



The Big Three Myths Fabricated By Right-Wing Fabulists to Frame America's Elections

By Jim Hightower - 10/4/2012

Bootstrap BS, Grover Norquistian nonsense, and plutocratic pouts of corporate elites

During the past several years, a mess of plutocratic myths has been growing like kudzu across our political landscape. This aggressive ideological vine has crept from place to place, incrementally covering over the vital spirit of egalitarianism that defines us as Americans and unites us as a society. Deliberately planted and nurtured by various Koch-funded front groups, these invasive myths (let's dare call them lies) have been spread by assorted Ayn-Randian acolytes, advancing the anti-democratic notion that corporations and the wealthy are America's most able, virtuous, and deserving citizens.

Now, with the presidency and total control of Congress up for grabs in this election year, the Koch-Randians are going all out to entangle the national policy debate in their lies, the essence of which comes down to this overriding whopper: Government is an immoral, blundering menace that must be shoved aside so a virtuous society run by gifted, self-reliant "strivers" and efficient corporations can flourish. If you swallow that bucket of Kool-Aid, you might then be able to accept all sorts of the right-wing's current phantasmagoric policy proposals:

- **Medicare must be replaced** with a privatized "VoucherCare" (or, more accurately, "WeDon'tCare") medical system;
- **All poverty programs must be slashed** or eliminated to "free" poor people from a crippling and shameful dependency on public aid;
- **The government framework** that sustains a middle class (from student loans to Social Security) must be turned over to Wall Street so individuals are free to "manage" their own fates through marketplace choice;
- **Such worker protections** as collective bargaining, minimum wage, and unemployment payments must be stripped away to remove artificial impediments to the "natural rationality" of free market forces;

- **The corporate and moneyed elites** (forgive a bit of redundancy there) must be freed from tax and regulatory burdens that impede their entrepreneurial creativity;
- **The First Amendment must be interpreted** to mean that unlimited political spending of corporate cash equals free speech; and
- **Etcetera, ad nauseam, ad infinitum.**

The whopperites are trying to pass this stuff off as some sort of deep political "philosophy" rather than confessing that it is what it is: Shameless kleptocratic doggerel intended to disempower the many and enthrone the privileged few. So, this issue of the Lowdown takes them on, debunking The Big Three Major Fables of Plutocratic Theology they've put out to try and frame the 2012 election.

1. THE "SELF-MADE" MYTH:

The greatness of America, goes this one, is derived from the individual efforts of the strong. These are the "producers" -- the worthy ones who make it on their own, never needing a helping hand or accepting any kind of freebie (certainly not from the government). The claim is that these admirable achievers often rise from the humblest of origins to create a business and attain personal success, overcoming such hurdles as union organizers, government meddlers, and other "parasites."

We're talking bootstraps, baby: Horatio Alger and Ayn Rand's fictional supermen, the industrial barons of the late 1800's, today's up-from-nothing high-tech billionaires, and such royal families of the corporate plutocracy as Coors, DeVos (Amway), Koch, and the Waltons of Walmart. In addition, all across the country, legions of lesser lights shine with self-lit luminosity, proclaiming their self-made success, ranging from the richest landowner in town to -- well, maybe -- to your own worthless Rush-Limbaugh-worshiping brother-in-law, who, bizarrely, sits in his well-worn La-Z-Boy, prattling on about how, by God, he got where he is without any government help.

This assertion of individual exceptionalism is said to be grounded in the 19th century writings of the eminent French political thinker and historian, [Alexis de Tocqueville](#). Having traveled extensively in our country, de Tocqueville offered his assessment of the American character, and today's hyper-individualists hail him for proclaiming that "self-interest" is the driving ethic and special genius of our society. See, exult the true believers, even a Frenchman can see that greed has been a social good, for it unleashes the entrepreneurial creativity of the righteous rich.

In July, Barack Obama stumbled into the unforgiving brambles of this myth when he [said in a Virginia speech](#): "If you've got a business -- you didn't build that. Somebody else made that happen." Instantly, the Republican echo chamber went KABLOOIE! "Obama Insults Small Business Owners," screeched Fox TV,

and Lord Limbaugh, with his usual sophisticated analysis, snarled that the comment shows that Obama "hates this country."

But wait -- the whopper-tellers were intentionally editing Obama to pervert his meaning. [Here's his comment in context:](#)

"If you were successful, somebody along the line gave you some help... Somebody helped to create this unbelievable American system that we have that allowed you to thrive. Somebody invested in roads and bridges. If you've got a business -- you didn't build that."

It was the roads and bridges that Obama was referring to, not the business! He even went on to say explicitly, "We succeed because of our individual initiative, but also because we do things together."

Despite the storyline of today's libertarian fabulists, even those stern, 19th century titans of American industry --Astor, Carnegie, Duke, Gould, Mellon, Morgan, Rockefeller, Vanderbilt, et al. -- were hardly paragons of go-it-alone individualism. Far from hating government, these self-proclaimed "free enterprisers" were extremely enterprising at freeing up government power and resources to help them amalgamate their private empires and personal fortunes. They brazenly bought public officials, laws, regulations, and court rulings to get subsidies, land, permits, rights-of-way, contracts, monopolies, police actions, and other major government benefits.

[**Tidbit:** During August's GOP national convention in Tampa, a right-wing outfit tried to mock Obama's "You didn't build that" remark by throwing a grandiose soiree titled: "Salute to Entrepreneurs Building America." What entrepreneur, specifically, did the group salute? [David Koch](#)! Odd -- since this "bootstrapper" started out with gold-plated boots, having inherited a fortune and an ongoing industrial business from his millionaire daddy. And, while David and older brother Charlie did increase the wealth of the family empire, they did so in large part by deploying a pack of mad-dog lobbyists to protect and extend the massive government subsidies the Kochs still get for their "private" enterprises. **Bonus tidbit:** Guess who founded, funds, and directs the group that sponsored the salute to David? Right! David himself.]

Finally, let's revisit the claim that de Tocqueville saw "self-interest" as a great American virtue. This turns out to be another slice-and-dice job by the mythologists. As economist [Joseph Stiglitz](#) pointed out in an article last year, what the Frenchman actually admired was the fact that American society embraced what he called "self-interest properly understood."

The unedited phrase conveys the opposite meaning of crass selfishness. It says that to understand what is really in your self-interest, you have to ponder how others will feel and react if you just grab yours and say to hell with everyone else.

In de Tocqueville's assessment, Americans have an ingrained sense that we're all in this together -- a characteristic that tempers the animalistic, gorge-yourself-and-go impulse. This is not derived from altruism, he noted, but a pragmatic realization that one's well-being in a democratic society is inextricably tied to everyone else's well-being. In short, we need each other. That understanding is the essence of America's uniting ethic of the common good -- a concept so essential to who we are that the Founders engraved it right at the top of the Constitution, declaring that a core purpose of this nation's historic experiment in self-government is to "promote the general welfare."

2. THE "GOVERNMENT CAN'T DO ANYTHING" MYTH.

This hoary canard has been around since there's been a right wing, but it's been pushed relentlessly since the Reagan era by such hawkers of corporate-think as the Cato Institute (founded in 1974 by Charles Koch). This is the founding myth of today's Grover-Norquistian nonsense that we must privatize every public function and reduce government to a mere appendage of the corporate order. The claim is that corporate executives are necessarily efficient, cost-effective managers who must be responsive to consumer (i.e., public) wants and needs, so better that they should run things than the bloated, self-serving, out-of-control, do-nothing bureaucracies of government.

Where to start? How about with Mitt Romney's rebuke of the president's "you didn't build that" statement? "To say that," [snorted the vulture capitalist](#) from Bain, "is to say that Steve Jobs didn't build Apple Computer." No, Mr. Mitt, it's to say that Jobs couldn't have built it without the helping hand of the so-called do-nothing government. The internet, for one monumental example, was invented in a government laboratory and developed with federal funding, and the computer itself was the product of public financing, not of corporate investment. As Colin Greer notes in [an excellent article](#) on government's role in fostering economic growth, even the core technologies of Apple's hugely profitable iPhone (from the microchips to the voice control technology) came from years of government funding and research.

Where would Jobs have been without the government's constant, Brobdingnagian investment in and construction of America's infrastructure? Alexander Hamilton's Erie Canal, the New Deal's nationwide extension of electric power, FDR's federally-financed-and-directed mobilization of US industry in WWII, the GI Bill that extended college education to ordinary families, Ike's interstate highway network, the technological leaps produced by NASA under JFK and LBJ, and so forth? This truly is government in action -- innovator, builder, job creator -- quite the opposite of the kudzu being spread by the corporatists.

As for bloated, self-serving, out-of-control bureaucracies, how about dealing with insurance giants, credit-card gougers, cable TV monopolists, or Wall Street banksters? The corporate entity is an arrogant, autocratic, unaccountable fiefdom

that insists it has no responsibility to anyone but its top executives and big investors. Cutting every corner it can -- on workers, customers, suppliers, shareholders, products, services, communities, the environment, public health, our nation, ethics, and the law -- is considered a legitimate part of the corporate business plan. Why bring this malicious ethos into the public sector?

Then there's the counter-intuitive assertion that privatization saves money for taxpayers by replacing "overpaid" government workers. Well, corporations certainly are energetic pay-slashers when it comes to workers, but -- hello -- the corporation tacks a hefty profit onto each job it snatches, plus adding on such overhead costs as the CEO's lavish pay, the palatial corporate headquarters, and marketing expenses.

Still, the myth persists, kept alive by such tireless promoters as the Heritage Foundation, yet another Koch-financed front group. In 2010, a [team of Heritage fabricators](#) issued a report showing that federal wages were 22 percent higher than what privatized workers would get for doing the job. Heritage's hide-the-pea calculation, however, counted only the salary of the contract employee, not the total that the corporation charges the government to provide that worker.

Last fall, the watchdog [Project On Government Oversight](#) analyzed the full price (called the "billable rate") for [farming out a public job](#). On average, corporations charge more than double the amount that a public employee costs. An in-house computer engineer, for example, costs taxpayers \$136,000 a year (including benefits and administrative expenses), while the outsourced rate for the same work was \$268,000.

Where are the "deficit hawks" when we need them? Hiding this billable-rate reality, that's where! They have their heads stuck deep up their own ideology as they willingly force taxpayers to pay billions of dollars extra each year for privatized workers. According to the last count, contractors had grabbed 7.6 million of our federal jobs -- nearly four times the 2 million public employees in the federal workforce.

3. THE "GOVERNMENT PUNISHES SUCCESS" MYTH.

This one is personal. It's the cry of the country club -- the long, high-pitched whine of the smug super-rich and corporate chieftains who feel put upon by a public that "envies" their wealth and by "moochers" who want to seize the rewards that the achievers have earned. Thus, goes the myth, Big Government redistributionists feel free to sock the successful with burdensome taxes.

Romney has plopped this plutocratic pout right into the center of the presidential campaign, denouncing Obama for even daring to point out the widening chasm between the rich and the rest of us. Obama "attacks success," [wailed Romney](#) when the Democrat went after his ducking and dodging on the issue of

his personal use of offshore tax shelters and a secret Swiss bank account. Then came [The Video](#) -- Romney, speaking to a group of fellow millionaires at a \$50,000-a-plate fundraiser in Boca Raton, was caught on camera casually sneering at almost half of the US population, dismissing them as slugs who're "dependent upon government." They "believe that they are victims," Romney opined, adding condescendingly that they are "people who pay no income tax."

There's the rub for the far-right rich these days. They've internalized a self-pitying myth that they alone are forced to shoulder America's tax load, while 46.4 percent of the people pay zero federal income tax. To add to the outrage of the swells, these "shirkers" are also said by the whopperites to be "takers" who're on Social Security, Medicare, Medicaid, unemployment comp, food stamps, veterans benefits, and (in Mitt's words) "you-name-it."

Let's dissect this urban legend. First, who are these freeloaders, these "[lucky duckies](#)," as the Wall Street Journal calls them? Overwhelmingly, [they're poor people](#)! They're those who labor in menial jobs that pay less than \$9,750 a year, (the level at which they'd begin owing income tax); low-paid single moms and even some of our poorly paid soldiers in Afghanistan who qualify for the Child Tax Credit; disabled veterans and people maimed on the job; and elderly folks whose Social Security benefits are too low to be taxed. Yeah, lucky duckies all!

Second, while 46 percent of Americans don't pay income taxes, they do pay billions of dollars in federal payroll and excise taxes and fees. These are very regressive assessments -- people who earn \$20,000 to \$33,000 a year pay 10.5 percent of their income in such taxes, while those hauling in more than \$450,000 pay less than half that rate. Likewise, state and local taxes hit low- and middle-income people disproportionately hard -- those earning under \$20,000 a year, for example, shell out 12.3 percent of their pay for state and local taxes, while the \$450,000 class pays only 7.9 percent.

Then there is the gnashing of right-wingers' teeth over the "crushing" 35 percent tax rate that US corporations face. It's a job killer and a stifler of economic growth, they sob, lambasting it as the second highest rate in the world. Well, yes, unless you figure in the plethora of loopholes punched into the tax code by corporate lobbyists.

Corporate executives are gold medal champions in the Olympic sport of Creative Tax Dodging, which results in American corporations ending up with [the second lowest tax payments](#) in the developed world -- not only lower than corporations pay in such globally competitive nations as Japan, Canada, Sweden, and Korea, but also lower than the amount paid in the Czech Republic, Hungary, Turkey, and Slovenia.

In [a comprehensive study](#) released last November, the nonpartisan Citizens for Tax Justice analyzed the actual tax bills paid by 280 of America's biggest

corporations in the previous three years. They averaged paying only half the official 35 percent rate, and a fourth of them paid less than 10 percent. Thirty of the giants paid zero during those three years. Among these was General Electric, which had a \$5 billion profit on its US operations alone in 2010. Far from paying Uncle Sam, GE got a \$3.2 billion tax rebate for that year -- a product of the 1,000 accountants, lawyers, lobbyists, and voodoo artists on its internal tax team. "We are committed to complying with the rules and paying all legally obliged taxes," said a spokeswoman. Sure -- rules they write.

You might remember that Obama appointed General Electric's CEO, Jeffrey Immelt, to be chairman of the President's Council on Jobs and Competitiveness in 2011. So much for punishing success.

Debunk Their Bunkum

By no means are the Big Three Myths that I've covered here the only ones that the plutocracy promoters want us simply to "believe" (a word, you might notice, that has LIE positioned right at its center). But this trio of myths -- "Self-Made," "Government Can't Do Anything," and "Government Punishes Success" -- are the key perversions of language and truth they have crafted to detour us off of America's historic path to egalitarianism, plunging us instead down the rabbit hole of corporate rule.

If we are to stand up successfully to the myriad corporate policies and laws that they want to impose on us, we must confront, expose, and reject at every turn their nefarious lies. Don't let them rewrite the basic truth that unites us as a democratic people: We need each other for all of us to succeed, both personally and as a nation.

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