

PRIVATE MONEY STEERS PUBLIC AGENDA

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✖ By Jim Hightower, [Information Clearing House](#), 20 March 2010



Jim Hightower is a national radio commentator, writer, public speaker, and author of the new book, "Swim Against the Current: Even a Dead Fish Can Go With the Flow." (Wiley, March 2008) He publishes the monthly "[Hightower Lowdown](#)," co-edited by Phillip Frazer.

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Yet the economic and political thievery continues, as the White House, Congress, both parties, the courts, the media, much of academia, and other national institutions that shape our public policies reflexively shy away from any structural change. Instead, the first instinct of these entities is to soothe the fevered brow of corporate power by insisting that corporate primacy be the starting point of any "reform." Thus, when Washington began its widely ballyhooed effort last year to reform our health-care system, step number one was to announce publicly that the monopolistic, bureaucratic insurance behemoths that cost us so much and deliver so little would retain their controlling position in the structure. Likewise, Wall Street barons who crashed America's financial system were allowed to oversee the system's remake--and (Big Surprise!) the same top-heavy structure and shaky practices that caused the crash are being kept in place.

In other words, the foxes who ate the chickens keep being put in charge of designing the new hen house--so nothing really changes.

This is more than frustrating, it's infuriating --and it's debilitating for our democracy. As a fellow said

to me about the lack of real changes in national policy during the Clinton presidency, "I don't mind losing when we lose, but I hate losing when we win."

Why does this keep happening to us, and who's doing it? It's not merely a matter of too many fickle and pusillanimous politicians--they're the on-stage actors in this drama, but not the producers, not the ones behind the scenes plotting to thwart the people's democratic will. Who, specifically, are these plotters, and how do they impose their narrow agenda of self-interest over the public interest?

These crucial questions for our democratic republic are the focus of this Lowdown, and they'll be a recurring topic in future issues. After all, to achieve genuine grassroots power, we have to know the full dimensions of the plutocratic powers we're up against. Most Americans are totally unaware of these interests, which have attained a dangerous reach by quietly embedding themselves (and their self-centered worldview) much more deeply in our society's governing institutions than they want us to realize. So let's take a peek at them, beginning with a look at the intricate web of power woven by a huge corporation you've probably never heard of, even though your consumer dollars are financing its right-wing political agenda.

Anonymous Inc.

It's none of my business, but maybe you have Northern tissue on your toilet roll. You might also buy Brawny paper towels, Dixie paper cups, and Vanity Fair napkins. Maybe you have clothing that owes its clingy and comfy stretchiness to Lycra, and perhaps you have a Stainmaster carpet or a Solarmax couch in your home.

All of these well-known brands are owned and produced by a global conglomerate that deliberately tries to stay little known: Koch Industries (pronounced "coke"). Based in Wichita, Kansas, Koch is also a major producer of oil, gas, timber, coal, and cattle. It's a petroleum refiner, too, as well as a manufacturer of asphalt, chemicals, polyethylene plastic, nitrogen fertilizers, cement, and lumber products. It owns or controls some 4,000 miles of pipelines, including a piece of the Trans-Alaska Pipeline. And, in a poetic bow to its desire for anonymity, Koch also owns Teflon.

With 70,000 employees in 60 countries, this publicity-shy giant is America's second-largest privately owned corporation. Being private means it makes very few disclosures about its finances and operating practices, but we do know that it has sales topping \$100 billion a year, which means it is bigger than such corporate giants as Verizon and Morgan Stanley.

The Billionaire Brothers

Charles and David Koch, who control this family-owned empire, are tied for a spot as the 19th-richest billionaire in the world, according to a 2009 ranking by Forbes. Each brother has a net worth of \$14 billion, just below the wealth held by four heirs to the Wal-Mart fortune. Charles, 73, and David, 68, boast of being "self-made" billionaires. Actually, that's a fib, for they had a little help from Daddy. Fred Koch, who died in 1967, started his name-sake business after inventing a method of

turning heavy oil into gasoline, and his sons got a leg up on their climb to billionairehood by inheriting Fred's company.

They also inherited something else: a burning ideological commitment to right-wing politics. How right wing? In 1958, Daddy Fred helped found the John Birch Society.

Following in those footsteps, Charles and David have used the wealth they draw from Koch Industries to fuel a network of three Koch Family Foundations. During the past three decades, these "charitable" foundations have set up and financed a secretive army of political operatives dedicated to achieving the brothers' antigovernment, corporate-controlled vision for America. This stealth force includes national and state-level think tanks, Astroturf front groups, academic shells, university centers, political-training programs, fundraising clearinghouses, publications, lobbyists, and various other units useful to Charles and David's ideological cause.

This army's effort is effective because it is comprehensive, well funded, coordinated, and focused on a longterm political strategy. Contrast that to the progressive movement, which largely consists of underfunded, unconnected groups and hops from battle to battle with little or no strategic planning.

Koch's wicked web

For some three decades, there's been a steadily increasing flow of think-tank studies, legislative proposals, articles, books, corporate lawsuits, citizen petitions, and other efforts to push for the deregulation of most industries and the privatization or elimination of government functions. These extremist ideas have never had strong public support, yet they've moved from the back burner of American policy in the 1970s to the red-hot front burner in the Bush years--and today we're paying the price for the adoption of these concepts at all levels of government, from privatization of local water supplies to the deregulation of Wall Street.

The different pushes to implement this antigovernment ideology have come from a wide assortment of seemingly independent groups and individuals, creating a sense of broad public demand for a libertarian corporate kingdom in America. However, when you examine those pushing this dog-eat-dog ethic, chances are you'll find that they have one thing in common: funding from the Koch fortune.

The three Koch family foundations discreetly refrain from publishing the recipients of their beneficence, but some progressive watchdogs (see Do Something) have dug into the dense IRS reports that foundations must file, giving us a glimpse of the extensive right-wing web spun by this one oil family. The Kochs are not the only funders, of course--such other far-right family foundations as Bradley, Coors, Olin, and Scaife are also major players. But the size, scope, strategic purpose, and secrecy of the Koch investments make the brothers worthy of special attention. The following list by no means covers the entirety of their network (they've put money into hundreds of groups), but it'll give you a sense of their reach into every nook and cranny of public policy.

Charles and David are not idle check-writers--they're actively involved in the creation and running of this interconnected web of political influence and hold top positions in many groups. For example, David is board chairman of Americans for Prosperity and is on the boards of the Cato Institute and Reason Foundation, while Charles (who founded Cato in 1977) is chairman of the Institute for Humane Studies and a director of the Mercatus Center.

The focus of most political groups is to influence candidates, lawmakers, agency heads, and reporters at the top of the system. But these two brothers have been executing a concerted plan for more than 30 years not only to influence those at the top, but also to go much deeper. They spend freely on dozens of ideologically grounded, right-wing groups to influence schoolteachers and high-school curricula, state and federal judges, lawyers and legal scholars, conservative policy thinkers and media producers, city-council candidates and local party activists--and their aim is to shove the country's national debate to the hard right, discombobulate the public's progressive wishes, and alter government policies to advance corporate interests generally and the Kochs' own interests specifically.

Here is a profile of just one of the Koch tentacles: Americans For Prosperity. AFP, the third-largest recipient of Koch foundation largesse, is the brothers' overtly political unit. Essentially, it is a front group for mass-producing front groups. Much like McDonald's churns out Big Mac franchises, AFP can pop out a grassrootsy-looking, cookie-cutter political operation on demand.

It has a \$7 million annual budget that supports dozens of GOP operatives and former corporate PR veterans, all standing ready to assemble, fund, staff, and package a hot-to-go front group for any issue that comes up. Its menu includes such garnishes as hoked-up studies, alarmist talking points, deceptive attack ads, divisive hate messages, celebrity and religious endorsers, and a menagerie of media stunts.

AFP was launched by David Koch in 1984 as Citizens for a Sound Economy (CSE), a moniker it used until switching to its present name in 2003. It refuses to disclose its list of donors, but when it was known as CSE, about 70% of the \$18 million it spent came from the Koch foundations. There's no reason to think that AFP is any less of a Koch-funded operation today, and David, as one of its top officers, continues to be actively engaged in directing the organization's work.

And what a piece of work it is.

Start with Tim Phillips, brought in to be AFP's president and Koch's point man in 2006. As a longtime Republican campaign director and Washington lobbyist for corporate interests, Phillips earned a reputation as one of the GOP's "Mr. Nasties," in the Karl Rove mold.

His credits include helping George W. Bush win the pivotal 2000 GOP primary in South Carolina by spearheading a smear campaign that used images of John McCain's adopted daughter from Bangladesh to claim that he had fathered a black child; helping Saxby Chambliss defeat incumbent Democratic Sen. Max Cleland (a highly decorated Vietnam vet who lost both legs and an arm in that

war) in the 2002 Georgia election by creating a TV ad linking the Democrat to Osama bin Laden and claiming that he lacked the courage to fight terrorists; and working with super-sleaze corporate lobbyist Jack Abramoff in 1998 to stir up evangelical churches in opposition to a labor-law reform that would've ended the brutal exploitation of Chinese girls and young women enslaved in sweatshops on the Northern Mariana Islands, a U.S. commonwealth. (Phillips rallied evangelicals by asserting that many of the Chinese workers "are exposed to the teachings of Jesus Christ" while on the islands "and return to China with Bibles in hand, so Congress should not interfere.)

At AFP, Phillips has the Kochs' deep pockets and political network at his disposal to take on a broad range of right-wing corporate causes. While the organization has 23 state "chapters" and immodestly bills itself as the nation's "premier grassroots organization," it has only 8,000 actual members, is totally controlled by corporate money, is headquartered in Washington, D.C., and is run by the exact same kind of professional political insiders it pretends to detest.

Consider the boisterous "tea bag" rebellion. No one professes more hatred for the two-party, business-as-usual political system in Washington than those angry Americans who're caught up in the tea-bag rallies. Yet unbeknownst to most of the mad-as-hellers who have showed up, it was AFP's Republican-tied lobbyists and political functionaries who cynically financed, organized, and orchestrated the very first tea-bag protest. AFP has steadily coopted the tea-bag faction to make it a front for the corporate agenda, and many of the tea-bag groups have devolved into subsidiaries of the Republican party. Indeed, AFP has become the Astroturf-To-Go Store, fabricating and spreading fake grassroots organizations all across the country. It was especially busy during the 2008 presidential campaign and in the first year of Obama's presidency. Here are a few recent AFP-manufactured campaigns on major public-policy issues:

PATIENTS UNITED NOW. The website for PUN (odd choice for an acronym, huh?) proclaims, "We are people just like you." However, that statement is true only if you're one of the people working as paid political hacks for AFP. PUN is nothing but a shell created by AFP's laissez-faire corporate extremists. The goal of this front group is to kill legislation that would restructure the rip-off health-insurance industry so real patients can get fairly priced, quality care. In addition to running farcical, antireform TV ads under PUN's name, the AFP-directed effort has included a "Hands Off My Health Care" bus tour. Its message wasn't subtle--a giant bloody hand was painted on the side of the bus, and a speaker traveling with the group repeatedly compared the Democrats' health-reform plans to the Holocaust.

HOT-AIR TOUR. During the past two years, people in 40 cities have been greeted by the sight of a 70-foot-tall hot-air balloon drifting over them. It heralded the arrival of a barnstorming tour to expose "the ballooning costs of global warming hysteria." This stunt had a just-folks veneer on it, but it was another AFP production--after all, as owners of the largest privately held oil corporation, the

Koch brothers have a special interest in spreading denial about the existence of climate change. AFP ran ads mocking proponents of fossilfuel regulations as elitist brats more concerned about their "three homes and five cars" than about the jobs of working-class families (an incredible rhetorical gusher from a privileged billionaire like David, who lives the high life in Manhattan, where he hobnobs with the richest elites at society galas, while also owning a mansion in Aspen where he can curl up in luxury and sip fine wine from his collection of 5,000 vintage bottles). Perhaps he was tipsy on some of those grapes last fall when he attended an AFP summit of tea-party leaders and personally embraced the histrionics of a climate-denial film that accuses such leaders as Al Gore of wanting to bring back "the Dark Ages and the Black Plague."

Among AFP's other fronts are: FREE OUR ENERGY, which clamored during the 2008 election season to open up our seashores and national parks to oil drillers; NO STIMULUS, which tried to rev up the tea-party network last year to kill Obama's economic-recovery plan; and SAVE MY BALLOT, yet another "grassroots tour," this one to rail against a proposal to stop corporate intimidation of workers trying to unionize (AFP paid Joe the Plumber to front this smear campaign).

Out of the shadows

It's not paranoia if they really are out to get you--and they are! "They" are the corporate powers that collect our consumer dollars and then, as hush-hush as possible, use that money to finance their interlocked array of right-wing foundations, think tanks, "scholars," media sparklies, political personalities, and other fronts. What the Kochs and their ilk are out to get is nothing less than America's commitment to the Common Good, colluding to kill such egalitarian proposals as Medicare for all, green-energy jobs, workplace democracy, decentralization of capital, and clean elections.

They pose publicly as enlightened industrialists. David Koch, for example, is an MIT-educated chemist and an enthusiastic evolutionist who has given \$20 million to the American Museum of Natural History (which then--I kid you not--named its dinosaur wing after him). Yet David the Enlightened cynically pays groups to nurture ignorance and exploit it for his political gain, including paying to bus angry and confused people to "citizen" rallies and town-hall meetings where they literally end up shouting themselves red-faced in support of his corporate interests over their own.

While such elites as the Kochs are a tiny minority of Americans, they've surreptitiously skewed our public debate, agenda, and policies to their self-serving agenda by instilling a totally false supposition within the mass media and both major parties that a volatile majority of people has a broad distrust of anything public and views government as the enemy. Thus even Democrats shrink from attempting anything more audacious than incremental reforms, meekly courting vituperous Republicans and corporatists who obviously are out to gut any forward-thinking changes.

