

7 Ways the Tea Party Sugar Daddy Billionaire Brothers Are Ripping Us off

Posted by [Jan Frel](#) on @ 1:57 pm

Article printed from speakeasy: <http://blogs.alternet.org/speakeasy>

URL to article: <http://blogs.alternet.org/speakeasy/2010/09/01/7-ways-the-tea-party-sugar-daddy-billionaire-brothers-are-ripping-us-off/>

It's limiting to see the billionaire Koch Brothers' funding of arguments against big government and socialism as **hypocritical** in light of their pursuit of big government money and ties to socialism. "Hypocritical" is a rational conclusion, but in cases where you're talking about business-funded ideology, it strikes me as a perspective that doesn't generate any kind of serious economic outrage, doesn't lead anywhere, except to say that there's an inconsistency there.

When a business interest funds an ideology the point is to use it to get richer and more powerful. Along the way, there is a visionary dimension as well; the person might actually believe in what they are funding and not make the connection that their income isn't in sync, they might knowingly fund a cause in spite of their business that they may personally have come to detest, or sometimes it's an interesting way to project a defense of your own sins; much in the way that slave owners of the past frequently talked about their *moral duty* to teach their slaves not to be so lazy using corporal punishment. Looking at the Kochs' approach, my sense is that it's mostly to get rich and powerful, with a dash of sin projection tossed in, and a sprinkle or two of genuine belief.

So now for the juice promised in the headline: my colleague Yasha Levine has [penned a very devastating article for the New York Observer](#) on 7 ways the Kochs make their money that really doesn't jibe with the ideology that they pour tens of millions into every year (to further their power and wealth). More devastating than Jane Mayer, whose only real punch in her [New Yorker feature](#) on the Koch brothers I thought was to link to David Koch being on the National Cancer Advisory Board while his company lobbied to prevent the E.P.A. from classifying formaldehyde as a carcinogen. The Kochs produce 2.2 billion pounds of it a year. (Most folks are going to miss that, because in typical East Coast elite journalism fashion, it was buried deep near the end of the article).

Levine's article lands real punches. Thanks to Levine, here's what we know:

1. — "In 1998, Koch Industries entered into a lucrative partnership with two state-owned companies—one Venezuelan, the other Italian—to open a massive \$1 billion nitrogen-based fertilizer plant in Venezuela called [Fertinitro](#). ... For Koch Industries, whose role in the partnership is to unload half of the 6 million tons of fertilizer produced by Fertinitro every year on the American market, [that equals up to \\$123.6 million in subsidies every year.](#)" Get that? A billion-dollar double partnership with two state-owned companies.

2. — "Two years before founding the influential Cato Institute, Charles Koch bought a supertanker from a communist regime."

3. — "For the past fifty years, through its Matador Cattle Company subsidiary, Koch Industries has been [quietly milking](#) a New Deal program that allows ranchers to use federal land basically for free. Matador ... has something in the neighborhood of 300,000 acres of grazing land for its cows—two-thirds of which belong to American taxpayers, [who will never see a penny of profit.](#)"

4. — "In 2006, [Koch Industries acquired pulp and paper giant Georgia-Pacific](#) for a \$21-billion cash payment, allowing the Koch brothers to tap into a whole new area of government largesse: the ability to log public forests for private gain and have taxpayers cover the operating costs."

5. — "Just two weeks ago, [Koch Industries got into the ethanol business](#) by buying two ethanol plants in Iowa. Other than defense, ethanol is possibly the most subsidized industry in America."

6. — "As far as libertarians are concerned, eminent domain is a socialist tyranny straight out of the Leninist playbook, as it recognizes the government as the real owner of all land and vests it with the power to expropriate private property for alleged public good. ... Charles Koch is clear on this. "Countries that clearly define and protect individual private property rights stimulate investment and grow," he writes in his book *The Science of Success*. "Those that threaten and confiscate private property lose capital and decline. ... Koch Industries oil pipeline recently built in Minnesota shows that Charles Koch does not see an is anything wrong with the

government confiscating private property, as long as he stands to make a profit. Completed in 2008, the [304-mile line](#) now carries crude oil from the Canadian border to a Koch Industries refinery near the Twin Cities area via a two-foot-wide pipe. “1,000-plus landowners who were forced to handover their private property so that Koch Industries could run its pipeline...”

[7.](#) — “Before Fredrick Koch suddenly developed a pinko paranoia and helped start up the John Birch Society, he was making piles of cash laying the foundation of Soviet oil infrastructure in the 1920s and early 1930s.”

Well done, Yasha. Bravo *New York Observer* for having the guts to say this in the New York media market. (*Will it appear in print?*) Compare what *New York Magazine* did for the Kochs: Uber-investigative journalist Charles Lewis [casually told Democracy Now!](#)'s [Amy Goodman](#) last week that the “fawning” [profile on David Koch](#) they published was essentially “planted” as a kind of prebuttal to soften the blows of Mayer’s profile. Levine and his partner Mark Ames [were there to document](#) the birth moment of the Tea Party, when no one else was paying attention, and the first to tie it to... the Koch-funded Freedom Works. Credit to them both on this.

Levine’s case is lock-tight — the Kochs make a fortune through state government welfare — American and Venezuelan — in all kinds of ways. Forget “hypocrisy” — I want to cut off the Kochs’ access to our money, common wealth and private property, which they in turn use to fund an ideology that makes it harder for normal people to get their own fair share and enjoy on some kind of human, as opposed to billionaire-inhuman, scale.

Jan Frel is AlterNet's senior editor.

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