

Dark money and the radical right

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During his nomination campaign, Bernie Sanders regularly inveighed against “the billionaires.” He characterized them as a threat to American democracy, but, at least in the sound bites that most of us heard, it was unclear exactly how that threat was being carried out. We tended to assume that it had mainly to do with the influence of money on the campaigns themselves. Ever since the Citizens United Supreme Court Decision, which permitted virtually unlimited corporate funding of campaigns via Super PACs, we’ve been led to believe that the heavy hand of the ultra-rich has been steering the nomination and election process.

There is truth in this, no doubt, but the bigger picture of what political money has accomplished reveals that it flows not just intermittently, during election seasons, but year-round, and underground, and its aim is not merely to support specific candidates, but to influence the overall political thinking of the public.

In the 1970s, a group of men with immense personal fortunes derived from inheritance and corporate or financial enterprises concluded that capitalism was under attack. The youth movement of the late sixties, Ralph Nader’s exposé of General Motors, the Vietnam War and Dow Chemical’s napalm, the creation of the EPA and the Occupational Safety and Health Administration, the Clean Air Act, the tobacco companies’ deceit regarding the health effects of smoking — all contributed to the public’s distrust of corporations and support for increased government regulation of them, along with tax policies that cut into their profits.

In 1971, Lewis Powell, Jr., the future Supreme Court Justice, wrote a famous memorandum at the request of the U.S. Chamber of Commerce, in which he laid out a battle plan to counter the anti-corporate bias of what he saw as the liberal establishment. Those who signed on to this plan were both rich and, politically, either part of the right-wing fringe of the Republican Party, or Libertarians. They believed in free-market capitalism, in no taxation or government regulation of corporations, in the elimination of social security and Medicare and other programs for the poor, and they insisted upon the smallest government possible — one that performed no real function except the protection of private property.

Powell’s plan — which was not made public — called for a massive promotion of free-market capitalism and its associated values via the media, academia, the churches and the courts. But the

plan entailed keeping the public, insofar as possible, in the dark about who was behind the indoctrination campaign. Otherwise, the self-interest of its financial backers would have been generally known, and the message tainted. But how, given the millions of dollars that would be needed to carry out the plan, could funding sources be concealed? And how would this “dark money” be used?

Most of the wealthy backers of Powell’s plan had already created their own private foundations. They got a tax break by doing so, on condition that a relatively small percentage of the foundations’ funds be used for charitable purposes. And, when that foundation money flowed into non-profit, charitable, organizations, the identity of its suppliers could be concealed. That made think tanks an attractive investment. The donors could exercise control over them and ensure that the political messages they generated coincided with their own beliefs. Furthermore, the already existing think tanks — the Brookings Institution, the Rockefeller, Ford and Russell Sage Foundations — all had good public reputations as objective and non-partisan. So, the billionaire backers began to fund right-wing think tanks. Richard Mellon Scaife was a primary contributor to the Heritage Society. Around the same time, the Koch brothers created the Cato Institute. Only in recent years have journalists utilizing political opinions issued by Cato begun to label it as what it has always been: a “conservative” think tank. Other partisan think tanks on the right are: the Hoover Institute, the Ludwig Von Mises Institute, the American Enterprise Institute, and the Manhattan Institute for Policy Research.

Billionaire money has flowed to many other sorts of putatively charitable organizations: advocacy groups, such as Americans for Prosperity (a Koch brothers favorite); the Olin Foundation’s Federalist Society (it nurtures right-wing lawyers); trade associations, such as the American Petroleum Institute; the American Legislative Exchange Council (ALEC), a state-focused group (influential in Idaho) that produces model bills for legislatures, all of them promoting corporate interests; organizations that fund conservative online courses for high schoolers and scholarly “centers” at universities; and fake “grassroots” organizations, now called “astroturf” groups.

Idaho has its own “charitable” organization that is suspected of drawing funds from right-wing billionaires: the Idaho Freedom Foundation. The IFF claims to be an educational organization, though most observers regard it as a lobbying group. It refuses to reveal who funds it, but is said to have received money from the Donor’s Capital Fund, the radical right’s latest money laundering organization that effectively conceals where the funds it distributes come from.

These and similar groups constitute a national, coordinated network of right-wing action and propaganda organizations whose aim is to convince the American people that what’s good for corporate America is good for them. And, at least within the Republican Party, they have been remarkably successful. The Tea Party wing of the party has adopted just those radical anti-tax, anti-regulation, anti-welfare, anti-global warming, anti-government positions that gladden the hearts of corporate CEOs.

But, so what? The billionaires aren't doing anything illegal — at least not blatantly. What's wrong with their voices being heard? Isn't this just an exercise of free speech? And, liberals, too, have their private billionaire-funded foundations, so why object to what “dark money” from the right has accomplished?

I will address those questions in my next column.