3.1 A War of Ideas

The political economy promoted by the Jefferson Center would be guided by ideas from 'old-fashioned libertarians', in order to defend 'the role of the individual' against 'the coercive powers of the collective order'.¹ What's paramount is 'individual liberty', and especially freedom from taxation and government regulation, or 'coercion'. F. A. Hayek was one of the Center's first distinguished visitors, and he reciprocated by inviting Buchanan to join the Mont Pelerin Society.²

Much later both men would play a role, after the CIA aided a right-wing military coup in 1973 to get rid of Chile's democratically elected president, in restructuring Chile's economy into an extreme version of the neoliberal dream. (Milton Friedman played the starring role in this ultra-free-market make-over.) Chile's economy performed well enough for several decades, especially for the very rich, and by 2019 it boasted some of the most extreme economic inequalities in the world. A small rise in subway fares in Santiago sparked such a wave of protests and riots that the military had to be brought in to help the police try to restore order with extreme brutality.³ The fullest realisation of Buchanan's and Friedman's libertarian ideals didn't turn out so well for most of the people who actually have to live in the society they helped create.

Buchanan won the Nobel prize in economics for his work on 'public choice theory', which applies 'the tools and methods' of economic theory to 'the political or governmental sector'. Public choice theory is also 'methodologically individualistic', insofar as it takes 'choosing, behaving, acting persons' as 'the basic units', and defines 'a person in terms of his set of preference, his utility function'. As for this idea of the human being as *Homo economicus*—we can we can surely come up with a better idea of who we are than that. (See below, Chapters 6 and 7.)

Drawing from MacLean's summaries of what she found in the mountains of papers that Buchanan left behind: what he wanted to combat was 'the seemingly unfettered ability of an increasingly more powerful federal government to force individuals with wealth to pay for an increasing number of public goods and social programs they had had no personal say in approving.' For Buchanan, tax-funded social programmes to help the unfortunate and disadvantaged at the expense of the rich, who have earned their money by working hard, are 'a form of legally sanctioned gangsterism'.

All talk of doing things for the common good is nothing more than 'a smoke screen for "takers" to exploit "makers".5

Buchanan's ideas are important because of their enormous influence on Charles Koch and the development of the Koch Network—which by 2017 had succeed in buying the Republican Party and the Trump administration. This kind of libertarianism is the perfect philosophy for men in positions of power who are fans of Ayn Rand—a woman not so well known outside the US, but whose ideas continue to exert a strong influence there. The same year that Buchanan founded the Jefferson Center saw the publication of Rand's *Atlas Shrugged*, a 1200-page monster of a novel—so turgid and melodramatic as to be unreadable (at least for me). And yet it has probably been more effective than any other book in spreading right-wing libertarian ideas, even though Rand liked to think that her own philosophy of 'Objectivism' was far superior. An early admirer was Alan Greenspan, whose neoliberal economics brought us the delights of the Reagan and Thatcher years and thereby changed the world.

When the ultra-conservative Tea Party movement was launched in 2009, it was fuelled by Rand's ideas. Some influential Rand fans are Ron Paul (and son *Rand*), Justice Clarence Thomas, Paul Ryan, Glenn Beck, Rush Limbaugh, Rex Tillerson, Mike Pompeo, and Donald Trump.⁶ Of course! As Rand once wrote in her journal: 'One puts oneself above all and crushes everything in one's way to get the best for oneself. Fine!' And in Silicon Valley there's the late Steve Jobs, Travis Kalanick, Peter Thiel and others; and in the UK Sajid Javid and Daniel Hannan ('the intellectual architect of Brexit').

Ayn Rand's selfish, individualistic, and self-centred philosophy has its roots in childhood experience. Her family was well-to-do and Jewish, living in St. Petersburg, when as a precocious child of twelve she witnessed Bolshevik soldiers shutting down her father's pharmacy business, 'in the name of the people' and for reasons of fairness and equality. From then on she hated government, communism, and anything to do with helping the disadvantaged. So extreme was her desire for individual freedom and minimal government that she dismissed Hayek's *The Road to Serfdom* as insufficiently radical because he 'acknowledged there could be an important role for government-sponsored health care, unemployment insurance, and a minimum wage'. She wrote in her copy of his book, 'The man is an ass, with no conception of a free society at all'.8 Ouch.

Rand fancied herself as a profound and original philosopher, 'the most creative thinker alive', as she once put it. After elaborating her amateurish theory of objectivism, she stuck to it through thick and thin. At the end of *Atlas Shrugged* she wrote: 'My philosophy, in essence, is the concept of man

as a heroic being, with his own happiness as the moral purpose of his life.'10 And in an interview she once explained: 'Each man must live as an end in himself and follow his own rational self-interest.'11

While she was a student at the university of St. Petersburg Rand encountered Nietzsche's writings, and was mightily impressed. Later on, her own philosophy far surpassed his ideas, or so she thought. But she failed to understand Nietzsche on all the key issues. [3.*] It's for good reason that her objectivism hasn't been taken seriously by professional philosophers: as philosophy it's mediocre. But that doesn't diminish the power of her appeal to the many millions who aren't philosophers. As the Introduction to a recent study of her political thinking puts it: 'Critics who dismiss Rand as a shallow thinker appealing only to adolescents miss her significance altogether. For over half a century Rand has been the ultimate gateway drug to life on the right.'12

Rand's philosophy, like libertarianism, is a worldview that's convenient if you inherited or earned great wealth, and as long as good fortune stays with you. But if you happen to fall on hard times, the ideas lose their lustre. Rand promoted free-market capitalism her whole career and derided 'humanitarian' government programmes like Medicare. But when she and her husband became infirm in later years, and she realised how expensive medical care was, she shelved her principles and enrolled in Medicare. ¹³

Nevertheless, her ideology lives on and is being deployed effectively in the war of ideas. An executive director of the Ayn Rand Institute once praised her for understanding that 'the fundamental shaper of society, the fundamental shaper of history, is philosophy—ideas'. At a fundraiser for the Institute in 2010, 'Atlas Shrugged Revolution', he ended a series of speeches by reminding the well-heeled audience that 'the struggle' they were engaged in was 'a deeply philosophical struggle ... a fundamental struggle about how people think'. 'A So far it appears to have been worth the effort.

One reason the libertarians had to pour enormous resources into their war of ideas was that the assertion of their right to do business as they please flies in the face of the 'polluter pays' principle, to which anyone who isn't a libertarian subscribes. This principle, which is at the basis of most environmental law, says that if, for example, a factory produces pollution that harms environing ecosystems and human health, its owner is responsible for cleaning the pollution up and disposing of it safely. Here's the 'Rio Declaration' from the UN Earth Summit of 1992: 'National authorities should endeavour to promote the internalization of environmental costs and the use of economic instruments, taking into account the approach that the polluter should, in principle, bear the cost of pollution.'15

3.2 Libertarian Largesse Rules

The Olin Corporation (source of the Foundation's financing) produced ammunition, rifles and explosives, as well as a range of dangerous chemicals. The Corporation's factories routinely discharged industrial effluent containing DDT, mercury, chlorine etc. into the environment, but after regulations prohibiting such behaviour were introduced the Corporation often fell foul of the law. They took to falsifying records, and were charged for such crimes. ¹⁶ To avoid the inconvenience of all those fines and convictions of his corporate officers, Olin went to work on getting rid of the offensive regulations. One of his most successful strategies was to infiltrate prestigious universities and law schools with the right libertarian ideas.

The Olin Foundation is significant also because it set a pattern that was then repeated in various areas. You make a fortune through business operations whose by-products harm workers and people living near your factories by poisoning the surrounding water, air and soil. On the basis of the 'polluter pays' principle, government regulations punish you for causing such harms and require you to clean up your mess. You respond by using your vast profits to get rid of regulations and change any laws you find inconvenient. So when it comes to harmful emissions of carbon dioxide you'll fight to the bitter end to make sure nobody is going to tax or regulate.

The billionaire Richard Mellon Scaife inherited a fortune from the Mellon family. He founded the Carthage Foundation in 1964, and later took control of the equally rich and libertarian Scaife Foundations. Between 2003 and 2010, the Scaife Foundations were the largest family foundation donors to what has been called the 'climate change countermovement', at almost \$40 million, ahead of the Lynde and Harry Bradley Foundation (founded 1942) at \$30 million, and the Koch Bros foundations at \$26 million. While Scaife's inheritance allowed him to feel 'good about being able to put dollars to work in the battle of ideas', it came at the cost of inflicting more than a few bad things on his 'community and country'.

Another billionaire climate counter-mover was Joseph Coors, heir to the Coors brewing fortune, who co-founded the Heritage Foundation in 1973. Coors was the Foundation's major funder in the early years, and he fully backed its activities in denying global warming. A later entrant to the movement was the Mercer Family Foundation, founded by the billionaire hedge fund manager Robert Mercer and directed by his daughter Rebekah.¹⁸ (More on Coors and the Mercers in the next two chapters.)

But the largest donor by far to the climate change counter-movement is the 'donor-advised fund' Donors Trust/Donors Capital (founded 1999), which is a kind of broker that can grant donors anonymity and passes on their donations to organisations of their choosing. A useful thing to have if you're fighting a covert war of ideas. Among major donors are apparently—and unsurprisingly—the Olin, Bradley, and Koch Foundations.

If you resent government for restricting your freedom to discharge pollutants and GHGs as you pursue your business interests and make your fortune, there are several ways to fix the problem. You can influence politicians directly by the traditional means of donating to their election campaigns and lobbying members of Congress. You can go for the judiciary, and get judges elected who will interpret the laws in your favour and help to get regulations relaxed or repealed. Or you can take the less direct but ultimately efficacious route of getting the right ideas into the public sphere through universities and think tanks—and then get them taken up by citizens' groups who can sway public opinion and politicians eager for reelection. And of course you'll also want to have control over as wide a swathe of media as you can manage.

This is why some say that the most powerful person in the climate denial industry is another of those libertarian billionaires, the media mogul Rupert Murdoch. Murdoch has used his huge media empire effectively to obstruct progress on climate change on several continents.²⁰ Mainly thanks to his efforts, Australia has been the only developed nation that has actually managed to regress by *repealing* a tax on carbon. Add the contribution from the climate-denying mining magnate Gina Reinhart, the country's richest person, and you see why the Australian government's attitude toward the climate crisis is so incredibly retarded.²¹

But whereas Murdoch's machinations are fairly well known, an obstructer who has been arguably more effective has worked mostly under cover.

The Clout of the Kochs

Charles D. Koch is a major general in the covert 'war of ideas' being waged by the libertarians. (The name is pronounced 'Coke', as in petroleum coke: a big product for Koch Industries, and especially rich in carbon. The co-owner, David H. Koch, who died in 2019, was also a major figure.) Jane Mayer and several others have told the story well, so I can treat it briefly: it's basically a case of using your vast profits to buy the political influence that will ensure that you continue to make vast profits—whatever the harm done to the rest of the world.²²

Koch Industries is an oil and chemicals conglomerate that's the second largest private company in the US. It also does a great deal of dirty work: oil refining, which emits benzene, a carcinogen, processing of natural gas, which emits mercury, and production of various toxic chemicals like formaldehyde—not to mention a lot of leaking and spilling of crude oil. According to a database maintained by the EPA, Koch Industries produced in 2012 more toxic waste—950 million pounds—than any other company in the country.²³ Nice work if you can get away with it.

It's the typical libertarian story: capitalism at its most ruthless. You make your fortune doing things that endanger the people who work for you, poison the soil and water, and dump huge amounts of pollutants into the air. Eventually you run up against government regulations designed to protect workers and your neighbours and your environment. You lie and cheat as much as you need to, and when you eventually start having to pay fines, that's often cheaper than changing your ways—so you just chalk them up to the costs of doing business. But when they cut into your profits too much, you set to work to buy the politicians and policymakers who will change the laws in your favour.

Or you could try getting into the business of government yourself. In 1980 David Koch ran for Vice-President on the Libertarian Party ticket, spending more than two of his own millions on the campaign. But when the party got only 1.0% of the vote, the Koch Brothers realised they needed to find a better way to get their libertarian ideas enacted. And since these ideas apparently weren't so popular with the people, it would be prudent to practise a little stealth. As a former political lieutenant of Charles Koch's once described his modus operandi: 'It would be necessary to use ambiguous and misleading names, obscure the true agenda, and conceal the means of control.'²⁴

The Brothers' aim was to cut the government down to size and ensure that what's left of it will be good to their business (like those subsidies for fossil fuel production). They invested heavily in election campaigns for the judiciary, to get friendly laws onto the books for as long as they needed. By 1990 'more than two out of every five sitting federal judges' had participated, all expenses paid, in a law school programme at George Mason University supported by the Koch Brothers. 26

They also provided lavish support for the American Legislative Exchange Council (ALEC), a barely legal organisation well funded by corporations and trade associations that specialises in getting state legislatures to adopt the right laws and shun restrictive regulations. In particular it provides 'direct assistance to state legislators and firms eager to minimize any state government engagement in environmental protection'.²⁷

ALEC has been especially successful at preventing states from adopting legislation that would encourage the development of clean and renewable sources of energy.²⁸ Almost *one third* of state legislators are members—a sad indication of the huge influence of big business on the laws of the Land of the Free. That's how it goes in US politics: by injecting large amounts of money into the system, you can align its doings with your desires.

For the longer term war of ideas to make society more libertarian, the Koch Bros have been conducting a 'full spectrum' of operations on three related fronts. First, in accordance with strategies developed by Buchanan and Harper and successfully deployed by the Olin Foundation, they've been getting libertarian ideas into the universities by funding faculty positions, fellowships, and research centres. In 2014 their seven foundations provided support at no fewer than 283 four-year institutions of higher education, and by 2016 they had given over \$200 million to colleges and universities. The investment was for the long term, aimed at continuing 'to shape academic research and student learning long after the effects of his political giving have faded.'²⁹

The second front involved libertarian think tanks, whose purpose is to turn the ideas produced by the academics into 'a more practical or usable form'. Charles Koch co-founded the Charles Koch Foundation in 1974, which later became the Cato Institute, whose aim is to promote 'Individual Liberty, Free Markets, and Peace'. The Institute has been lavishly funded by the Scaifes, Donors Trust, and ExxonMobil as well the Brothers themselves. In 1980 their protégé Rich Fink (real name) founded the Mercatus Center with generous funding from the Kochs.³⁰

When President George H. W. Bush announced in 1991 that he would support a treaty limiting carbon emissions, the Koch Brothers saw a major challenge to their business fortunes. So they helped sponsor the first major conference of global warming deniers, organised by the Cato Institute in Washington DC. With the title 'Global Environmental Crises: Science or Politics', the conference brought together a number of climate deniers—some scientists, but also performers like Christopher Monckton—to make presentations that show that human activity isn't heating up the planet and so there's no need for environmental regulation. This became a model for many subsequent meetings of this kind, such as the annual International Conferences on Climate Change organised by the Heartland Institute.³¹

On the third front of operations, 'citizen activist or implementation groups' translate the policy ideas into 'proposals that citizens can understand', and then 'press for the implementation of policy change'. The libertarian backers set them up as grassroots citizens groups, but they're actually 'astroturf' organisations—nothing natural about them. They

register them as non-profit educational organisations so that donations can remain secret, sources of funding covered up. Following these principles the Koch Bros founded Citizens for a Sound Economy in 1984, which later became Americans for Prosperity.³² The headline on the home page of the AfP website trumpets its 'broad-based grassroots outreach'.

Both organisations, as the enactors of ideas issuing from the Koch Brothers' first two fronts in the war, have paid dividends on the millions funnelled through them. They've succeeded in blocking numerous proposals to reduce global warming through environmental regulations that would have damaged Koch Industries and could have put them out of business. They also helped to defeat the Waxman-Markey bill of 2009, a cap-and-trade proposal that had been developed with bipartisan support over many years.

The success of Koch Industries' political activities has inspired other fossil fuel concerns to adopt the full spectrum approach. The industry has managed what has been called 'the invisible colonization of academia', by injecting increasing amounts of largesse into top-tier institutions. Two scientists who study the history of science have revealed, after years of energy-related research at Harvard and MIT, an obvious pattern in the funding of applied science institutes at major universities: 'The very experts we assume to be objective, and the very centers of research we assume to be independent, are connected with the very industry the public believes they are objectively studying. Moreover, these connections are often kept hidden.'³³

The connections usually take the form of generous grants for the conducting and disseminating of research on energy issues. Funding from companies like Shell, Chevron, BP and ExxonMobil flows into research centres at Harvard, MIT, Stanford, UC Berkeley, the University of Texas, etc. and helps keep them afloat. Would it be cynical to suppose that this situation, which neither the institutions nor the corporations advertise, is kept covert because it harbours a morass of conflicts of interest? And that the last thing the results of that well-funded research would imply is a reduction in oil burning?

Notes

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- See the thoughtful account by Gary Weiss in his Ayn Rand Nation: The Hidden Struggle for America's Soul (New York: St. Martin's Press, 2012). * Guardian.
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- ⁹ Ayn Rand, in 'Mike Wallace Asks Ayn Rand', New York Post, 12 Dec 1957.
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- ¹⁴ Yaron Brook, cited in Weiss, Ayn Rand Nation, Ch. 3.
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