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Strong Press, Strong Democracy

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Some Curious Omissions

The New Yorker and Social Security

By Trudy Lieberman

A recent *New Yorker* piece **tells us a lot** about the behind-the-scenes politics and ideology driving much of the public discussion during this election season. It's worth a read for anyone craving more depth than they get from the usual sources. But it omits some crucial context about this year's hot button issue—Social Security.

Jane Mayer has written an admirably detailed and revealing narrative about the billionaire Koch brothers, whose family became rich in the oil business. Two of the brothers, David and Charles, turned into lifelong libertarians, and now use their money in an attempt to guide public debate in ways that suit their pro-corporate ideology. Mayer's piece points out where the Kochs spend their money, how they're linked to groups such as Americans for Prosperity (which in turn has links to the Tea Party movement), and how it has funded other enterprises ranging from conservative think tanks in Washington to cultural institutions in New York City.

It is the Koch's subsidization of the pro-corporate movement, Mayer writes, that in many ways fulfills the vision former Supreme Court Justice Lewis Powell laid out in a 1971 memo for the U.S. Chamber of Commerce, urging American business to fight back against threats to the free enterprise system—threats not from Communism or the New Left, but from “respectable elements of society” like intellectuals, journalists, and scientists. Powell called for a long-term, unified campaign to change public opinion, and thanks to the Koch brothers (and others), that ongoing crusade has begun to show results—this year manifesting itself in the fight over Social Security.

Mayer notes how the Kochs provided the funds to start the Cato Institute, the country's first libertarian think tank, and how Cato—now with a staff of more than one hundred full-time employees—sends forth policy papers pushing such issues as corporate tax cuts, reductions in social services, and laissez-faire environmental policies. She illustrates that agenda item with Cato's efforts to discredit calls to stop global warming and to raise skepticism about climate change. The oil business and climate change don't mesh. She also told about how David Koch had helped found another right-wing think tank, Citizens for a Sound Economy, which was also active in the 1990s. A few years ago, internal rivalries caused that group to split apart, and Koch went on to sire its offspring, Americans for Prosperity. This group, Mayer reported, helps “educate” Tea Party activists on the fine points of policy details and gives them next-step training after their rallies.

Mayer gave a lot of details about the Kochs' personal lives, some of which could have been left

out in favor of a robust explication of the role of Cato and Citizens for a Sound Economy in changing the thinking about the third rail of American politics. Those groups softened the ground for the assault on Social Security being waged today.

In the mid-1990s, both Cato and Citizens for a Sound Economy provided the intellectual power behind the movement to privatize Social Security, bringing the concept to the attention of policymakers and the media. Cato, with funds raised from American business, including Wall Street firms, sent Chile's ex-labor minister, Jose Pinera, on a road show to promote the virtues of privatization in Chile, which had occurred a few years before. It funded focus groups showing that baby boomers thought of Social Security as a dodo bird or a dinosaur, and fashioned the privatization sales pitch around the idea as described by Cato's Michael Tanner that "it's time to redesign Social Security for the future" with a "new program to answer the young." Cato began to exploit the generational compact that undergirds Social Security. Opponents are continuing to do that today.

Cato also targeted the media big time, and began to cast doubt on Social Security in the minds of reporters and editors through information breakfasts and gobs of materials designed to sow the seeds that privatization was the makeover needed to save a broken system. For the most part, the press bought in, I reported in *The Nation* in early 1997. So many anti-Social Security stories were appearing, I wrote, that the AFL-CIO and the AARP held their own media briefings. The AFL-CIO's Gerald Shea told me that he and his colleagues discovered that journalists had a deep cynicism about Social Security and "took it personally that they couldn't keep their own money." Perhaps the seeds sown by Cato are now bearing fruit as seen in the absence of serious, in-depth reporting on Social Security that Campaign Desk has **observed**. The long-term strategy to change public opinion that Mayer noted seems to be paying off.

Citizens for a Sound Economy, too, was active in the privatization drive with its own portfolio of projects. At the time, I reported that privatizers were "engaging in one of the most concerted, sophisticated and deceptive sales campaigns in recent times." Leila Bate, who was then in charge of tax and budget policy for Citizens for a Sound Economy, said that the think tank planned to spend "millions" on the privatization effort. "Unless your average American buys into this, the best-laid plans have no chance of success," she said.

As good as Mayer's story is, it would have been that much better had it connected the dots between Social Security, Cato, and Citizens for a Sound Economy, and placed the Koch brothers and the activities of those organizations in the context of this latest round of attacks on Social Security. Average Americans **may be starting to buy into privatization** and other changes to Social Security. They need to know where all these ideas came from.