



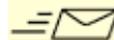
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WHICH SIDE ARE YOU ON?

The Exxon Valdez disaster goes on



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SHARON SMITH shows that the most profitable corporation in U.S. history has money for everything except compensating its victims.

EXXONMOBIL OWES more than good luck for its current status as the most profitable corporation in U.S. history, having raked in \$40.6 billion in profits in 2007 while the rest of the economy hurtled toward recession.

Indeed, the company's management team deserves credit for cornering the market on corporate corruption while paying a bare minimum in legal compensation to its multitude of victims.

ExxonMobil's most shining accomplishment surely has been rescuing its own reputation after the 1989 Exxon Valdez oil spill, when the supertanker (under the direction of the ship's drunken captain Joseph Hazelwood) gushed at least 11 million gallons of crude oil over 1,300 miles of unspoiled Alaskan coastline. In some places, such as Sleepy Bay, the oil stood three feet atop the once-sandy beaches.

The immediate wildlife death toll included at least 250,000 birds, 2,800 sea otters, 300 seals, 250 bald eagles, and billions of salmon and herring larvae.

Nearly two decades later, many species, including herring--a source of food for many other species, along with other herring--have yet to return. The aftermath continues to devastate the region's ecosystem and the tens of thousands of human lives intertwined with it.

As salmon fisherman Buck Meloy commented recently in the *Cordova Times*, "Even now, 19 years later, one still finds gooey, sticky, stinking, toxic crude oil only a few inches below the surface of some gravel beaches."

With cameras rolling, Exxon officials told distraught residents from the fishing community of Cordova immediately after the spill, "If you can show that you have a loss as a result of this spill, we will compensate it...We will consider whatever it takes to make you whole."

Nineteen years later, the human victims of the Exxon Valdez disaster want the company to make good on that pledge, however disingenuous,

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SIR! NO SIR!

and have demanded retribution for their upended lives.

NEARLY 33,000 Alaskans, including fishery workers who lost their jobs when cannery plants closed, and Native Alaskan villagers dependent on wildlife for subsistence, won a lawsuit against Exxon in 1994--and a jury awarded \$287 million to compensate for immediate economic losses and \$5 billion in punitive damages for the company's "reckless" behavior.

But the company had no intention of paying a penny in punitive compensation. Its team of spin-doctors spared no expense in preparing for a legal battle from the first days of the disaster.

As marine ecologist Thomas Okey, who arrived shortly after the spill, recounted, "In retrospect, I realize that, even then, the involved parties had already started building their legal cases. The rhetorical showdowns of 'experts' would soon ensue, a parade deemed not amusing to native Aleut communities, which had gathered their food from Prince William Sound for millennia."

As Alaskan Native Kellie Kvasnikoff described, "Apparently, Exxon was more interested in cleaning up its image than in cleaning the oil. On tape, we have Don Cornett, Exxon's chief public relations officer, yelling frantically to Exxon's cleaners: 'I want something people can see.'"

In the end, the company chose a dramatic public relations strategy that worsened the ecological nightmare: hosing scorching hot water at high pressure on the shoreline. As Kvasnikoff recalled, many scientists regarded this strategy "poison to the beach and area's many animals."

The company's public relations campaign since then has relied primarily on a horde of "earth scientists" on Exxon's payroll to discredit environmentalists' claims of ecological devastation.

Exxon admirer L.D. Sociack commented, "[I]n Exxon's case, public approval has been very much dependent upon what the corporation's earth sciences people have been able to say and do to convince the public that the environmental damage to the Alaskan coastline is nowhere near as damaging as other earth scientists have claimed."

Sociack extolled Exxon's 1995 "release of an Exxon-funded study by Christopher Wooley which concluded that Prince William Sound was better off after the spill than it had been before."

To date, Exxon Mobil has paid only the compensatory award, amounting to just \$15,000 per claimant. Roughly 8,000--close to one-fourth--of the plaintiffs have died while waiting for their just compensation. Justice deferred is indeed justice denied.



The company has spent the last 14 years appealing the verdict, and its persistence has paid off. In 2006, a circuit court cut the damages in half to \$2.5 billion. Now the case has reached the U.S. Supreme Court, which heard arguments on February 27.

Justice Samuel Alito was recused because of he owns ExxonMobil stock (worth between \$100,000 and \$250,000 in 2006). But the court remains stacked with Exxon sympathizers.

"So what can a corporation do to protect itself against punitive damages?" Chief Justice John Roberts asked in exasperation. When the plaintiffs' lawyer, Jeffrey L. Fisher, noted that Exxon should not benefit from an argument its legal team had not made, Justice Antonin Scalia retorted, "They don't have to make every tiny little argument."

Even if ExxonMobil loses this case, it has won financially. As the *Anchorage Daily News* reported on August 4, 1998: "Apparently, delay pays. Exxon is earning...nearly \$800 million a year, on the same \$5 billion as long as the case drags on and the money stays in its coffers.

"As it stands now, if the appeals linger a couple of more years, Exxon will have earned enough interest alone to pay the \$5 billion plus the accrued interest."

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