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## Why The 1 Percent Needs Google and Facebook

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When Charles Koch founded the Cato Institute in 1974, his mission (in words from Cato's journal) was "protecting capitalism from government." That meant the end of public education, Social Security, Medicare, Medicaid, the Environmental Protection Agency, as well as cutting taxes on the rich and government regulations on business. It was a tall order—but now, for the first time in 44 years, Koch and his billionaire libertarian friends like Robert Mercer and Peter Thiel are within sight of their goal of building a true oligarchy (Aristotle's "rule by the rich"). The current Trump tax cut will deliver billions of dollars into the pockets of the Koch's, the Mercer's, the Trump's, and their heirs. Creating a political economy in which the wealthy minority rule over the middle and lower class majority is a hard task. It requires mechanisms that suppress voting and mechanisms for propaganda that convince middle class voters that cultural divisions are more important than economic equality. In both these tasks, Google and Facebook have been a key to the success of the 1 percent.

The role of the internet in propaganda and voter suppression is a two-pronged attack. Aldous Huxley's *Brave New World* foresaw our current dilemma—Huxley's assertion was that technology would lead to passivity. The ease with which we could consume mind-numbing entertainment and distractions would ultimately rot our democracy. And this is exactly what may be happening. In the 2016 presidential election, 94 million citizens who were eligible to vote declined to exercise that privilege (compared to the 136 million who voted), according to the United States Election Project. And a much larger percentage of millennials are nonvoters. As Kevin Drum reported in Mother Jones, "In 1967 there was very little difference between the youngest and oldest voters. By 1987 a gap had opened up, and by 2014 that gap had become a chasm." Beyond the extreme apathy, Republican legislatures in many states have instituted far more restrictive voter ID laws, which have also contributed to lower voting rates. But Steve Bannon wasn't content to leave voter suppression to chance. One of his brilliant moves was to circulate memes on Facebook targeting only African American voters with the text: "Hillary Thinks African Americans are Super Predators." By all accounts it was a successful voter suppression strategy.

But it is the internet as a propaganda machine that really changed the game in 2016. The notion of right wing propaganda is not new. Rush Limbaugh's rise paralleled that of Ronald Reagan's. Fox News was launched in 1996 and was in enough markets by 2000 to help elect George W. Bush. But the use of social media as a propaganda organ is distinctly different from radio and TV. For one, our smartphones are with us every waking hour—we check our phones on average 150 times per day, and Facebook alone gets 54 minutes of our time per day. But as the experts of Cambridge Analytica, Robert Mercer's data-mining firm, have explained, their ability to scrape your most intimate feelings about subjects like race or immigration from Facebook and then

reflect them back to you in dark post ads—custom tailored to evoke an emotional response—is an unprecedented form of manipulation.

The ability to use notifications to interrupt our other activities combined with the ability to deliver random rewards like a slot machine (likes) leads to addictive behaviors that make us perfect receptors for propaganda. What Bannon understood was that a fake news article (The Pope endorses Trump, for example) linked to a Facebook page and then bombed with a million bots can move the article to the top of Google search and Facebook Trending Topics almost instantly. As former Google engineer Tristan Harris wrote in a memo he sent me, “Bot networks are used to intimidate users, fabricate social consensus, manipulate #trending topics, propagate disinformation and manipulate public opinion.” The result was that Facebook was flooded with fake news stories, with BuzzFeed reporting that “in the final three months of the US presidential campaign, the top-performing fake election news stories on Facebook generated more engagement than the top stories from major news outlets such as the New York Times, Washington Post, Huffington Post, NBC News, and others.”

The current disclosures by Facebook and Twitter of Russian-financed propaganda on their platforms is but the tip of the iceberg. Facebook has revealed the purchase of \$100,000 of advertising by a Russian group with ties to the Kremlin, and it shut down 30,000 fake accounts before the French election earlier this year. The tech behemoth needs to tell us the number of fake accounts in the U.S. they have shut down since the American election, and if any of those accounts purchased political ads. In addition Facebook needs to reveal the content of the millions of dollars worth of “dark post” ads purchased by the Trump campaign using Facebook’s and Cambridge Analytica’s micro targeting technology. Given that these were paid political advertisements, there is no privacy excuse Facebook can proffer for keeping these ads secret.

For years the Chicago School economists to whom the Koch brothers looked for inspiration had pondered the dilemma that the majority had rejected their ideas. University of Chicago economist George Stigler suggested that what was needed was “the restriction of the franchise to property owners, educated classes and employed persons.” In other words, a return to the 19<sup>th</sup> century. As Nancy MacLean noted in *Democracy in Chains*, the Koch’s main advisor, James Buchanan, has “argued that representative government had shown that it would destroy capitalism by fleecing the propertied class—unless constitutional reform ensured economic liberty, no matter what most voters wanted.”

We have been here before. But not since the days at the turn of the 20<sup>th</sup> century, when Teddy Roosevelt took on the monopolies of John D. Rockefeller and J.P. Morgan, has the country faced such concentration of wealth and power. Peter Orszag and Jason Furman, economic advisors to President Obama, have argued that the fortunes created by the digital revolution may have done more to increase economic inequality than almost any other factor. Men like Koch and Mercer and their paid politicians like Donald Trump, Paul Ryan, and Mike Pence are determined that “this time is different.” Over the last 40 years they have watched the gains for their cause of “economic liberty” under Reagan and George Bush be erased by the raised taxes and regulation under Bill Clinton and Barack Obama. They are determined to hold on to power for the next generation until there is no more government funding for education, no EPA, no Social Security, no Medicare, no unions. The sole purpose of government will be to pay for the police to guard their mansions from the inevitable civic unrest caused by their crusade.