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Book Review: 'Sons of Wichita' by Daniel Schulman & 'Big Money' by Kenneth P. Vogel

Mega-donors like the Koch Brothers are not buying elections, they are democratizing them.

By Barton Swaim
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The Koch brothers, Charles and David, "believe in an America where the system is rigged to benefit the very wealthy," said Harry Reid, the Senate majority leader, recently from the chamber floor; they are "un-American" and have "no conscience." Paul Krugman, the left-wing economist and New York Times columnist, wrote last March that the Koch brothers are "serious evildoers." And David Brock, head of the left-wing group Media Matters, last month launched an entire project designed to unmask the Koch brothers as crooks. "The Kochs are leaders of a freakish ideological cult that is designed to rig the system to their benefit," he said. "I think that the Kochs don't view their investments politically as investments in the country but in their companies."

Anyone capable of provoking this much ire among the nation's top liberal politicians and pundits must be worth one's attention. But what, really, is behind the outrage? Surely it isn't simply that the Koch brothers use their wealth to influence politics. The well-off have always drawn heavily on their bank accounts to move public policies and public opinion in a preferred direction: some buy newspapers (Robert McCormick, William Randolph Hearst), others get elected to office (the Kennedys, Michael Bloomberg), and a few just seem to enjoy the adventure of spending truckloads on elections they have little chance of winning (Linda McMahon, Ross Perot).

More likely, it's not the Kochs' wealth but their ideas that rattle the sensitivities of so many. These same people haven't objected when billionaire financier George Soros, Taco Bell heir Rob McKay or the late Peter Lewis of Progressive Insurance wrote big checks to left-wing causes. But the fact that the Koch brothers spent millions opposing the Affordable Care Act, the 2009 stimulus bill and the auto bailouts is—for some—sufficient reason to impute traitorous motives to them. Sen. Reid (D-Nev.) has no trouble with GOP megadonor Sheldon Adelson, the Las Vegas casino tycoon. ("Don't pick on him," Mr. Reid said recently. "He's not in it to make money.") What is so different about the Kochs that led top Obama adviser David Axelrod to liken them to "contract killers"?

Daniel Schulman is a journalist with the left-wing magazine Mother Jones, but his book "Sons of Wichita" isn't the series of indictments one might have expected. The Koch family has had its share of feuding and backbiting, and Mr. Schulman portrays all he could find. But readers invested in the American left's caricature of the Koch brothers—right-wing maniacs who use their money to influence policies for financial gain—won't find much satisfaction in Mr. Schulman's treatment. That's partly because the book humanizes its subject in the way good biographies do and partly because David and Charles Koch just aren't the conservative villains of

liberal legend. Indeed, they're not even conservatives—they're libertarians. David, for instance, supports same-sex marriage, and both Charles and David have long supported drug legalization.

Charles and David Koch run the second largest private company in the United States, a multibillion-dollar chemical-engineering and oil-refining company based in Wichita, Kan., whose products, writes Mr. Schulman, "touch everyone's lives—from the gas in our tanks to the steak on our forks and the fertilizer that helps our crops grow, and from the drywall, windowpanes, and carpets in our homes and offices to the Brawny paper towels and Dixie cups we keep in the pantry."

There are in fact four Koch brothers, not two. Frederick, the oldest, is the only brother who didn't attend MIT (he chose Harvard) and who never showed an interest in the oil-refining business that their father, Fred, had founded, becoming instead an art collector and patron. Charles, who stayed in Wichita, took over and expanded the company beyond oil refining into chemical engineering and manufacturing. The youngest two were twins: David, who, with Charles, now runs Koch Industries; and Bill, who left Koch Industries to found his own energy company, Oxbow, and who feuded spectacularly with Charles and David.

Fred Koch was the son of a Dutch immigrant and a fierce disciplinarian. Although well off, he had "no intention of raising 'country-club bums.'" While the boys of upper-crust families in Wichita played at the pool all summer, the Koch boys did chores on the family ranch: "milking cows, bailing hay, digging ditches." Fred Koch had done business in Soviet Russia in the 1930s, and the experience turned him fiercely against communism. Many of the Russians that Fred worked with were either executed or sent to Siberian labor camps, and Fred made sure his boys understood the lesson. "He was constantly speaking to us children about what was wrong with government," David Koch would say later. "It's something I grew up with—a fundamental point of view that big government was bad, and imposition of government controls on our lives and economic fortunes was not good."

Charles and David's libertarianism, then, wasn't some ridiculous ruse designed to get governmental obstacles out of their company's way but an inherited—and deeply American—response to 20th-century totalitarianism. For decades they were content mainly to fund policy-oriented think tanks and the like. In the 1960s we find Charles funding Robert LeFevre's Freedom School, a kind of libertarian training camp in Colorado. In the 1970s he co-founded the libertarian Cato Institute with Murray Rothbard and Ed Crane. Cato has long advocated scrapping environmental and other regulations, which would benefit Koch Industries (as well as all other industries). But Cato also spent four decades blasting precisely the kind of corporate subsidies from which Koch Industries could reap more immediate benefits.

Apart from David's run for vice president on the Libertarian ticket in 1980, which was more about the spread of ideas than a bid for power, all this was pretty rarefied stuff. In recent years, though, the Kochs' giving has taken a far more pragmatic form. Koch-funded organizations such as Americans for Prosperity, the Center to Protect Patient Rights, and Americans for Job Security engage in hard-hitting "issue advocacy": Politicians who support ObamaCare, higher taxes or pro-union policies have found themselves the subjects of sophisticated, highly critical TV and radio ads.

What caused the brothers to move so aggressively into the ugly world of electoral politics?

Mr. Schulman's narrative suggests a turning point in 2009, with Barack Obama's inauguration and the rise of the tea party. Kenneth Vogel, in "Big Money," finds evidence that the shift was in

the making earlier, while Mr. Obama was still battling Hillary Clinton for the 2008 Democratic nomination. But what dramatically shifted the incentives for them—and other big donors—were two landmark court rulings in 2010.

Mr. Vogel's book suggests that these decisions—one by the Supreme Court in *Citizens United v. Federal Election Commission* and the other by a federal appeals court in *SpeechNow.org v. Federal Election Commission*—allow "megadonors" to dilute the power of both official campaigns and political parties in presidential elections. In short, these rulings held that organizations other than political campaigns have the First Amendment right to spend and say what they want in support of or in opposition to any political candidate they choose.

Before 2010, the campaign-finance regime created certain absurdities evident to anyone. It provided an advantage to self-funded tycoons running for office, for instance, and the McCain-Feingold Act's prohibition on political ads broadcast during the run-up to an election manifestly violated the First Amendment. After *Citizens United*, the parties still face tight controls on expenditures, but issue-oriented political-action committees, or PACs, face no such limits—so long as they don't contribute to or "coordinate" with the candidates and parties they support. In the 2012 election cycle, these independent groups—PACs and Super PACs—spent a total of \$2.2 billion, which was more than the combined \$1.6 billion spent by the Republican and Democratic parties.

With "Big Money"—which takes up the Kochs and other rich political contributors, including Sheldon Adelson, Rob McKay and liberal Texas lawyers Steve and Amber Mostyn—Mr. Vogel has succeeded in doing what I, for one, didn't think possible. He has made the subject of money in politics entertaining—indeed, gripping. He does this by a combination of factual analysis, eyebrow-raising scoops and zany stories. One minute he is sorting out a bewildering assortment of Koch-linked nonprofit advocacy groups; the next he is being escorted out of yet another gathering of high-dollar donors by an earpiece-wearing security guard. The author avoids the earnest hand-wringing to which writers on this subject are prone, but he worries that American politics, as the book's subtitle has it, has been "hijacked" by the superrich. President Obama himself put it nicely (a year or so before officially blessing his own Super PAC in time for the 2012 re-election campaign): "You now have the potential of 200 people deciding who ends up being elected president every single time."

In the 2012 GOP primaries, various superwealthy patrons backed their candidates—or, more precisely, the PACs supporting their candidates—like seersucker-wearing moguls at the Kentucky Derby. Mr. Adelson and his wife kept Newt Gingrich's improbable candidacy alive with \$15 million in donations, while the investor Foster Friess gave Rick Santorum's Super PAC \$2.1 million. Of course, none of these donations helped any of these men get elected president. By the time the 2012 GOP primaries were over, the Republican nominee was so battered that the Obama campaign and his Super PAC, Priorities USA, had little trouble finishing Mitt Romney off.

Mr. Vogel skillfully narrates the appalling war of blame and recrimination into which the Republicans fell as soon as the election was over. This was made all the more ferocious by the fact that the Republicans, although seemingly capable of raising more money than the Democrats, are ideologically divided in a way the Democrats are not. "Tea party"-oriented, Koch-affiliated groups blame GOP losses on the establishment's penchant for running ideologically nondescript candidates, whereas Karl Rove's coalition of Chamber of Commerce-aligned establishment groups blames the tea party for defeating or inflicting needless damage on establishment candidates who can actually win.

Whatever else Mr. Vogel's book proves, "Big Money" makes clear that this influx of mega-cash hasn't enabled anyone to "buy" an election. In 2012 Super-PAC money helped keep the GOP primaries competitive for far longer than they otherwise would have been, with the result that voters in usually irrelevant primary states had reason to engage their faculties over whom the Republicans should nominate as president. Rather than "hijacking" American politics, big money—in this case, anyway—democratized it. That's a disaster if you're a billionaire trying to buy a president. If you're a wealthy citizen trying to draw attention to a body of ideas neither party fully embraces, it may be worth it.

If the Kochs are interested in financial gain, as Mr. Krugman and others on the left contend, they are exceptionally poor investors. Even if they could have gotten everything they might want out of a Romney administration—highly unlikely in any circumstance—the financial benefits would have been negligible compared with the hundreds of millions they donated. The same is true of other big donors on both left and right in 2012.

Mr. Vogel concedes that political donations have little to do with expectations of government favors. "Savvy CEOs with major interests before government consider lobbying a more effective way to boost or protect their interest," he says. "Lobbying, in other words, is for financial gain, while big campaign contributions are mostly for passion or ego." The problem, in Mr. Vogel's view, is one of transparency and accountability. Debates over candidates' viability, he writes, "once would have been hashed out by elected officials within the party apparatus, sometimes in rounds of platform committee votes, other times behind closed doors, but usually with some measure of accountability. Now, the new rules of money and politics allowed the ultra-rich a seat at the head of the table."

I'd put it differently. Decisions once made by party apparatchiks under the thumbs of special interests are now also influenced by people who care enough about public policy to take massive financial losses in order to elect politicians who believe the same things that they—and many others—believe. I'm not sure that's a bad thing.