

# The New York Times

## Tracing the Great Recession to a Memo 40 Years Ago

### ‘Heist: Who Stole the American Dream?,’ a Documentary

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“Heist: Who Stole the American Dream?” is a documentary polemic that comes out swinging. Immediately after the film’s opening scene of an Occupy Wall Street demonstration, a chipper narrator announces:

“The mess we’re in now did not begin on Wall Street. Long before the financial collapse, the dismantlement of government regulation was well under way. All the consequences are the result of a brilliantly executed coup. This is the story of the biggest heist in American history.”

Coup? The common notion is of a group of generals overthrowing a government and installing a military regime.

Heist? The word conjures images of masked, armed crooks robbing a bank and escaping in a getaway car.

But in today’s political climate of overheated rhetoric, dropping loaded words may be the only way to get attention.

Be that as it may, this project, produced and directed by [Frances Causey](#) and Donald Goldmacher, has the virtue of taking the long view of a crisis that recent films like [“Inside Job”](#) and [“Too Big to Fail”](#) have only sketchily explored. It makes a strong case that government regulation of business is essential for democracy to flourish. One of many pertinent observations from a host of experts is that the rich really don’t need the government as much as everybody else.

Ms. Causey, who had a 14-year career as a journalist for CNN, wrote [“Heist”](#) with Hollis Rich. Mr. Goldmacher is a documentarian whose first film, “Do No Harm,” examined the marketing and research practices of the pharmaceutical industry.

To say that the ideas in “Heist,” which locates the source of our current troubles in a famous 1971 memorandum, belongs to the paranoid conspiracy school of history is not to suggest that its point of view isn’t fairly persuasive. Conspiracies exist.

The seeds of the financial crisis, the film maintains, were sown by Lewis F. Powell Jr., a Virginia lawyer and representative of the tobacco industry who later became an associate justice of the United States Supreme Court. In [a confidential memo](#) to the United States Chamber of Commerce, “Attack on the American Free Enterprise System,” he urged American corporations to take a much stronger role in influencing politics and law.

The memorandum helped spur the formation of advocacy research organizations like the Heritage Foundation and the Cato Institute and paved the way for lobbyists to descend on Washington. In 1978, while on the Supreme Court, Powell successfully argued for the right of corporations to make political contributions.

The movement to deregulate government control of corporations and to disempower organized labor accelerated after the 1980 presidential election. An early public battle in 1981 pitted Ronald Reagan against striking air traffic controllers. The film says that the number of American workers in unions has dwindled to 1 out of 14, from 1 in 3 in the 1950s.

The filmmakers swiftly tick off legislation that they regard as concerted class warfare waged by corporations in collusion with corporate-controlled news media against the middle and working class: Starting in 1994, the North American Free Trade Agreement, which encouraged the outsourcing of cheap labor; the 1999 repeal of parts of [the Glass-Steagall Act](#), which had separated commercial and investment banking; and the Commodity Futures Modernization Act of 2000, which deregulated over-the-counter derivatives, allowed financial institutions to run wild. Both major political parties, they argue, promoted deregulation fever.

“Heist” feels rushed. Many of its points could use elaboration. Its final section is a to-do list delivered in the tone of a high school civics teacher: restore fair taxation; make Wall Street play by the rules; build communities; develop efficient and sustainable energy through “a green New Deal”; and restore the labor movement.

It all sounds peachy. The only way for these things to happen is through a widespread grass-roots awakening. (To point the way, the film offers scattered hopeful examples of constructive, do-it-yourself activism.) The Occupy Wall Street movement may be a sign of that. Or not.