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The Emperors Have No Disclose

Corporate interests still have too much power and not enough exposure.

By **SAM BARR**

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It was a little skirmish in a summer of big political battles — but the defeat of the DISCLOSE Act, a modest campaign finance reform measure pushed by President Obama and the Democrats, might have lasting importance. If Congress can't even require transparency of the corporations that fund our elections, what hope is there of diminishing the power of money in politics?

The question, of course, answers itself. In January the Supreme Court blew the starting gun, and since then the big-money donors have been racing to the November finish. Spending on political TV ads is on track to top 2008 levels, and [one analyst predicts](#) it will exceed \$3 billion when all is said and done.

Especially unnerving is the fact that Republicans and Democrats have raised and spent eerily similar amounts (the Dems trail by just a few million). What this suggests is that the parties are in a financial arms race, matching each other dollar for dollar. To end the vicious circle, both sides need to cooperate and back down; unilateral disarmament is a pipe dream. Unfortunately, at this time, only one side thinks there's a problem here. You can call Democrats hypocritical for raising funds from special interests and big donors and then railing against the corruption of American elections, but I'll take hypocritical over malevolent any day.

And direct election spending is only the beginning. As Jane Mayer of *The New Yorker* [recently reported](#), Charles and David Koch (the billionaire owners of Koch Industries, an enormous but little-known conglomerate, and longtime libertarian sugar daddies) have been funding the anti-Obama backlash from day one. It's more than TV ads; it's leadership training seminars, buses and supplies for protesters, stipends for think-tank shells — all of it coming from a treasure chest of oil and chemical money.

Of course, liberals and Democrats have their big donors, too. George Soros, the billionaire speculator, [helped found](#) the Center of American Progress, the liberal counterpart to Koch-backed think tanks like the Cato Institute and the Heritage Foundation. But Mayer suggests that the Koch brothers are more insidious because their donations directly promote their corporate self-interest. When the owners of oil refineries support climate-change skepticism and the producers of toxic carcinogens lobby against the Environmental Protection Agency, it's fair to say their reasons aren't purely ideological.

Digging into motivations is, of course, tricky business. Tim Mak, a reporter for FrumForum.com who was previously a Koch Fellow at the American Enterprise Institute, [defends his benefactors](#) by arguing that "funding a plethora of free-market groups seems like an odd path to profit." Mak continues, "If these organizations exist to serve the corporate interests of Koch Industries, why not replace them with a lobbying firm that would directly advocate on the niche issues that affect their businesses?" But Mak's question is easy to answer: lobbies that promote corporate interests garner suspicion, but think tanks with scholarly veneers and "grassroots" organizations seeded with corporate money seem a lot less fishy to most people.

Still, Mak is probably right that the Koch brothers "genuinely believe that free-market methods are the path to prosperity." Very few people are so cynical that they can't even convince themselves of their own integrity. The point isn't that libertarian ideology is a mere cover for corporate interests; it's that the overlap between them shows that the ideology isn't very good. For instance, Koch Industries has opposed the EPA's classification of formaldehyde, of which it produces 2.2 billion pounds a year, as a carcinogen (which it is). Whether the Koch brothers' anti-regulation ideology is sincere or not is sort of beside the

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point.

The brothers have also been major financial supporters of the Tea Party movement. The Tea Party-backed Americans for Prosperity, a group founded and heavily funded by the Kochs, plans to spend \$45 million on the midterm elections. It's not that there wouldn't be a Tea Party without the help of big donors like the Koch brothers; there was an egg of conservative cultural resentment before there came the chicken of the Tea Party movement. But there's no doubt that the Kochs are getting their money's worth. As [David Koch said](#) at an Americans for Prosperity meeting last year, "Days like today bring to reality the vision of our board of directors when we started this organization, five years ago."

This is the central irony of contemporary conservative politics: here's a mass movement whose essential theme is populist, which is motivated by pangs of powerlessness and alienation, yet which is underwritten by wealthy, powerful, cosmopolitan ideologues. When the conservative movement scores a success, as it is primed to do in November, the check-writers' economic interests are invariably advanced; the social and cultural interests of the foot soldiers are usually not.

To point out its big-money backers is not to dismiss the Tea Party as a mere "Astroturf" movement, as many liberals do. Money helps, but it isn't everything. Where money really does the most work, or the most damage, is during the immediate election season. That's when it is used to fund appeals to the whole voting population, rather than for organizing hardcore activists and supplying protesters. Even when they're enabled by the likes of the Koch brothers, the latter activities are hard to get riled up about. It is essentially democratic behavior. But when the big money goes towards slippery, mendacious advertising, its supporters coyly hidden behind innocuous names like Americans for Prosperity, the democratic decision-making process is corrupted.

The first step in fighting this corruption is to require complete transparency. In Minnesota, we recently saw a good example of how this should work. Target and Best Buy [each contributed](#) six-figure sums to a group supporting Republican gubernatorial candidate Tom Emmer, a [far-right social conservative](#). The retailers liked Emmer's pro-business policies, but didn't consider the full set of positions to which they were lending their support. Thanks in part to Minnesota's strong campaign-finance laws, the donations were revealed, the companies were embarrassed, and their [shareholders demanded a review](#) of their political contribution policies.

This is a model of how campaign finance laws ought to work. We need stronger disclosure requirements to make sure that, if corporations are going to give freely to political causes, the people at least can hold them accountable. Unfortunately, the Democrats' attempt to pass the DISCLOSE Act fell short, and, if corporate donors like the Koch brothers have their way, the midterms will make progress on campaign finance reform even more unlikely.

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