOT** include the following provisions.

- Renewed tax credits for coal bed methane companies
- Expanded tax breaks for marginal gas wells
- A moratorium on federal regulation of hydraulic fracturing
- Weakened federal coal leasing and reclamation requirements
- Roll back of protections for America's public lands

# Citizens Unite to Fight Coal bed Methane

By Elsie Winnie

Delta County Commissioners joined outraged citizens in saying no to unregulated coal bed methane (CBM) development July 22, when they denied the application for drilling four of the five proposed exploratory wells. The single approved well carries 33 stipulations requiring various mitigation plans, including fire and, most importantly, water augmentation.

This is the first time a county has utilized local land use regulations to deny initial exploratory coal bed methane wells in Colorado and only the second time in the country. Three of the five proposed wells were in municipal watersheds, which galvanized citizen opposition in a record drought year for this agricultural area. Hundreds of citizens attended community meetings asking hard questions of the industry and overwhelmingly opposing any development before looking into the potential risks and costs to both the county and residents.

The Western Slope Environmental Resource Council (WSERC), a grassroots environmental group based in Paonia, Colorado and an affiliate of the Western Colorado Congress, was early on the scene protesting lease sales and gathering information. When the applications entered the planning process in early April, WSERC was instrumental in forcing the County Planning Department to slow the application process to allow for public comment. During two months of public meetings, citizens and county officials worked quickly to learn as much as possible about this potentially risky drilling technology.

WSERC convened a group of local residents with various specialties - ranchers, geologists, environmentalists, lawyers, business owners and real estate agents. This alliance was incredibly effective during the public comment period producing scientific, legal, and economic studies to help the County Commissioners frame the discussion of CBM development. The questions raised concerned the impacts this type of development could have on local geology, hydrology, county revenues, wildlife and the compatibility with quality of life. The public involvement, support and information empowered the commissioners to stand up to the industry in the interest of protecting water supplies.

With this denial, Delta County officials have challenged the Colorado Oil and Gas Conservation Commission (COGCC) and its authority to regulate drilling operations. The COGCC is the state agency charged with promoting responsible development of the state's oil and gas natural resources while simultaneously preventing waste and protecting public health, safety and welfare, and the environment. Unfortunately, this agency has sided with the extractive industry



WSERC photo

*Delta County residents express their concerns over coal bed methane development*

time and time again despite the addition of a their health safety and welfare clause to its mission in 1994.

On May 13, the Commissioners enacted a 9-month moratorium on any future CBM applications to provide time to write land use regulations pertaining to oil and gas development. The action generated a letter from the COGCC asking the Commissioners to consider lifting the moratorium as it "might discourage oil and gas operators from exploring Delta County" and "could hamper our [COGCC's] ability to regulate oil and gas operations." However, the idea caught on, and in early July the neighboring Gunnison County enacted a similar directive.

Delta County Commissioner Jim Ventrello commented in the *Montrose Daily Press* that the power of the Oil and Gas Commission remains to be tested by local government. "We are going to try to push that envelope," he said. "Just like the fracturing they want to do, we are going to drive a wedge in and open up the Oil and Gas Commission."

This is just the beginning of what will be a long fight. The state agency needs to be reformed so that equal attention is paid to its charge to effectively protect the public health, safety, welfare, and the environment. Community groups are banding together and looking at ways that legislation and rule changes can balance the regulating agency.

**For more information please contact the Western Slope Environmental Resource Council at 970-527-5307, P.O. Box 1612, Paonia, CO 81428, [www.wserc.org](http://www.wserc.org), or [wserc@wserc.org](mailto:wserc@wserc.org).**

*Elsie Winnie is the Coal Bed Methane Coordinator for the Western Slope Environmental Resource Council.*

## Bankruptcies Rock Mining Industry

A series of bankruptcies in the mining and oil and gas industries have the attention of taxpayers. Media headlines inform us that we are on the hook for billions of dollars in clean up costs for polluted sites on public lands. Estimates of potential public liability are as high as \$10 billion for hard rock mining sites and \$28-900 million for oil and gas sites.

Taxpayers and environmentalists have demanded changes in bonding standards, and government regulators have begun to listen. New federal hard rock mining rules finalized in 2000 tighten bonding requirements, and changes to coal mining and oil and gas rules are under consideration.

The industries are protesting the new rules, however, and the Bush Administration has formed a task force that will propose more changes that are expected to include ineffective corporate guarantees rather than real financial guarantees such as bonds or cash equivalents. The changes would make it easier for companies to avoid financial responsibility and shift the costs to taxpayers.

---

*"Instead of proposing to weaken the regulations, the Administration should enforce current regulations and seek new tools to ensure that polluters pay, not taxpayers."*

-Jim Kuipers,

Center for Science in Public Participation

---

"At a time when the Enron and Worldcom scandals have rocked public confidence and demonstrated a need for much greater corporate accountability, why is the Bush Administration about to allow the mining industry to evade responsibility for paying to clean up toxic pollution from mines?" mining expert Jim Kuipers of the Center for Science in Public Participation asked the House Energy and Mineral Resources Subcommittee at a July 23 hearing. "Instead of proposing to weaken the regulations, the Administration should enforce current regulations and seek new tools to ensure that polluters pay, not taxpayers."

Solid financial guarantees are needed because extractive industries have left a trail of abandoned toxic sites and hefty bills for clean up. Companies have underestimated the cost of the clean-ups, and failed to provide adequate guarantees to ensure that the mines will be cleaned up. One example



*Acid rock drainage seeps from an abandoned mine on the Boise National Forest in Idaho. This water has a high concentration of arsenic.*

is the bankrupt Gillette Oil Company, which left state and federal agencies with \$250,000 in bonds to pay for an estimated \$4 million in reclamation costs on 120 abandoned oil wells in northern Campbell County, Wyoming.

When Pegasus Gold Corp. filed for bankruptcy, it left five mines behind for state and federal agencies to reclaim. Just one of those mines, the Zortman and Landusky mine in Montana, had bonds valued at \$70 million but clean up costs are estimated at \$103 million. The \$33 million shortfall will be paid by state and federal taxpayers. Had Montana accepted the corporate guarantees that the mining industry is advocating, the shortfall would have been much greater.

The industries claim there is a crisis in the availability of bonds, and government requirements must be eased, but Kuipers disagrees. "At a time when corporate accountability is being seriously questioned, and when increased costs for and unavailability of surety bonds are a perfectly logical free market response, weakening existing regulations and accepting self-guarantees appears to be highly inappropriate, Kuipers told Congress. "The solution involves not weakening protections against corporate irresponsibility. Instead, the government should work with the industry and other stakeholders to ensure that adequate financial guarantees are in place so that the industry is able to pay for mine pollution clean-up and spare taxpayers the cost."

—Sara Kendall

Rauser. "The checkoff is undemocratic because the producers who pay the checkoff did not have a vote in selecting those who decide how the money is spent, and have been denied the right to vote on continuation of the beef checkoff."

---

*"The mandatory checkoff forces us to pay for our own demise. Although the Court of Appeals has given it a reprieve, the end of this unfair, undemocratic and unconstitutional checkoff is only a matter of time."*      *-Linda Rauser*

---

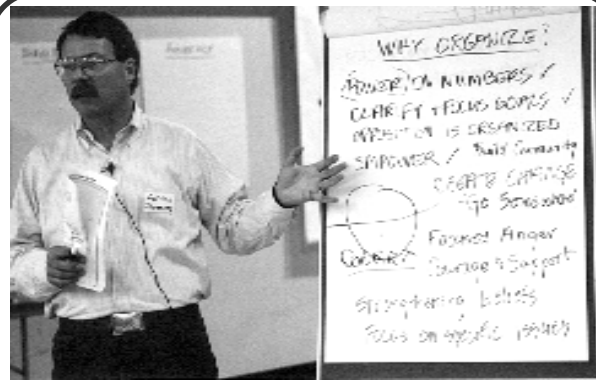
The national, mandatory beef check off was created in 1985 as part of the farm bill. Since that time the checkoff has increased profits of packers and retailers, but those profits have not been shared with independent producers. Most of the check off funds are funneled through the NCBA. Many independent cattle producers feel it is unfair that they are taxed to support the NCBA, an organization that consistently opposes their interests.

The NCBA supported fast track trade legislation, which many independent producers oppose. The NCBA lobbied against banning packer ownership of livestock. Currently, packers can retain "captive supplies" of cattle to ensure that they have enough leverage to wait out ranchers who lose money as their cattle sit in feedlots during price negotiations.

NCBA also lobbied against mandatory country of origin labeling. Domestic cattle prices have been further depressed because packers are importing cheap foreign beef and selling it at inflated retail prices.

According to Linda Rauser, "The checkoff has only worked for the beef packing and retail industries, which have not shared their increased profits with the producers who pay the checkoff. The NCBA has opposed every major reform proposal to restore competitive cattle markets and protect U.S. producers from unfair trade. The mandatory checkoff forces us to pay for our own demise. Although the Court of Appeals has given it a reprieve, the end of this unfair, undemocratic and unconstitutional checkoff is only a matter of time."

—Brandy Hinkle



## Principles of Community Organizing Training Session

*Become an effective leader in your community with tested organizing and fundraising skills. Training is free to members of WORC member groups!*

**October 12-15, 2002**

**At the Shilo Inn**

**Twin Falls, Idaho**

*Request your application and brochure TODAY for this unique training in community organizing from WORC, 2401 Montana Avenue, #301, Billings, Montana 59101.*

**FAX 406/252-1092**

**PHONE 406/252-9672**

**E-MAIL [billings@worc.org](mailto:billings@worc.org)**

**WEBSITE <http://www.worc.org>**

*"I've attended several community organizing trainings and this was the most complete training that I've ever been to."*

—Felicia Trevor

## North Dakotans Say No to GM Wheat

On July 10, 2002, Dakota Resource Council turned out over 80 farmers and other concerned citizens for an Interim Agriculture Committee hearing on genetically modified (GM) wheat. Packed into a room that seats less than 50 people. Most of the citizens in attendance were Dakota Resource Council members. North Dakota Farmers Union and Northern Plains Sustainable Agriculture Society also attended.

Witnesses repeatedly asked the Committee to draft legislation for the 2003 legislative session to place a moratorium on the commercial release of genetically modified wheat. Wayne Fisher, chair of the Badlands Area Resource Council and a board member of DRC and WORC, testified on the need to preserve North Dakota's wheat export markets.

"The evidence presented at today's hearing is overwhelming, genetically modified wheat will be devastating to North Dakota's economy, especially our farmers, Fisher said. "The Interim Agriculture Committee should move forward

---

*"I'm proud to be a member of Dakota Resource Council, especially today. Dakota Resource Council and Farmers Union members succeeded in their grassroots effort to force the Committee to set aside entrenched corporate interests and move the legislative process forward."*

*-April Fairfield, N.D. State Representative*

---

and immediately draft legislation to place a moratorium on the commercial release of GM wheat."

Fisher also presented the Committee with over 300 pieces of written testimony that Dakota Resource Council had solicited from farmers, farm organizations, faith-based organizations, grain exporters, food processors and concerned citizens from across the United States and several foreign countries.

In a clear victory, the Committee eventually assigned the task of preparing a bill draft to Representative Phil Mueller, the primary sponsor of the 2001 GM wheat moratorium bill. The Committee will take up debate of the draft legislation this fall.

The hearing was the second this year for the state legislative committee and was held to continue an interim legisla-

tive study on the potential negative impacts of releasing genetically modified wheat in the state. The hearing was scheduled because Dakota Resource Council members and other farm organizations publicly criticized Committee Chair and GM wheat proponent Senator Terry Wanzek for the biotechnology bias of the first hearing on GM wheat. At the March 12, 2002 hearing, Wanzek scheduled almost six hours of testimony from Monsanto representatives and left less than two hours for testimony from North Dakotans.

Testimony at the hearing focused on the adverse impacts that releasing genetically modified wheat would have on farmers and the North Dakota economy. Professor Robert Wisner of Iowa State University, a commodity grain market economist, provided expert testimony regarding the economic impact of introducing genetically modified wheat at the



*Representative April Fairfield is fighting to protect North Dakota's wheat market.*

behest of Dakota Resource Council. "There is a large risk that major wheat export markets will be lost, forcing wheat into the domestic [livestock] feed market at prices roughly one-third lower than in recent years," Wisner testified.

Sarah Vogel, Dakota Resource Council member, attorney and former North Dakota Commissioner of Agriculture, testified about the considerable legal liability that will be assumed by farmers that plant Monsanto's genetically modified wheat. She also testified about the ability of the state of North Dakota to enforce a moratorium, something that opponents of a moratorium have repeatedly questioned.

Vogel said, "When Karnal Bunt threatened our export markets we shut down the border to wheat, custom harvesting equipment and anything else that could have contaminated our wheat. In my opinion Karnal Bunt and GM wheat

have the same effect on our export markets. If Karnal Bunt or GM wheat are found in our wheat we lose most, if not all, of our hard fought export markets and a large part of the value of our major crop.” Karnal Bunt is a fungus that can ruin wheat crops.

In 2001, the North Dakota Legislature considered a bill that would have placed a moratorium on the commercial release of genetically modified wheat. That legislation passed the North Dakota House of Representatives but was converted to an interim study in the Senate Agriculture Committee, chaired by Senator Wanzek, after the Monsanto Corporation threatened to pull research funding out of North Dakota State University if the moratorium passed.

Linda Rauser, Dakota Resource Council Chair and farmer and rancher from Keene, said “We need a moratorium on the commercial release of genetically modified wheat in North Da-

kota, plain and simple. The Chairman and the Committee have a clear choice to make, either represent North Dakota farmers or represent Monsanto. On this issue, you cannot take both sides.”

Representative April Fairfield, a Dakota Resource Council member and member of the Interim Agriculture Committee, said after the hearing. “I’m proud to be a member of Dakota Resource Council, especially today. Dakota Resource Council and Farmers Union members succeeded in their grassroots effort to force the Committee to set aside entrenched corporate interest and move the legislative process forward. Clearly, before today, Monsanto and their lackeys have been running the agenda. I am inspired by how our farmers and other members broke the back of that agenda and sent Monsanto crawling back to St. Louis.” Fairfield is running against Terry Wanzek for the District 29 Senate seat in a race that will no doubt be viewed as a referendum on GM wheat.

— John Crabtree

---

## Protecting Montana’s Wheat

**N**orthern Plains Resource Council is embarking on a major campaign to protect Montana’s valuable wheat from genetic contamination. The main focus of the campaign is to pass a moratorium on the commercial introduction of genetically modified wheat into Montana until a study of its economic, agronomic and legal impacts can be completed.

In early July, Northern Plains sponsored a town meeting at the Billings Community Center with a focus on the potential impacts of genetically modified wheat. Bill Christison, President of the National Family Farm Coalition, spoke about the willingness of farmers to accept genetically modified crops. “Farmers are conditioned to think that all technology is good technology. There’s tremendous pressure in the information that farmers get, and little opposition in farm papers.”

Kristin Dawkins, Vice-President of International Programs from the Institute for Agriculture & Trade Policy, said that after the StarLink episode U.S. farmers planting Bt corn experienced a \$1.82 loss per acre. Starlink corn was not released for human consumption. However, it was discovered in retail products, which led to the recall of products and a halt of corn exports to many markets. “The only ones that



*Dan Dutton, Kristin Dawkins, and Bill Christison spoke about the impact of genetically modified crops.*

benefit from genetic engineering are the biotech companies,” said Dawkins.

Dan Dutton, a farmer from Belfry and member of the Northern Plains, reported a significant price difference between conventional and genetically modified crops. “Currently, conventional soybeans cost about \$6.51 per acre, whereas genetically engineered soy costs about \$40 per acre. We will see the same kind of price difference if genetically engineered wheat were to be introduced.”

— Julia Zander

# Fast Track Passes By Razor-Thin Margin

**F**ast Track legislation that had been stalled in the Congress for two years, has now been passed and signed by the President, restoring Presidential power to negotiate trade agreements that Congress can approve or reject but cannot change. Although President Bush is heralding the bill's passage as a victory for his free trade agenda, dissent is growing and the ultimate fate of the international agreements that he will negotiate and attempt to pass through Congress under Fast Track is questionable.

"Over the past decade, public opposition to NAFTA-style trade deals has grown so strong that now the only way to move this policy is to ram through at 3:00 a.m. in the dark of night 304 pages of legislation combining five different trade bills which was unavailable for public or congressional review until hours before the vote," said Lori Wallach, Director of Public Citizen's Global Trade Watch.

In the last week of July, House Republican leaders began a desperate, last-minute push to complete action on Fast Track legislation. Earlier versions of the bill had passed the House by one vote not once, but twice.

Opponents of the bill, ranging from WORC to the Teamsters, from the United Methodist Church to Friends of the Earth, were in action, and grassroots pressure was increasing. So many calls were coming in that the Congressional switchboard was overwhelmed and shut down repeatedly.

The free trade lobby knew the pressure would only continue to mount when Representatives left Washington on July 26 to face their constituents during a month-long recess. However, with every Representative up for re-election in less than three months, there was a good chance that they'd lose their one-vote margin of victory if the vote on final passage was delayed until Congress reconvened after Labor Day.

The bill was rushed out of the House-Senate conference committee at midnight on July 25, and onto the House floor. Only a select few people had seen the actual text of the final bill (not including the Representatives who were being forced to vote on it) but word about what was in the final version leaked out: The Senate amendment to protect U.S. trade remedy laws had been completely gutted, abandoning the farmers and workers who depend on these laws to level the playing field against foreign imports that are dumped on U.S. markets at prices below the cost of production.

The section that invites future trade agreements to include provisions like NAFTA's "Chapter 11" that allows foreign corporations to sue for damages or changes to laws that reduce their profits hadn't been fixed, despite intense pressure from 33 state Attorneys General, the U.S. Conference of

Mayors, the National Association of Counties, the National Association of State Legislatures and the Conference of Chief Justices.

Countless deals were cut to trade votes on Fast Track for porkbarrel projects, special fixes for special interests, or votes on other issues. President Bush came to Capitol Hill in person to twist arms.

When the dust settled, the House voted to pass Fast Track 215-212 at 3:30 in the morning on July 27. The Senate followed suit with a vote of 64-34 on August 1, and President Bush delayed his August vacation to stay in Washington to sign the bill on August 6.

The battle over Fast Track has been fought and lost (until 2007, when Fast Track expires), but the war for fair trade will continue. "This Fast Track bill is supposed to set the next five years of U.S. trade and globalization policy. If U.S. negotiators follow the outrageous agenda in this bill, including a 31-nation NAFTA expansion and global deregulation of food safety, accounting, energy and other standards, the resulting agreements would be dead on arrival in Congress and in the court of public opinion," said Wallach.

—Sara Kendall

Votes for the Congressional delegations from WORC's states are listed below. To find out how other members of Congress voted, go to [www.tradewatch.org](http://www.tradewatch.org).

**Colorado:**

Allard Y  
Campbell N  
DeGette N  
Hefley Y  
McInnis Y  
Schaffer Y  
Tancredo Y  
Udall N

**North Dakota:**

Conrad N  
Dorgan N  
Pomeroy N

**Wyoming:**

Cubin Y  
Enzi Y  
Thomas Y

**Idaho:**

Craig Y  
Crapo Y  
Otter Y  
Simpson Y

**Oregon:**

Blumenauer N  
DeFazio N  
Hooley N  
Smith Y  
Walden Y  
Wu N  
Wyden Y

**South Dakota:**

Daschle Y  
Johnson N  
Thune Y

**Montana:**

Baucus Y  
Burns N  
Rehberg Y

## Monsanto Asked to Support Moratorium

Members of the Dakota Resource Council asked Monsanto to support a moratorium on the introduction of genetically modified wheat in North Dakota in early August. The request came in response to reported statements by corporate officials that **Monsanto** was changing its controversial plans to sell wheat modified to withstand treatment's of the company's Roundup herbicide.

"It [Monsanto's support for a moratorium] is the only thing that makes sense," said Tom Wiley, a member of Dakota Resource Council from Millerton, North Dakota. "Monsanto needs to protect their markets just like North Dakota farmers do."

*Reuters* and the *New York Times* reported in late July that Monsanto officials told the board of directors of U.S. Wheat Associates that they are changing their strategy for introducing genetically modified wheat. Monsanto said it would focus on wheat modified for consumer benefit, in response to warnings from overseas customers and complaints by North American farmers. "Our focus is shifting to improve the quality of wheat over time," said Monsanto spokesman Michael Doane, according to *Reuters*. "We want to create maximum value in biotech wheat varieties."

According to *Reuters*, Doane would not discuss the company's plans in detail, but said the shift to traits that benefit consumers came in the last few months in response to input from other players in the wheat industry. *Reuters* also reported that Doane said Monsanto would back off of its previously-stated timeline for introducing Roundup Ready wheat by 2005.

"The bald facts are we're never going to sell a seed of biotech wheat until we know we have demand out there," *Reuters* quoted Doane as saying. *Reuters* reported that Monsanto director of global wheat business John Redd also declined to give details of the new strategy.

"We are glad Monsanto is starting to get it," said Wiley. "We look forward to [Monsanto] supporting a moratorium. It would be in Monsanto's best interest to protect their markets [by supporting a moratorium that would keep other companies' genetically modified wheat off the market in [North Dakota]]. Other biotech companies are also developing genetically modified wheat, and stand to gain a marketing advantage if Monsanto does postpone introduction of Roundup Ready wheat past 2005.

"We remain skeptical," said Dakota Resource Council spokesman Todd Leake, "but if they are serious about this and interested in protecting North Dakota's wheat markets, they should support a moratorium."

### Monsanto's shaky finances

Monsanto's second quarter earnings were down compared to its second-quarter last year, mostly because of bad debts in Argentina. The company said the volume and price of Roundup herbicide sales around the world were down, but that the number of U.S. crop acres seeded to Monsanto biotech seeds in 2002 is estimated to be five percent above last year's number, at 89.5 million acres.

Meanwhile, Monsanto's parent corporation announced that it will complete the spin-off of Monsanto on August 13. Pharmacia's board of directors said the company will distribute shares in Monsanto to all its existing shareholders as a special dividend.

Pharmacia shareholders may not consider the Monsanto stock to be much of a bonus. Monsanto reported a net loss of \$1.6 billion in the first six months of 2002 compared to earnings of \$444 million in the first six months of 2001. Sales dropped from \$3.3 billion in the first half of 2001 to \$2.8 billion in the first half of 2002.

— John D. Smillie

### Margin Monitor

Company	Latest quarterly profits (% change from prior year)
Tyson/IBP*	+463%
ConAgra	+58%
Cargill	+131%
Smithfield	-49%
Monsanto	-62%

\* Tyson/IBP combined revenue compared with Tyson year-ago revenue.

---

# Farmers Outraged by Thomas Dorr

## *Family Farmers Denounce Bush's Appointment*

The Western Organization of Resource Councils (WORC) and the National Family Farm Coalition (NFFC) strongly condemned President Bush's recess appointment of Thomas Dorr to the position of Undersecretary for Rural Development in the USDA, and urged Sen. Tom Harkin (D-Iowa) to uphold his pledge to obtain USDA documents on Dorr's farming operations.

On August 1, the Senate Agriculture Committee voted to send Dorr's nomination for a vote of the full Senate with no recommendation. This unusual vote reflects the controversy of Dorr's nomination. Dorr's past statements revealed his support of corporate-controlled agriculture, opposition

---

*"We are outraged that President Bush appointed Thomas Dorr through this sneaky back door method, ignoring sixteen months of widespread grassroots opposition. The President obviously knew Dorr's record, statements and character would not stand up to a vote of the full Senate, just as it failed to win Senate Agriculture Committee approval last week."*

-George Naylor,

Iowa Citizens for Community Improvement

---

to sustainable agriculture and his view that ethnic diversity is an impediment to economic development. In addition, Dorr admitted that he structured his family's finances to avoid the producer caps for farm subsidies. More than 165 grassroots groups, led by NFFC, have opposed Dorr's nomination.

"We are outraged that President Bush appointed Thomas Dorr through this sneaky back door method, ignoring sixteen months of widespread grassroots opposition," said George Naylor, an Iowa farmer and leader of Iowa Citizens for Community Improvement. "The President obviously knew that Dorr's record, statements and character would not stand up to a vote of the full Senate, just as it failed to win Senate Agriculture Committee approval last week."

## Harkin delivers scathing review of Dorr

Committee Chairman, Senator Tom Harkin (D-IA), responded to political pressure and delivered the following review of Dorr's vision and record at the committee meeting, "This nominee's attitude and ideology are truly beyond the pale with respect to the core responsibilities of the job he seeks. To do any job well, one has to believe in its value, yet the very purposes of USDA's rural development programs are anathema to the beliefs and philosophy of Mr. Dorr."

"We count on Senator Harkin to live up to his promise to obtain documents that the USDA withheld while this nomination was under consideration," said Bill Christison, Missouri farmer and President of the Missouri Rural Crisis Center and the NFFC. "Now more than ever it is important to expose the unsuitability of this man for a high level job."

Harkin said the vote was a "strong signal" to the Bush administration that Dorr's nomination would not be approved this year by the Senate. Aware that the President has the authority to bypass the Senate and temporarily appoint officials while the Senate is in recess, Harkin and Senator Kent Conrad (D-N.D.) warned Administration officials against making a recess appointment while the Senate is in recess during August.

"President Bush and Secretary Venemen have proven with this appointment that they stand opposed to an economically and ecologically sustainable family farm system of agriculture, diverse rural communities, and fair access to rural development programs," said Leon Crump, a South Carolina family farmer with the Federation of Southern Cooperatives.

Harkin had warned that he would reopen his committee's investigation of Dorr's finances and issue subpoenas to the USDA for records that Agriculture Secretary Ann Veneman refused to turn over to the panel if the President makes a recess appointment. President Bush made the recess appointment just six days later.

"We will continue to pursue the lawsuit against the USDA to force the release of all Dorr operation farming documents," said Dena Hoff, Montana farmer and North Plains Resource Council member. "Then everyone will know that Dorr is not qualified to represent family farmers or serve in public office."

—Sara Kendall

# Global Justice Action Summit

*Festival for global justice, environmental protection, and sustainable agriculture*

In late June, Montanans joined people from around the world to discuss global justice, environmental protection, and sustainable agriculture at the Global Justice Action Summit in Missoula. The event, which featured several issue forums, action workshops, local food banquet and an area for vendors and informational booths, was sponsored by Alternative Energy Resources Organization (AERO) and Northern Plains.

Over 80 organizations and local vendors helped to co-sponsor this event, including Northern Plains and WORC. Over 250 people enjoyed an Abundant Montana Feast featuring locally-produced food. Members of Northern Plains Food Safety Task Force helped organize the feast, and proceeds helped fund the Summit.

Suzin Kratina, chair of Northern Plains' Food Safety Task Force, told the gathered crowd about Northern Plains' campaign to protect Montana's wheat. She asked people to get involved in the fight for a moratorium and a study of the impact at the 2003 legislature.

A discussion at an Agriculture Forum focused on issues relating to genetically engineered crops, especially genetically engineered Roundup Ready wheat.

At an information booth at Caras Park, Northern Plains gathered 240 signatures supporting a moratorium on the com-



*John Smillie photo*

*Percy Schmeiser and Dena Hoff spoke about the impacts of genetic modification at the Global Justice Action Summit.*

mercial introduction of genetically engineered wheat into Montana until a study of the agronomic, economic, and legal impacts can be completed.

The high level of interest and participation in the Global Justice Action Summit underscored that producers and consumers alike have a interest in maintaining the integrity of Montana's valuable wheat, and demonstrated the importance of building solidarity through coalitions.

— *Julia Zander*

## She's paid her subscription - have you?

Get yours today! Mail to *Western Organizing Review*, WORC, 2401 Montana Avenue, #301, Billings, MT 59101. Annual subscription is \$20 or save \$5 by purchasing a 2-year subscription for \$35.



Name \_\_\_\_\_

Address \_\_\_\_\_

City, State & Zip \_\_\_\_\_

Phone (home) \_\_\_\_\_

Phone (work) \_\_\_\_\_

Fax \_\_\_\_\_ E-Mail Address \_\_\_\_\_

Or use your Master Card or VISA Amount: \$ \_\_\_\_\_

Card Type: **MC** or **VISA** Card No. #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Name as it appears on Card: \_\_\_\_\_ Signature: \_\_\_\_\_

Western Organization of Resource Councils Education Project  
2401 Montana Avenue, #301  
Billings, Montana 59101  
billings@worc.org

ADDRESS SERVICE REQUESTED

NONPROFIT ORGANIZATION  
U.S. POSTAGE PAID  
PERMIT No. 352  
BILLINGS, MT 59101

# WESTERN ORGANIZING REVIEW

Volume VIII, No. 3

August 2002

## **In this issue...**

Beef Checkoff Unconstitutional  
DRA Scores Victory on Amendment A  
Citizens Unite to Fight Coalbed Methane  
North Dakotans Say No to GM Wheat  
Fast Track Passes by Razor-Thin Margin