



# Corporate Oligarchy Replaced Democracy Long Ago

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Donald Trump's indictment for criminal behavior has no precedent in American history. How could a functioning democracy choose such a man as President?

There's the rub. Trump was not elected in a functioning democracy. Ronald Reagan and a toxic Supreme Court signed its death warrant years ago.

In his manic neoliberal drive to deregulate the economy Reagan suspended enforcement of the anti-trust laws. The resulting frenzy of mergers and acquisitions concentrated every American industry into a small handful of titanic corporations.

Supreme Court decisions endowed these corporations with Constitutional rights of personhood, and declared spending money a form of free speech. As the 20th century faded, consequently, a tsunami of corporate money defeated American democracy, displacing it with a *de facto* corporate oligarchy—which then retained the Republican Party as its champion.

The money flows in two channels: corporate campaign contributions precondition elected officials to be friendly and accommodating listeners, and then corporate lobbyists articulate the detailed requests. As a result public policy today systematically favors corporate interests, over the welfare of the American people.

Yes, a veneer of democracy remains. We vote people into office, but who controls the policy outcomes? It wasn't the will of the people to repeal Glass-Steagall in the 1990's; the Wall Street banks were delighted. It wasn't the will of the people to invade Iraq in

2003; the oil and armaments industries were delighted. It wasn't the will of the people to cut the corporate tax rate by 40% in Trump's Tax Cut and Jobs Act of 2017; every corporation in America was delirious. In every case the nation suffered, as massive wealth was shifted upward.

The wellspring of corporate oligarchy was the "Powell Manifesto," written by corporate attorney Lewis Powell, and published in 1971 by the U.S. Chamber of Commerce. The Manifesto was a neoliberal creed, condemning government interventions in free markets and praising the efficacy of private enterprise. It was so appealing to corporate America Joseph Coors immediately founded the Heritage Foundation with a grant of \$250,000, the Koch Brothers doubled that in setting up the Cato Institute, and a moribund rightwing research shop was transformed into the American Enterprise Institute. Since then these three think tanks have dominated the thinking, policy positions, and even staffing of Republican Administrations. They also demonstrated the appeal of neoliberalism in presidential campaigns The Democratic Leadership Council embraced neoliberalism in 1992 and put Bill Clinton in the White House, to announce "the end of welfare as we know it" and "the era of big government is over."

The Powell Manifesto, then, succeeded in normalizing and popularizing neoliberalism. But corporate oligarchy was not yet possible: corporations were prohibited from contributing to political campaigns, by the Tillman Act of 1907.

Lewis Powell was up to the challenge.

In 1972 President Richard Nixon appointed Powell to the Supreme Court. Four years later the Court heard the case of *Buckley v. Valeo*. Powell voted with the majority, to establish in law that candidates spending money for political campaigns is a form of free speech, protected by the First Amendment. Two years later, in *First National Bank of Boston v. Bellotti*, Powell wrote the majority decision: speaking freely by spending money is the Constitutional right of corporations as well.

But corporate oligarchy was still beyond reach, because corporations in America were very small, very many, and very much in competition with each other, industry by industry. Few of them could afford to spend much on political campaigns, or lobbying.

Until Ronald Reagan encouraged them to buy up their competitors, aggregating pools of financial resources of unprecedented magnitude. Corporate oligarchy blossomed and brought with it the disastrous consequences: a shrinking middle class, hunger, homelessness, a floundering healthcare system, unending warfare, crumbling public education, savaged labor unions, a climate crisis, a tiny stratum of obscene wealth and growing poverty for everyone else.

The drivers and the history of corporate oligarchy are well known and documented and have been for years. In 1992 William Greider pioneered the alarms, with his book, *Who Will Tell the People? The Betrayal of American Democracy*. David Korten's book followed in 1995: *When Corporations Rule the World*. In 2004 Lisa Duggans' book appeared: *The Twilight of Equality? Neoliberalism, Cultural Politics, and the Attack on Democracy*. More recently Daniel Lucks' work appeared: *Reconsidering Reagan: Racism, Republicans, and the Road to Trump*, in 2020. Thom Hartmann's book in 2019 is entitled, *The Hidden History of the Supreme Court and the Betrayal of American Democracy*. A companion volume followed in 2022, *The Hidden History of Neoliberalism: How Reaganism Gutted America and How to Restore Its Greatness*.

Such books, and periodicals, radio talk-shows, and progressive websites have developed a groundswell of resistance intent on restoring democracy.

Trump's indictment is an optimistic sign. It constitutes an inflection point, the first direct challenge to corporate oligarchy. The Republican Party is more than outraged: it is terrified, and so are the party's masters, the billionaire and corporate oligarchs.

Donald Trump is critical to their prosperity and to their future. Ever more clearly the Republican Party is pushing the country into fascism, and to be firmly implanted fascism requires, indispensably, a charismatic demagogue. Donald Trump displayed his genius as

such in his campaign for the White House and in his subsequent and frequent rallies. No one visible in the country today can match him: Trump must survive. For the Republican Party and its benefactors, losing Trump means losing the ballgame.

The ballgame is in jeopardy. Almost certainly Trump's indictment on the hush-money issue presages more indictments to follow, on far more serious charges, at the hands of Fani Willis in Georgia and Special Counsel Jack Smith at the Justice Department. The trials will stretch on for months, exposing Trump's actions and his persona to public scrutiny day after day: his support is far more likely to erode than to expand.

This is fortunate; the 2024 presidential election looms, and it will be arguably the most critical in modern history. We will not likely see Trump in the White House again, and hence will escape a charismatic demagogue and full-strength fascism. But any of Trump's Republican competitors, if elected, will cement corporate oligarchy in place.

If the resurrection of democracy is to proceed, a Republican Administration is unthinkable.

Heads up.