

The 40-Year Evolution of America's Plutocracy



November 13, 2010

By Jack Carter, Principal, Wealth Generation

13889 62nd Avenue North, Maple Grove, MN 55311

Phone: 763-559-7425, fax: 763-559-0664; email: jack@wealthgen.com

Introduction

- This presentation suggests that our government is in danger of been taken over by radical ideologues, who in no way possess Republican or American values, such as :
 - the dignity of the individual
 - the limited reach of government
 - personal liberty encoded into law
 - and the opportunity to grow as far as your talents, energy, and perseverance will take you.*
- Machiavellians do whatever it takes to win, and then, once elected, they do whatever they want. They're about self and trusted insiders; not people, governing, jobs, nor country.

** Reclaiming Conservatism – how a great political movement got lost...*

by Mickey Edwards, Oxford Press, NY 2008, hardcover pages 12-14.

Overview

- **It all started with 3 people in the 1970s:** an author, a Supreme Court Justice, and a Treasury Secretary.
- They wanted to overrule a “government dictatorship,” a seemingly endless list of environmental, energy, safety, consumer, minority, civil rights, and other regulations.
- Rather than competing within the two-party system, they planned to create a parallel political establishment.
- They used Machiavellian “king of the hill,” win-at-all-cost tactics, instead of demonstrating an ability to govern.
- By 2000, they had **replaced American idealism with an Orwellian ideology** useful only for winning elections.

What Shapes Public Opinion?



School



Media



Government



The Courts

Nixon's “conservative” revolution



Won by a < 1% margin: **Nixon=Humphrey= 29.7M votes**; George Wallace got 9.2M.

- Pledged “an open administration...
- 9/12/70: “Nixon building OUR establishment in press, education, etc..” – diary of H.R. Haldeman.
- Nixon appointed Simon to Asst. Secretary of Treasury in 1972, later replaced George Schultz, as Treasury Secretary in 1973, and appointed Powell to the Supreme Court 1972.

NY Times archive and *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, pgs 39-49.

2. See The Writer's Almanac from American Public Media, [January 9, 2007](#)

Catalyst of Discontent

Lewis F. Powell	Edith Efron	William E. Simon
A very successful corporate attorney, then became S.C. Justice via Nixon	Author of the 1 st exposé on media bias made a bestseller thanks to Nixon and his special counsel Charles Colson	Treasury Secretary Under Nixon and Ford / Author of a bombshell classic
Published a memo	<i>The News Twisters</i>	<i>A Time for Truth</i>
October 1970	January 1971	1978

From *The Republican Noise Machine*, David Brock, Random House 2004, pages 17-41.

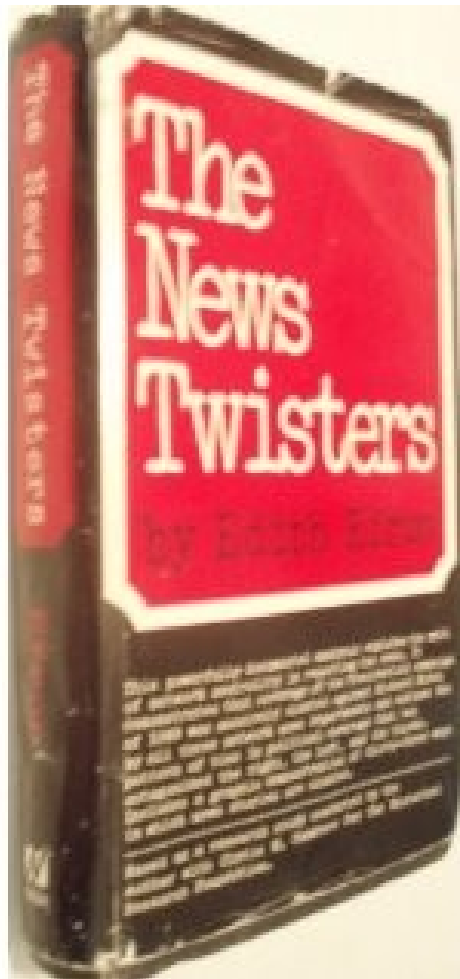
©2010 Wealth Generation. All rights reserved.

Powell



- Circulates memo 3 months prior to *News Twisters* - American system of free enterprise is under attack by **the 4 institutions that shape public opinion: the political establishment, academy, media, and the courts.**
- He attached a summary of Efron's conclusions.

The Republican Noise Machine, David Brock,
Random House 2004, see chapter 2, pages 39-40.

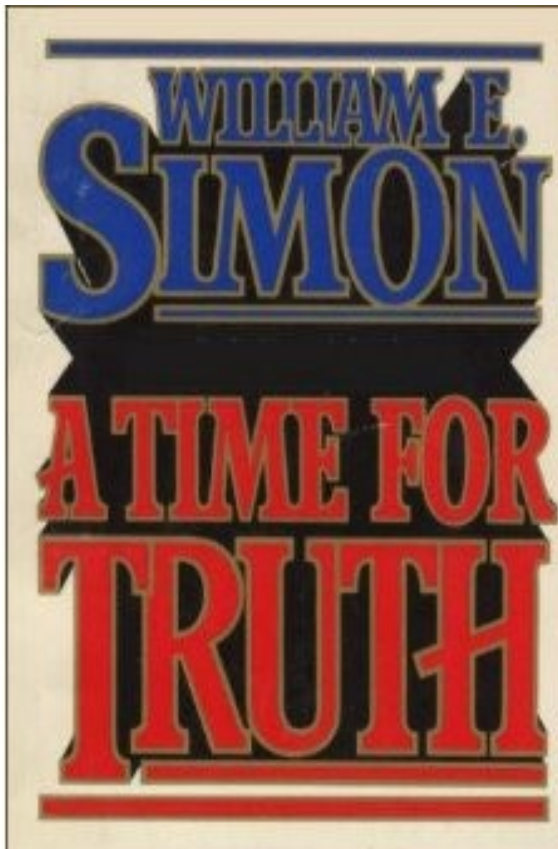


Efron

- 1st exposé on liberal bias of the **network news** (the primary source... since 1964).
- How the views and issues of a “Silent Majority” were ignored in the 1968 elections on all three TV channels.
- Identified and articulated 33 ways of measuring bias in the news.

The News Twisters, Edith Efron, Nash Publishing 1971.

Simon



- A *Mein Kampf* for American politics and economics.
 - Business is the target of consumer, environmental, minority (employment), and other movements.¹
 - Where Reagan got his “**government is the problem**” rhetoric.
1. *A Time for Truth*, William E. Simon, Reader’s Digest Press 1978, paperback pgs 207-208. Started a free market genre, e.g., *Meltdown*, by Thomas E. Woods Jr., Regnery Publishing, Inc., 2009
 2. Other info from *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, page 41.

What drove their revolution?

Great Society was in full swing by 1966. A time of idealism & re-invention.

It was a time of **change-the-world, free-thinking**. Doing what's right for one's country, not resume.

A seeming endless list of new business requirements:

Worker & Consumer Protections: Equal Pay Act 1963; Cigarette Labeling Act 1965; Motor Vehicle Safety Act 1966; Fair Packaging and Labeling Act; Child Safety Act 1966; Flammable Fabrics Act 1967; Wholesome Meat Act 1967; Truth in Lending Act 1968; Wholesome Poultry Products Act 1968; Land Sales Disclosure Act 1968; Radiation Safety Act 1968;

Civil Rights Act 1964; Voting Rights Act 1965; Immigration and Nationality Service Act of 1965; Civil Rights Act of 1968 (banning housing discrimination).

Environmental Protections: Clean Air, Clean Water Acts and amendments starting in 1963; Wilderness Act 1964; Motor Vehicle Air Pollution Control Act of 1965; National Historic Preservation Act 1966; Aircraft Noise Abatement Act of 1968; National Environmental Policy Act 1969;

Elementary and Secondary Education Act of 1965: provided federal aid to public education (1st time)

Higher Education Act of 1965: increased Fed money to universities, created scholarships,

Social Security Act of 1965 created **Medicare and Medicaid**

National Endowment for the Arts and Humanities; PBS Broadcasting: noncommercial, educational.

Created a Platform by Merging Populist and Free Market Ideology

Same ideology to all Outlets	Agenda
Barry Goldwater's Republicans	Gutting Social Security
Anti-feminists like Phyllis Schlafly	Rolling back civil rights
Pro-business icons like William F. Buckley, Jr.	Anti-affirmative action
Pundits like George F. Will	Poverty is behavioral
Opinion influences like novelist Tom Wolfe	School choice (anti-union)
Many others at universities, think tanks, media talking heads.	Slashing taxes for the wealthy – slogans like privatization, the new federalism, “flat tax.”

All from *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, pages 39-49.

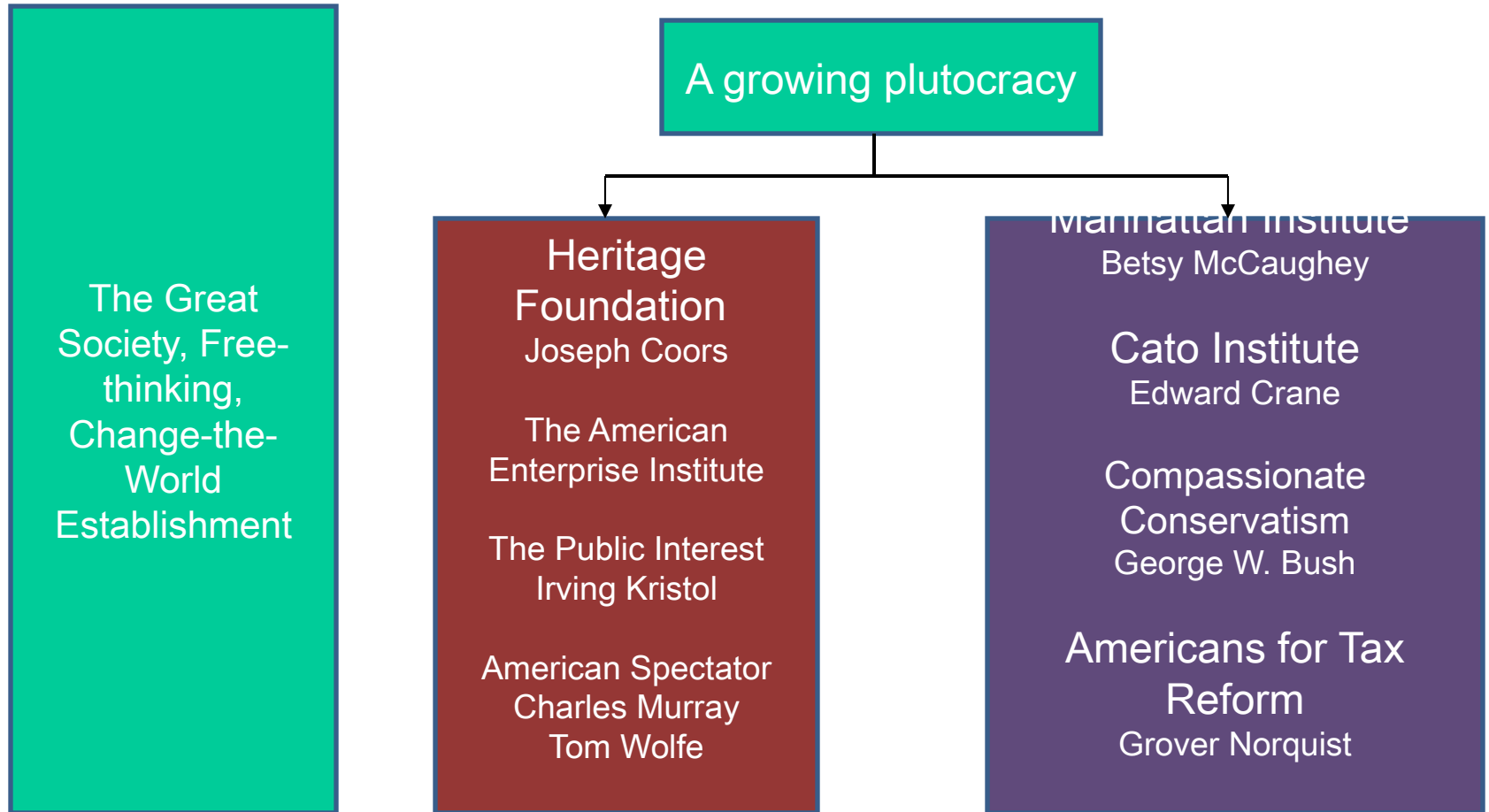
Nixon, Simon, & Powell Believed Goldwater lacked intellectual strength and media support



- They agreed that private investment should be used to **fund their own political establishment**, including think tanks, universities, a parallel media, and a judicial system that treated business fairly.

All from *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, pages 39-49.

A Parallel Political Universe



The Heritage Foundation



- The mother of all think tanks in its singular focus on co-opting the media.
- By 1980 the Heritage Foundation assembled the academic support that Goldwater lacked; developed policies for the incoming Reagan Administration; supplied, along with 70+ others, personnel like Attorney General Edwin Messe, Interior Secretary, James Watt, CIA Director, William Casey.
- By 2000, there were over 500 mini-Heritages across the country.

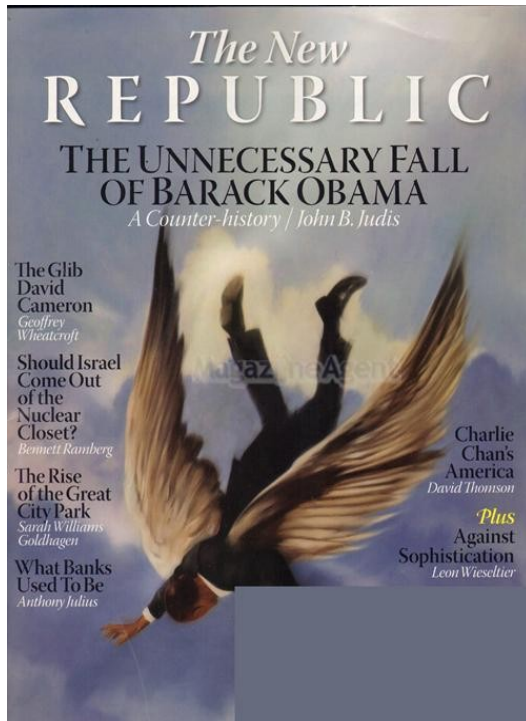
The American Spectator



- 1st major triumph: the promotion of **Charles Murray's** attack on the welfare system.
- Welfare hurts those it's designed to help. The poor would be better off without it.
- Soon became the Reagan Administration's welfare policy.
- Tom Wolfe is a member on its board of advisers.

From *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, pages 46-47.

The New Republic



- Elizabeth McCaughey of the Manhattan Institute, summarized the 1,413 page Clinton Health Care Plan in a single article in The New Republic (now liberal).
- Although based on a raft of provably false assertions, according to Tom Wolfe, “**that one article shot down the entire blimp,** and Betsy McCaughey became a 35-year-old Cinderella.”
- The article was later shown to be inaccurate and the magazine apologized for the story.

From *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, page 47.

Manhattan Institute



- Manhattan Institute’s **Peter Huber** promoted the term “junk science,” as a way of undermining scientific work that did not conform to conservative ideology.
- Huber’s book, *Galileo’s Revenge: Junk Science in the Courtroom*, was found by legal and scientific scholars filled with exaggerated claims and empirical trickery.
- Clever public relations, not of any merit.

From *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, page 48.

Compassionate Conservatism



- Based on a book by Myron Magnet, *The Dream and the Nightmare: the Sixties Legacy to the Underclass*.
- Reforms would require unwed mothers either to live in supervised group homes, or surrender their children to orphanages.
- Karl Rove passed the book onto George W. Bush, who said it is 2nd only to the Bible in his pantheon.

From *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, page 48.

Grover Norquist, President of Americans for Tax Reform (ATR).



- Orchestrated a right-wing takeover of the College Republicans replacing moderates with ideologues.
- Helped Gingrich purge moderates from the House to become Speaker.
- Issues “talking points” every Wednesday to > 80 conservative orgs., media outlets, and top Bush White House aides.
- “Our goal is to cut government in half... so we can drown it in the bathtub.” “It’s not good enough to win; it has to be a painful and devastating defeat.” **Send a message as kings would spike their opponent’s head on a stick!**

From *The Republican Noise Machine*, David Brock, Random House 2004, chapter 2, page 50.

©2010 Wealth Generation. All rights reserved.

Corporate Coup d'état Complete

From

**Insular New York
-Washington media
elites**

**Corporate funding of
objective research**

**Government of the
people, by the people,
for the people**

**Earl Warren - Warren
Burger (1953-1986)**

Brown v. Bd. of Edu. 1954 and
Miranda / School busing, end
executions, *From The Republic*



To

**A co-opted media based
on ideology, lies, slander.**

**Corporate funding to
back or attack**

**Government by
plutocracy / Ideology
replaces idealism**

**John Roberts - Citizens
United v. FEC**

Judges screened and funded across
the nation. Read *The Appeal* by
John Grisham

From The Republic Noise Machine, David Brock, Random House 2004, chapter 2, page 50.

©2010 Wealth Generation. All rights reserved.

Implications for futurists

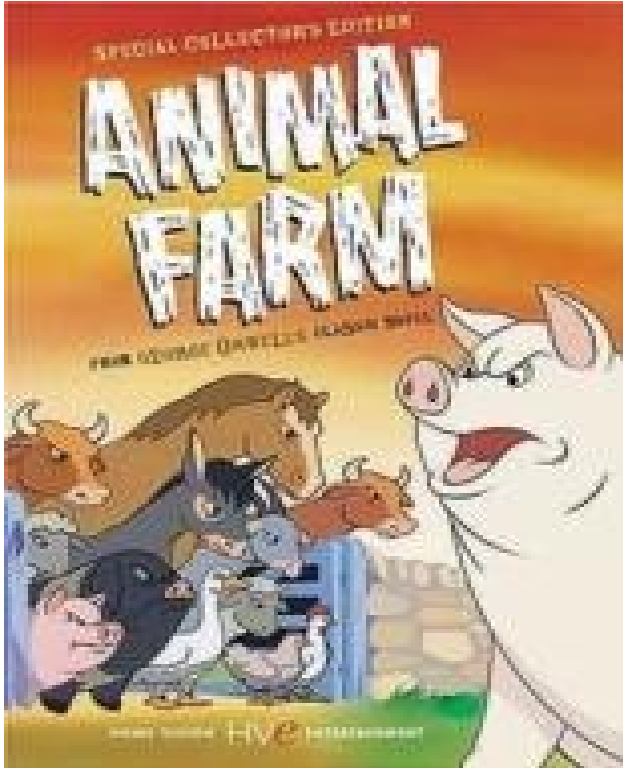
Is the control of our schools, media, government, and courts by the wealthy really a bad thing?

- What might happen (possible futures)?
- What most likely happens when any nation is controlled by a small group of elites (probable futures)?
- What can we do to improve possible outcomes (preferable future)?

Consider what has already happened

- Free markets? What about monopolies, subsidies, conflicts of interest, and government contracts?
- Free trade? NAFTA consists of 1,700, WTO 23,000 pages of regulations.
- Whose democracy? Ours or special interests?
- History? Was America founded on religion or science?
- Economic policy – jobless economics creates a downward economic spiral
 - Automation: enterprise-wide software, supply-chain management...
 - Outsourcing; off-shoring; mergers and buyouts, H-1B visas, immigration.
 - Glutted markets for automobiles, newspapers, magazines, radio, cable TV, CDs, and DVDs decrease opportunity and increase sales costs.
 - **All reduce jobs, wages, benefits, and opportunities in type and variety of work; consumption, ability to pay taxes, quality of life >> downward spiral.**
- Foreign Policy – who needs a state department, NSA, Pentagon, etc.?
- Military Policy – the protection of corporate assets first

Political ideology is propaganda



- Political ideology is disinformation. It benefits providers more than receivers.
- The danger of a naïve working class... **unwillingness to question authority.**
- Illusions need regular maintenance: language regularly twisted to justify behavior and keep others wondering, as in George Orwell's 1946 classic *Animal Farm*. E.g., “All animals are equal, but some animals are more equal than others.” Is like “Separate but equal;” The Death Tax; No Child Left Behind; Supply-side Economics, Free Market Economics; reasons for the Iraq War...

Thank you for your interest.