

## Oil billionaire undermines Obama

By Peter Huck

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Follow the money.

If the old journalist's adage leads anywhere on the Tea Party beat, then it may well be to the sober businessman who addressed a gathering of the we're-not-going-to-take-it-anymore faithful, shock troops against the elites, at last year's Defending the Dream summit in Washington.



David Koch. Photo / AP.

Unlike Bill Gates or Warren Buffet, he wasn't a household name.

But as co-owner of America's second-largest privately owned company, fossil fuel behemoth Koch Industries, David Koch, 70, is a force to be reckoned with.

"Five years ago," said Koch, "my brother Charles and I provided the funds to start Americans for Prosperity." Its impact, he told summitters, was beyond his "wildest dreams".

Well, actually, it all seemed to be going to plan. "You have to ask yourself, 'What's in it for the Kochs'," says Taki Oldham, an Australian film-maker who infiltrated the summit, organised by AFP, and other Tea Party events to take us through the looking glass, beyond the freedom and liberty slogans, into the movement's world of denial.

The Kochs didn't birth the Tea Party; that distinction belongs to CNBC reporter Rick Santelli who called for a "Chicago Tea Party" in February last year to protest against President Obama's bailout.

But evidence from Oldham's film and the *New Yorker* magazine suggests the Kochs helped shape an inchoate insurrection into a potent force recognised as Republican kingmakers in this week's mid-term elections where the Republicans took control of the House of Representatives.

Oldman's documentary, *[Astro] Turf Wars; How Corporate America Faked a Grassroots Revolution*, examines the shadow world behind the Tea Party.

Populist grassroots protest litters US history. The Tea Party was born from real pain; the meltdown of the US economy and its catastrophic impact on millions of lives.

The misery is intensified as America's global supremacy, and national assumptions of entitlement and exceptionalism, is challenged by the rise of rivals like China and India.

Oldham sees the Tea Party as a "many-headed beast born out of anger, confusion and propaganda. It gained an ideology as it went along."

It is a libertarian creed, espoused by the Kochs, that favours small government, low tax and minimal regulation, notably in the environmental sphere.

As the Obama Administration talked up a clean energy economy with tough environmental rules, Charles Koch predicted the "greatest loss of liberty and prosperity since the 1930s".

The AFP, founded in 2004, began to inject libertarianism into the Tea Party. Climate change denial, advanced by the AFP, is a key tenet. The movement, says Oldham, now "actively acts against its own self interest".

The Tea Party's tragedy is that it seems unaware it has been colonised by the very elite virus it rails against.

Given libertarianism's toxic impacts, it is a masterly smoke and mirrors trick, worthy of Joseph Goebbels.

The *Guardian's* George Monbiot calls the Tea Party "one of the biggest exercises in false consciousness the world has ever seen" and "the biggest astroturf operation in history".

Further evidence was supplied in August by a *New Yorker* story: "Covert Operations." It says the AFP "has worked closely with the Tea Party since the movement's inception".

"By giving money to 'educate', fund and organise Tea Party protesters," says the magazine, "they [the Kochs] have helped turn their private agenda into a mass movement."

The dark arts are part of US political life, but the Kochs' war against Obama sets the bar high, equating, in Monbiot's words, "crony capitalism with free enterprise, and free enterprise with personal liberty".

Once the stirring calls to liberty vanish, the Tea Party faithful are left with the "freedom for corporations to trample them into the dirt".

Faced with inconvenient truths, pace David Koch's admission he had founded AFP, Tea Party followers seem eager to suspend disbelief. "It's wilful blindness," says Oldham.

The Tea Party's blindness is aided by a web of foundations, think tanks and advocacy groups, known to critics as the Kochtopus.

At first the Kochs publicly distanced themselves from the Tea Party. "I've never been to a Tea Party event," David Koch told *New York* magazine in July. "No one representing the Tea Party has ever even approached me."

This stance appears less convincing now that David Koch has been filmed by Oldham at the Defending the Dream summit.

Oldham's film shows AFP strategists at the summit telling Koch how they helped galvanise the Tea Party,

via emails, Facebook and Twitter, while other footage shows how "libertarian groups tied to Koch associate Howie Rich" train Tea Party activists in "guerilla internet tactics".

Besides AFP, the Kochs founded the Cato Institute and Virginia's Mercatus Centre, a wellspring of climate change denial at George Mason University.

The *Wall Street Journal* says that when George W. Bush sought to clear fell environmental rules, 14 out of 23 targets were sourced from Mercatus staff. Money flowed to right-wing bodies like the Heritage Foundation and the American Enterprise Institute.

The *New Yorker* says the Kochs, mostly known for generous arts philanthropy, have "quietly given more than a hundred million dollars to right-wing causes".

These include 34 political and policy organisations. Other funds have gone to lobbyists, political campaigns and advocacy groups.

"There's no one else who has spent this much money," Charles Lewis, head of watchdog group the Centre for Public Integrity, told the *New Yorker*.

"The sheer dimension of it is what sets them apart. They have a pattern of lawbreaking, political manipulation and obfuscation. I've been in Washington since Watergate, and I've never seen anything like it. They are the Standard Oil of our times."

Washington tamed Standard Oil back in 1911. A century later many Americans are deaf to Obama's warning that "oil companies and other special interests are spending millions to gut clean-air standards and clean-energy standards".

Kansas-based Koch Industries, which has annual revenues of about US\$100 billion (\$127 billion) from coal, oil, timber and chemicals, has made the brothers, who own 84 per cent, very rich, with a combined fortune of US\$35 billion. Tough environmental rules pose a serious threat to a company with a bad history of industrial mishaps, plus oil and chemical spills.

The *New Yorker* says the US Justice Department fingered Koch Industries for over 300 oil spills, totalling some three million gallons, into US waterways. Fines were estimated at US\$214 million (\$157 million). The company paid \$30 million, a record.

It has also sought to undermine climate change and carbon emission rules enforced by the US Environmental Protection Agency.

In March, a Greenpeace report, "Koch Industries: Secretly Funding the Climate Denial Machine", called the company "the financial kingpin of climate science denial".

Three "charitable" foundations set up by the Kochs, the report said, spent US\$24.9 million on this purpose between 2005 and 2008, as against ExxonMobil's US\$8.9 million.

While Koch Industries is a major player, BP and other European companies are funding Republican

candidates favoured by the Tea Party, including Oklahoma Senator James Inhofe, famous for dismissing climate change, according to a report last week from the Climate Action Network Europe.

Inhofe's beliefs, plus those of another Tea Party favourite, Wisconsin Republican Jim Sensenbrenner, who describes global warming as a "a massive international scientific fraud", are music to Tea Party ears. Meanwhile, AFP keeps the movement on message, damning cap-and-trade as Orwellian bureaucracy, casting doubt on climate change, slamming EPA carbon rules with the Regulation Reality Tour.

"You can bet they're sending government bureaucrats to penalise you for simply living your life," says the tour website, warning that mowing the lawn or filling the gas tank and other "everyday tasks" will bring EPA citations.

A recent *New York Times* report said climate change denial is a matter of faith among Tea Party Christians. Only 14 per cent saw climate change as a threat, compared to 49 per cent of Americans. And while 1 per cent of Americans rejected climate change, 8 per cent of Tea Party people held this view (19.3 per cent of respondents in a UMR Research poll, published in New Zealand in September, did not believe in climate change).

Meanwhile, the fossil fuel blitzkrieg to sow doubt about climate change has stalled reform. Democratic efforts to pass a federal cap and trade law sank like a stone in June.

Elsewhere, efforts to curb carbon emissions ran into fierce Tea Party resistance – such as Proposition 23, designed to suspend California's 2006 landmark climate change law. This measure, which was defeated, was driven by Big Oil, including US\$1 million from Flint Hill Resources, a Koch Industries subsidiary.

Now the Tea Party, and their paymasters, have scored a mid-term coup, their sights are set on the 2012 presidential contest.

It is unsure how the party, which portrays itself as revolutionary, will adopt to the messy compromises of power and some predict tensions within the Republican caucus. The movement will need to stay on message to get Koch support. David Koch, in an interview about funding groups, was clear: "We'll make darn sure they spend it in a way that goes along with our intent."

Meanwhile, climate change is the elephant in the room. Despite astroturf trips down the rabbit hole, it may be hard to ignore reality and head off real grassroots concern as the impacts of global warming become ever more apparent.

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**14 per cent** of Tea Party supporters saw climate change as a threat.

**David Koch Age:** 70 \* co-owner of Koch Industries \* Founder of Americans for Prosperity

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