

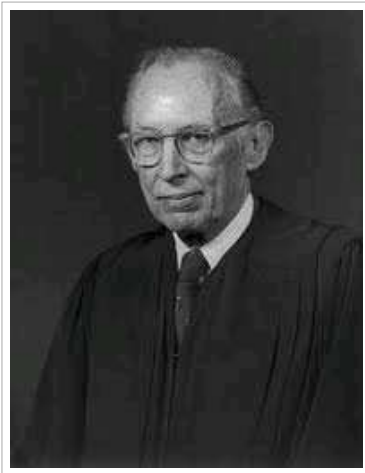
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CONSERVATIVES HAVE ALTERED AMERICAN BUSINESS BEYOND RECOGNITION. HERE IS HOW IT ALL CAME ABOUT.

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In the 1970's, a rarely recognized justice of the US Supreme Court started the eventual transformation of the American business system.

...Lewis F. Powell, the man that started it all.

As has been discussed over the past decade, the power of **Wall Street** and America's corporations had been increasing over the past 30 years. Yes, we all know that this change has become very obvious as the number of DC lobbyists have increased (*adding more billions of corporate big money*) and it became a very visible situation during the Reagan administration. But how and when did this change in America's corporate business politics actually start and what initially started it?

The reality is, the most complete example of the actual outline, or plan for how corporate America now operates today was written in 1971 by a Mr. *Lewis F. Powell*.

At the time, Mr. Powell was a corporate lawyer and member of the boards of 11 corporations. The document that I am referring to was written by Mr. Powell and was a confidential memorandum to Powell's close friend, *Eugene Sydnor, Jr.*, the then *Director of the US Chamber of Commerce*. It eventually became known as the "**Powell Manifesto**", and it was originally written just two months prior to Powell's nomination by *President Richard M. Nixon* to the *U.S. Supreme Court*.

The "*Powell Manifesto*", (*also sometimes referred to as the "Conservative's Manifesto"*) did not become available to the public until long after Powell's confirmation as an associate justice to the *US Supreme Court*. The memo had eventually been secretly leaked to the well-known investigative reporter of the time, *Jack Anderson*, who was also a syndicated columnist. Mr. Anderson had stirred interest in the document when he cited it as a "*reason to doubt Justice Powell's legal objectivity*". Anderson had cautioned that Powell "*might use his position on the Supreme Court to put his ideas into practice...on behalf of business interests.*". A statement that now appears to have been highly prescient.

Obviously, Powell's memo was not the only conservative influence on today's corporate hold on American business politics. However, the *US Chamber of Commerce* and corporate activists took his advice seriously to heart. What is particularly disturbing is that Powell's document isn't that different from some of the programs that were developed for Germany's *Third Reich* by Hitler's "*Propaganda Minister*", *Joseph Goebbels*.

After the "*Manifesto*" became public, the conservatives began building a powerful array of political institutions designed to shift public attitudes and beliefs over the course of the coming decades. Powell's "*Manifesto*" eventually inspired the creation of a number of highly conservative organizations such as the *Heritage Foundation*, the *Manhattan Institute*, the *Cato Institute*, *Citizens for a Sound Economy*, *Accuracy in Academe*, and other powerful right-wing organizations. Beginning in the 1980's, the conservatives, the powerful lobbyists and their long-term focus paid off handsomely in coordination with the Reagan Administration's "*free-market*", "*trickle-down*", "*voo-doo economics*" and essentially Reagan's "*hands-off big business*" philosophy.

But did Powell's political views influence his judicial decisions? Well, Powell did embrace the expansion of corporate privilege and he wrote the majority opinion in **First National Bank of Boston v. Bellotti**. This was a 1978 decision that effectively invented a new "*First Amendment right*" for corporations to influence ballot questions, (*a kind of pre-cursor to the recent Citizens-United decision from the current conservative and highly activist Supreme Court*). But surprisingly,

regarding social issues, Powell was more of a moderate whose votes often surprised his highly conservative backers.

Now, in the following, I will not attempt to present the whole *Powell Manifesto* as it is very lengthy and is full of his accusations at the far left as if they were who was going to ruin the country and take it to a total mass of destruction. I will instead try to demonstrate where Powell was coming from with his proposals for how to deal with this situation, starting from the sources of the supposed attack from the "Far Left", to what should be done regarding future text book revisions, to how school professors should be "guided" in their teachings, and for dealing with or "owning" the media and its many outlets, including radio, TV and all printed media.

In reality, once you understand where Mr. Powell was coming from, by looking back, one can see that the far right conservatives seriously took Powell's document suggestions as their master-plan. What we have today does pretty much follow what Powell wrote forty years ago.

I will use the actual titles of the sections that were included in Powell's "Manifesto". I will then condense what Powell included in each section so that you can then fully understand for yourself that the end result that he was shooting for is very close to what we today call "the basis of today's conservative business strategy".

The Powell Manifesto:

Dimensions of the Attack:

This is a kind of scary part where Powell states that America is under attack by the left which opposes the current American business system. He believed that liberals preferred socialism or some form of communism or fascism. He also felt that we were not dealing with isolated attacks from a relatively few extremists or even from the minority social elite. Instead, he was seeing that the assault on the American system was broadly based and was consistently being pursued. It was also gaining momentum and Leftist converts.

Sources of the Attack:

Powell here states that the attack sources are highly varied. They include the communists, new leftists and other revolutionaries who would ultimately destroy the entire system, both political and economic. *"These extremists of the left are far more numerous, better financed, and increasingly are more welcomed and encouraged by other elements of society than ever before in America's history."*

He states that *"The most disquieting voices joining the chorus of criticism come from perfectly respectable elements of society: from the college campus, the pulpit, the media, the intellectual and literary journals, the arts and sciences, and from politicians. In most of these groups the movement against the system is participated in only by minorities. Yet, these often are the most articulate, the most vocal, the most prolific in their writing and speaking."*

Powell especially felt that television, which plays such a predominant role in shaping the thinking, attitudes and emotions of our people is a particular problem even though they are owned and theoretically controlled by corporations which depend upon profits, and the American enterprise system for survival.

He also felt that the campuses from which much of the criticism emanates are supported by (a) tax funds generated largely from American business, and (b) contributions from capital funds controlled or generated by American business. The boards of trustees of our universities overwhelmingly are composed of men and women who are leaders in the American system.

Tone of the Attack:

Powell felt so strongly that the "Leftists" were out to take over America that he quoted an outspoken progressive lawyer of the time, *William Kunstler*, that had been referred to in multiple college campus polls as the "Most admired American Lawyer". He quoted a speech where Mr. Kunstler's stated: *"You must learn to fight in the streets, to revolt, to shoot guns. We will learn to do all of the things that property [business] owners fear."* Powell also wrote, *"These new Leftists who heed Kunstler's advice increasingly are beginning to act -- not just against military recruiting offices and manufacturers of munitions, but against a variety of businesses. Since February, 1970, branches [of Bank of America] have been attacked 39 times, 22 times with explosive devices and 17 times with fire bombs or by arsonists. Although*

Leftist spokesmen are succeeding in radicalizing thousands of the young, the greater cause for concern is the hostility of respectable liberals and social reformers. It is the sum total of their views and influence which could indeed fatally weaken or destroy the system." (Note: Powell writes this as he totally ignores the fact that these attacks were made mainly against business organizations that supported and financed the war in Vietnam, not because the attackers were against the American business system.)

Powell also felt that these shots against American businesses and America's "wealthy" were usually described in the media as undeserved "tax breaks," "loop holes" or "tax benefits" reserved for the benefit of big business. He mentioned that a columnist in the **Washington Post**, had written that such tax measures would benefit "only the rich and the owners of big companies". He was also dismayed that many politicians make the same incorrect argument that tax measures of this kind benefit only "big business," without any benefit to "the poor." He said that, "The fact that this is either political demagoguery or economic illiteracy is of slight comfort. This setting of the "rich" against the "poor," of business against the people, is the cheapest and most dangerous kind of politics." (Note: He make this statement but completely fails to give one example as to how these "tax measures" in any way, did benefit the "poor".)

The Apathy and Default of Business:

Powell felt that business, including the boards of directors' and the top executives of corporations and business organizations at all levels have only responded to these attacks by appeasement, ineptitude and ignoring the problem. The net effect of such response has been as expected: zero. He also stated that it must be recognized that businessmen have not been trained or equipped to conduct guerrilla warfare with those who propagandize against the American business system. (Note: Once again, no mention that much of the propaganda might have been against those that supported the war in Vietnam.)

Powell wrote that most observers of the American scene will agree that American business is plainly in trouble. The response to the wide range of critics has been ineffective and it has included appeasement. "The time has come -- indeed, it is long overdue -- for the wisdom, ingenuity and resources of American business to be marshaled against those who would destroy it."

Possible Role of the Chamber of Commerce:

Per Mr. Powell: "The role of the National Chamber of Commerce is vital. Other national organizations (especially those of various industrial and commercial groups) should join in the effort, but no other organizations appear to be as well situated as the Chamber. It enjoys a strategic position, with a fine reputation and a broad base of support. Also -- and this is of immeasurable merit -- there are hundreds of local Chambers of Commerce which can play a vital supportive role. The Chamber should study and analyze possible courses of action and activities, weighing risks against probable effectiveness and feasibility of each. Considerations of cost, the assurance of financial and other support from members, adequacy of staffing and similar problems will all require the most thoughtful consideration."

The [College] Campus:

"There were many sources of these Leftist attitudes but the university and college campus' were the single most dynamic source. The college social science faculties include many members who are unsympathetic to the enterprise system. They may range from a Marxist faculty member and convinced socialists, to the ambivalent liberal critic who finds more to condemn than to commend. Such faculty members need not be in a majority. They are often personally attractive and magnetic; they are stimulating teachers, and their controversy attracts student following; they are prolific writers and lecturers; they author many of the textbooks, and they exert enormous influence -- far out of proportion to their numbers -- on their colleagues and in the academic world. "

This situation has extended back many years with the imbalance gradually worsening has had an enormous impact on millions of young American students. As noted by columnist *Stewart Alsop*, writing about his alma mater: "Yale, like every other major college, is graduating scores' of bright young men ... who despise the American political and economic system." (Note: But mostly, hating those that support an unjust war.)

What Can Be Done About the Campus:

The ultimate responsibility for intellectual integrity on the campus must remain on the administrations and faculties of our colleges and universities. But organizations such as the *Chamber* can assist and activate constructive change in many ways, including the following:

>>> The Chamber should consider establishing a staff of highly qualified scholars in the social sciences who do believe in the system. It should include several of national reputation whose authorship would be widely respected -- even when disagreed with.

>>> There also should be a staff of speakers of the highest competency. These might include the scholars, and certainly those who speak for the Chamber would have to articulate the product of the scholars.

>>> In addition to full-time staff personnel, the Chamber should have a Speaker's Bureau which should include the ablest and most effective advocates from the top echelons of American business.

>>> The staff of scholars (*or preferably a panel of independent scholars*) should evaluate social science textbooks, especially in economics, political science and sociology. This should be a continuing program.

The objective of such evaluation should be oriented toward restoring the balance essential to genuine academic freedom.

>>> Powell also felt that text books should be reviewed and critiqued by eminent scholars who believe in and support the American business system.

Equal Time on the Campus:

Powell felt that the Chamber should insist upon equal time on the college speaking circuit. Every campus has its formal and informal groups which invite speakers. Since each law school does the same thing and many universities and colleges officially sponsor lecture and speaking programs. But we all know the inadequacy of the representation of business in today's programs.

Powell wrote that the two essential ingredients are (a) to have attractive, articulate and well-informed speakers; and (b) to exert whatever degree of pressure -- publicly and privately -- may be necessary to assure opportunities to speak. The objective always must be to inform and enlighten, and not merely to propagandize.

Balancing of [college] Faculties:

Perhaps the most fundamental problem is the imbalance within the many college faculties. Correcting this imbalance between Liberal and Conservative instructors is indeed a long-range and difficult project. Yet, it should be undertaken as a part of an overall program. This would mean the urging of the need for faculty balance upon university administrators and boards of trustees.

Graduate Schools of Business:

The Chamber should enjoy a particular rapport with the increasingly influential graduate schools of business. Much that has been suggested above applies to such schools.

Should not the Chamber also request specific courses in such schools dealing with the entire scope of the problem addressed by this memorandum? This is now essential training for the executives of the future.

Secondary Education:

Powell felt this "*balance*", while the first priority should be at the college level, the trends mentioned above are increasingly evidenced in the high schools. Therefore, action programs, tailored to the high schools and similar to those mentioned, should be considered.

What Can Be Done About the Public?

Powell felt that the national television networks should be monitored in the same way that textbooks should be kept under constant surveillance. This applies to the daily "*news analysis*" which so often includes the most insidious type of

criticism of the enterprise system. Whether this criticism results from hostility or economic ignorance, the result is the gradual erosion of confidence in "*business and free enterprise*".

This monitoring, to be effective, would require constant examination of the texts of adequate samples of programs. Complaints -- to the media and to the *Federal Communications Commission (FCC)* -- should be made promptly and strongly when programs are unfair or inaccurate.

Other Media:

Radio and the press are also important, and every available means should be employed to challenge and refute unfair attacks, as well as to present the affirmative case through these media.

The Scholarly Journals:

It is especially important for the Chamber's "*faculty of scholars*" to publish.

There should be a fairly steady flow of scholarly articles presented to a broad spectrum of magazines and periodicals -- ranging from the popular magazines (*Life, Look, Reader's Digest, etc.*) to the more intellectual ones (*Atlantic, Harper's, Saturday Review, The New Yorker, etc.*) and to the various professional journals.

Books, Paperbacks and Pamphlets:

"It will be difficult to compete with an Eldridge Cleaver or even a Charles Reich for reader attention, but unless the effort is made -- on a large enough scale and with appropriate imagination to assure some success -- this opportunity for educating the public will be irretrievably lost."

Paid Advertisements:

"If American business would only devote 10% of its total annual advertising budget to this overall purpose, it would be a statesman-like expenditure. "

The Neglected Political Arena:

"Business has been the favorite whipping-boy of many politicians for many years. It is still Marxist doctrine that the 'capitalist' countries are controlled by big business. This doctrine, consistently a part of leftist propaganda all over the world, has a wide public following among Americans. "

"Business must learn the lesson, long ago learned by Labor and other self-interest groups. This is the lesson that political power is necessary; that such power must be cultivated; and that when necessary, it must be used aggressively and with determination -- without embarrassment and without the reluctance which has been so characteristic of American business."

Neglected Opportunity in the Courts:

Powell believed that with respect to scholars and speakers, the *Chamber* would need a highly competent staff of lawyers. In special situations it should be authorized to engage, to appear as counsel amicus in the *Supreme Court*, lawyers of national standing and reputation. The greatest care should be exercised in selecting the cases in which to participate, or the suits to institute.

Neglected Stockholder Power:

Per Powell: *"The corporation itself must exercise restraint in undertaking political action and must, of course, comply with applicable laws. But is it not feasible -- through an affiliate of the Chamber or otherwise -- to establish a national organization of American stockholders and give it enough muscle to be influential? "* (Note: And look at all the "muscle" held by **Wall Street** today!)

A More Aggressive Attitude:

Powell felt that there should be no hesitation to attack the *Ralph Nader*'s and others who openly seek destruction of the

system. There should not be the slightest hesitation to press vigorously in all political arenas for support of the enterprise system. Nor should there be reluctance to penalize politically those who oppose it. *"It is time for American business -- which has demonstrated the greatest capacity in all history to produce and to influence consumer decisions -- to apply their great talents vigorously to the preservation of the system itself."* (Note: Regardless of whom it harms.)

The Cost:

Powell was very clear: *"The type of program described above if undertaken long term and adequately staffed, would require far more generous financial support from American corporations than the Chamber has ever received in the past."* (Note: And due to the recent Citizens-United decision, the Chamber has now received billions in anonymous corporate donations.)

Quality Control is Essential:

Essential ingredients of the entire program must be responsibility and "quality control". The publications, the articles, the speeches, the media programs, the advertising, the briefs filed in courts, and the appearances before legislative committees -- all must meet the most exacting standards of accuracy and professional excellence. They must merit respect for their level of public responsibility and scholarship, whether one agrees with the viewpoints expressed or not.

Relationship to Freedom:

As the experience of the socialist and totalitarian states demonstrates, the contraction and denial of economic freedom is followed inevitably by governmental restrictions on other cherished rights. It is this message, above all others, that must be carried home to the American people.

Conclusion

Powell finished his document with the following: *"The Board of Directors of the Chamber must accept the fundamental premise of this paper, namely, that business and the enterprise system are in deep trouble, and the hour is late."*

This Author's Comment:

Based on what was presented by Mr. Powell above, the conservatives have since succeeded in many areas well beyond their wildest dreams. However, as with Germany's Hitler, the conservative's success to date has mainly been accomplished through their many untruths and deceptions to the American public. These successes are slowly beginning to come apart as they are finally being seen as destroying much of what this country, and its vast middle-class, had achieved between the decades of 1940 thru 1980.

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