



## The Frackopoly Comes to Power

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*The following is an excerpt from Frackopoly: The Battle for the Future of Energy and the Environment:*

*"I think they [the Obama administration] genuinely believe that we can go back to medieval times and have windmills. They truly believe we can have windmills, solar energy, and of course, as you know, that will just take us back to a medieval economy."—Steve Forbes, CEO of Forbes*

In 1964, a group of wealthy funders instigated a radical insurgency that reshaped the political landscape and weakened democracy. Although their ultraconservative presidential candidate in 1964, Senator Barry Goldwater, was defeated in a historic landslide victory by Lyndon B. Johnson, the election spurred the development of a long-term strategy to take back control of the nation.

Business leaders were revolting over the new laws designed to protect public health and the environment. Angered by the stricter requirements for operating factories, mines, and utilities, many of these leaders were resentful of the social transformation that occurred after World War II.

Despite the bloody war in Vietnam, Johnson advanced many progressive social justice goals. His Great Society programs expanded Roosevelt's New Deal, successfully beginning to address poverty, unemployment, and discrimination. Passage of the Civil Rights Act of 1964 and the Voting Rights Act of 1965 began to reverse long-standing wrongs, while the Supreme Court, under Chief Justice Earl Warren, greatly expanded legal rights for classes of people who had long been excluded. Progressive social changes had become mainstream, with Ralph Nader often appearing on television, inspiring a crusade for consumer rights as young people streamed to Washington, DC, to join "Nader's Raiders." In 1970, Nixon, reacting to the growing environmental movement, signed both the National

Environmental Policy Act and the Clean Air Act, which had been passed by the majority Democratic Congress. He used an executive order to create the Environmental Protection Agency (EPA), consolidating federal activities around environmental monitoring, standard

setting, research, and enforcement, an action that had no impact on the budget. Nixon, who was no environmentalist, also vetoed the Clean Water Act because of its cost. He was caught on tape saying that Ralph Nader and other environmentalists pushing for strict auto pollution standards wanted to "go back and live like a bunch of damned animals." In light of the ascendancy of environmental concerns, however, he was compelled to use pro-environment rhetoric at times and to appear supportive of cleaning up burning rivers and dirty air.

While it is naive to assume that a single event changed history, a 1971 memo to the US Chamber of Commerce from the soon-to-be US Supreme Court justice Lewis Powell was an important marker. A manifesto of sorts, it galvanized corporate interests to revolt. He went on to write the 1978 Supreme Court decision declaring the First Amendment right of corporations to influence elections through contributions.

He advised corporate leaders to organize, saying, "Strength lies in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action and national organizations." He also wrote, "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. ... Much of the media ... accords unique publicity to these 'attackers,' or at least allows them to exploit the media for their purposes." He singled out one individual: "Perhaps the single most effective antagonist of American business is Ralph Nader, who -- thanks largely to the media -- has become a legend in his own time and an idol of millions of Americans."

Powell's memo, titled "Attack on American Free Enterprise System," became a call to action among the moneyed leaders of the right-wing insurgency. Cultural studies scholar Dr. Henry Giroux describes it as a "theoretical framework and political blueprint" to attack democracy. Giroux says that wealthy funders Joseph Coors in Denver, Richard Mellon Scaife in Pittsburgh, David and Charles Koch in Wichita, and a handful of other rich dynasty heads became a "formidable alliance" to create an "ultra-conservative re-education machine ... in which everything tainted with the stamp of liberal origin and the word 'public' would be contested and destroyed."

To this end, an array of right-wing advocacy groups such as the Heritage Foundation and the Cato Institute would go mainstream. Hundreds of right-wing institutes, centers, organizations, and front groups were formed based on Powell's road map to destroy liberalism. Over the next forty years, social, economic, and environmental progress was whittled away. Part of this legacy is the Frackopoly.

In 1966 millionaire ideologues selected former actor Ronald Reagan, known for his communication skills, to run for California's governorship. They included oilman Henry Salvatori; Cy Rubel, head of Union Oil; Holmes P. Tuttle, an owner of Ford dealerships; Justin Dart, heir to the Walgreens drugstore chain; industrialist Jack Hume; Leonard Firestone, of the tire empire; and oil and entertainment magnate Jack Wrather.

After an unsuccessful presidential primary run in 1976, Reagan spent the next four years preparing to oust Carter from the presidency. By 1980 Reagan was recognized as the candidate

who could take back America for corporate interests that especially hoped to eliminate antitrust laws. His closest advisers and funders had expanded greatly, with individuals from the oil exploration (Leon Hess, Ed Noble, Norton Simon), construction (J. Robert Fluor), tourism and recreation (Barron Hilton, Walter Knott, J. Willard Marriott), agribusiness and real estate (William Wilson, Charles Wick, Irvine Corporation), supermarkets (Theodore Cummins), textiles (Roger Milliken), and beer (Coors) industries.

Later, Reagan added the spouses of his wife Nancy's closest chums to his "kitchen cabinet." They included Pennzoil heiress Betty Wilson and her husband, oil equipment manufacturer William Wilson; Betsy Bloomingdale, married to Diners Club co-founder Alfred Bloomingdale; and Marion Jorgensen, wife of steel tycoon Earle Jorgensen. Billionaire TV Guide owner Walter Annenberg, and Armand Deutsch, Sears Roebuck heir and retired movie producer, also were closely associated with the Reagans.

But his most important adviser was his lawyer, William French Smith, who served as Reagan's attorney general from 1981 to 1985. Acting as a primary architect of Reagan-era policies, he facilitated the abandonment of antitrust enforcement and civil rights objectives, while promoting secrecy and censorship. A scion of an old New England family, Smith was a member of the Los Angeles law firm Gibson, Dunn, and Crutcher. His importance to Reagan can be summed up by a remark made by Holmes Tuttle when Reagan was governor. He said that Reagan's closest confidants "never made a move" without first asking, "Has this been cleared with Bill Smith?"

Reagan's administration set about reforming the image of laissez-faire capitalism -- the belief that government should play no role in the economy. Rather than recognizing the economy as an institution that operates based on rules created by political decisions, they transformed the marketplace into an omnipotent natural system that is ruined by human interference. To justify their attack on antitrust rules, the reactionaries turned to the Chicago School academics who begun proselytizing against restricting monopolies.

In the 1950s, economist Aaron Director, who was extremely hostile to any efforts to prevent monopolistic behavior, conducted research at the University of Chicago. Director, whose sister married another conservative Chicago School economist, Milton Friedman, influenced many of the people who waged war on antitrust laws. Among his students and protégés were John McGee, Robert Bork, and Richard Posner.

John McGee is not well known to the public, but he is revered by the generations of ideologues who studied his "seminal" article defending John D. Rockefeller's Standard Oil. McGee's article, "Predatory Price Cutting: The Standard Oil (NJ) Case," used efficiency arguments to buttress his defense of the predatory practices of the oil robber barons. Milton Friedman and the future Federal Reserve chairman Alan Greenspan built on his ideas. A follower of the radical libertarian novelist Ayn Rand, Greenspan attacked antitrust laws as a "jumble of economic irrationality and ignorance."

Conservative jurist Robert Bork took the Chicago School's economic views and created a legal argument for defending the biggest businesses as good for "consumer welfare." While Reagan's nomination of the radical Bork to the US Supreme Court was defeated, his justification for eliminating meaningful antitrust enforcement has left a terrible legacy, including the powerful Frackopoly.