

Bill Moyers: "Welcome to the Plutocracy!"

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by: *Bill Moyers, truthout* | *Speech*

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Bill Moyers speech at Boston University on October 29, 2010,
as a part of the Howard Zinn Lecture Series.

I was honored when you asked me to join in celebrating Howard Zinn's life and legacy. I was also surprised. I am a journalist, not a historian. The difference between a journalist and an historian is that the historian knows the difference. George Bernard Shaw once complained that journalists are seemingly unable to discriminate between a bicycle accident and the collapse of civilization. In fact, some epic history can start out as a minor incident. A young man named Paris ran off with a beautiful woman who was married to someone else, and the civilization of Troy began to unwind. A middle-aged black seamstress, riding in a Montgomery bus, had tired feet, and an ugly social order began to collapse. A night guard at an office complex in Washington D.C. found masking tape on a doorjamb, and the presidency of Richard Nixon began to unwind. What journalist, writing on deadline, could have imagined the wallop that Rosa Parks's tired feet would give to Jim Crow? What pundit could have fantasized that a third-rate burglary on a dark night could change the course of politics? The historian's work is to help us disentangle the wreck of the Schwinn from cataclysm. Howard famously helped us see how big change can start with small acts.

We honor his memory. We honor him, for Howard championed grassroots social change and famously chronicled its story as played out over the course of our nation's history. More, those stirring sagas have inspired and continue to inspire countless people to go out and make a difference. The last time we met, I told him that the stories in *A People's History of the United States* remind me of the fellow who turned the corner just as a big fight broke out down the block. Rushing up to an onlooker he shouted, "Is this a private fight, or can anyone get in it?" For Howard, democracy was one big public fight and everyone should plunge into it. That's the only way, he said, for everyday folks to get justice – by fighting for it.

I have in my desk at home a copy of the commencement address Howard gave at Spelman College in 2005. He was chairman of the history department there when he was fired in 1963 over his involvement in civil rights. He had not been back for 43 years, and he seemed delighted to return for commencement. He spoke poignantly of his friendship with one of his former students, Alice Walker, the daughter of tenant farmers in Georgia who made her way to Spelman and went on to become the famous writer. Howard delighted in quoting one of her first published poems that had touched his own life:

It is true
I've always loved
the daring ones
like the black young man
who tried to crash
all barriers
at once,
wanted to swim
at a white beach (in Alabama)
Nude.

That was Howard Zinn; he loved the daring ones, and was daring himself.

One month before his death he finished his last book, *The Bomb*. Once again he was wrestling with his experience as a B-17 bombardier during World War II, especially his last mission in 1945 on a raid to take out German garrisons in the French town of Royan. For the first time the Eighth Air Force used napalm, which burst into liquid fire on the ground, killing hundreds of civilians. He wrote, "I remember distinctly seeing the bombs explode in the town, flaring like matches struck in the fog. I was completely unaware of the human chaos below." Twenty years later he returned to Royan to study the effects of the raid and concluded there had been no military necessity for the bombing; everyone knew the war was almost over (it ended three weeks later) and this attack did nothing to affect the outcome. His grief over having been a cog in a deadly machine no doubt confirmed his belief in small acts of rebellion, which mean, as Howard writes in the final words of the book, "acting on what we feel and think, here, now, for human flesh and sense, against the abstractions of duty and obedience."

His friend and long-time colleague writes in the foreword that "Shifting historical focus from the wealthy and powerful to the ordinary person was perhaps his greatest act of rebellion and incitement." It seems he never forget the experience of growing up in a working class neighborhood in New York. In that spirit, let's begin with some everyday people.

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When she heard the news, Connie Brasel cried like a baby.

For years she had worked at minimum-wage jobs, until 17 years ago, when she was hired by the Whirlpool refrigerator factory in Evansville, Indiana. She was making \$ 18.44 an hour when Whirlpool announced earlier this year that it was closing the operation and moving it to Mexico. She wept. I'm sure many of the other eleven hundred workers who lost their jobs wept too; they had seen their ticket to the middle class snatched from their hands. The company defended its decision by claiming high costs, underused capacity, and the need to stay competitive. Those excuses didn't console Connie Brasel. "I was becoming part of something bigger than me," she told Steven Greenhouse of the New York Times. "Whirlpool was the best thing that ever happened to me."

She was not only sad, she was mad. "They didn't get world-class quality because they had the best managers. They got world-class quality because of the United States and because of their workers."

Among those workers were Natalie Ford, her husband and her son; all three lost their jobs. "It's devastating," she told the Times. Her father had worked at Whirlpool before them. Now, "There aren't any jobs here. How is this community going to survive?"

And what about the country? Between 2001 and 2008, about 40,000 US manufacturing plants closed. Six million factory jobs have disappeared over the past dozen years, representing one in three manufacturing jobs. Natalie Ford said to the Times what many of us are wondering: "I don't know how without any good-paying jobs here in the United States people are going to pay for their health care, put their children through school."

Now, if Connie Brasel and Natalie Ford lived in South Carolina, they might have been lucky enough to get a job with the new BMW plant that recently opened there and advertised that the company would hire one thousand workers. Among the applicants? According to the Washington Post; "a former manager of a major distribution center for Target; a consultant who oversaw construction projects in four western states; a supervisor at a plastics recycling firm. Some held college degrees and resumes in other fields where they made more money." They will be paid \$15 an hour – about half of what BMW workers earn in Germany

In polite circles, among our political and financial classes, this is known as "the free market at work." No, it's "wage repression," and it's been happening in our country since around 1980. I must invoke some statistics here, knowing that statistics can glaze the eyes; but if indeed it's the mark of a truly educated person to be deeply moved by statistics, as I once read, surely this truly educated audience will be moved by the recent analysis of tax data by the economists Thomas Piketty and Emmanuel

Saez. They found that from 1950 through 1980, the share of all income in America going to everyone but the rich increased from 64 percent to 65 percent. Because the nation's economy was growing handsomely, the average income for 9 out of 10 Americans was growing, too – from \$17,719 to \$30,941. That's a 75 percent increase in income in constant 2008 dollars.

But then it stopped. Since 1980 the economy has also continued to grow handsomely, but only a fraction at the top have benefitted. The line flattens for the bottom 90% of Americans. Average income went from that \$30,941 in 1980 to \$31,244 in 2008. Think about that: the average income of Americans increased just \$303 dollars in 28 years.

That's wage repression.

Another story in the Times caught my eye a few weeks after the one about Connie Brasel and Natalie Ford. The headline read: "Industries Find Surging Profits in Deeper Cuts." Nelson Schwartz reported that despite falling motorcycle sales, Harley-Davidson profits are soaring – with a second quarter profit of \$71 million, more than triple what it earned the previous year. Yet Harley-Davidson has announced plans to cut fourteen hundred to sixteen hundred more jobs by the end of next year; this on top of the 2000 job cut last year.

The story note: "This seeming contradiction – falling sales and rising profits – is one reason the mood on Wall Street is so much more buoyant than in households, where pessimism runs deep and unemployment shows few signs of easing."

There you see the two Americas. A buoyant Wall Street; a doleful Main Street. The Connie Brasels and Natalie Fords – left to sink or swim on their own. There were no bailouts for them.

Meanwhile, Matt Krantz reports in USA TODAY that "Cash is gushing into company's coffers as they report what's shaping up to be a third-consecutive quarter of sharp earning increases. But instead of spending on the typical things, such as expanding and hiring people, companies are mostly pocketing the money or stuffing it under their mattresses." And what are their plans for this money? Again, the Washington Post:

".... Sitting on these unprecedented levels of cash, U.S. companies are buying back their own stock in droves. So far this year, firms have announced they will purchase \$273 billion of their own shares, more than five times as much compared with this time last year... But the rise in buybacks signals that many companies are **still hesitant** to spend their cash on the job-generating activities that could produce economic growth."

That's how financial capitalism works today: Conserving cash rather than bolstering hiring and production; investing in their own shares to prop up their share prices and make their stock more attractive to Wall Street. To hell with everyone else.

Hear the chief economist at Bank of America Merrill Lynch, Ethan Harris, who told the Times: "There's no question that there is an income shift going on in the economy. Companies are squeezing their labor costs to build profits."

Or the chief economist for Credit Suisse in New York, Neal Soss: As companies have wrung more savings out of their work forces, causing wages and salaries barely to budge from recession lows, "profits have staged a vigorous recovery, jumping 40 percent between late 2008 and the first quarter of 2010."

Just this morning the New York Times reports that the private equity business is roaring back: "While it remains difficult to get a mortgage to buy a home or to get a loan to fund a small business, yield-starved investors are creating a robust market for corporate bonds and loans."

If this were a functioning democracy, our financial institutions would be helping everyday Americans and businesses get the mortgages and loans – the capital – they need to keep going; they're not, even as the financiers are reaping robust awards.

Yes, Virginia, there is a Santa Claus. But he's run off with all the toys.

Late in August I clipped another story from the Wall Street Journal. Above an op-ed piece by Robert Frank the headline asked: "Do the Rich Need the Rest of America?" The author didn't seem ambivalent about the answer. He wrote that as stocks have boomed, "the wealthy bounced back. And while the Main Street economy" [where the Connie Brasels and Natalie Fords and most Americans live] "was wracked by high unemployment and the real-estate crash, the wealthy – whose financial fates were more tied to capital markets than jobs and houses – picked themselves up, brushed themselves off, and started buying luxury goods again."

Citing the work of Michael Lind, at the Economic Growth Program of the New American Foundation, the article went on to describe how the super-rich earn their fortunes with overseas labor, selling to overseas consumers and managing financial transactions that have little to do with the rest of America, "while relying entirely or almost entirely on immigrant servants at one of several homes around the country."

Right at that point I remembered another story that I had filed away three years ago, also from the Wall Street Journal. The reporter Ianthe Jeanne Dugan described how the private equity firm Blackstone Group swooped down on a travel reservation company in Colorado, bought it, laid off 841 employees, and recouped its entire investment in just seven months, one of the quickest returns on capital ever for such a deal. Blackstone made a killing while those workers were left to sift through the debris. They sold their homes, took part-time jobs making sandwiches and coffee, and lost their health insurance.

That fall, Blackstone's chief executive, Stephen Schwarzman, reportedly worth over \$5 billion, rented a luxurious resort in Jamaica to celebrate the marriage of his son. According to the Guardian News, the Montego Bay facility alone cost \$50,000, plus thousands more to sleep 130 guests. There were drinks on the beach, dancers and a steel band, marshmallows around the fire, and then, the following day, an opulent wedding banquet with champagne and a jazz band and fireworks display that alone cost \$12,500. Earlier in the year Schwarzman had rented out the Park Avenue Armory in New York (near his 35-room apartment) to celebrate his 60th birthday at a cost of \$3 million. So? It's his money, isn't it? Yes, but consider this: The stratospheric income of private-equity partners is taxed at only 15 percent – less than the rate paid, say, by a middle class family. When Congress considered raising the rate on their Midas-like compensation, the financial titans flooded Washington with armed mercenaries – armed, that is, with hard, cold cash – and brought the "debate" to an end faster than it had taken Schwartzman to fire 841 workers. The financial class had won another round in the exploitation of working people who, if they are lucky enough to have jobs, are paying a higher tax rate than the super-rich.

So the answer to the question: "Do the Rich Need the Rest of America?" is as stark as it is ominous: Many don't. As they form their own financial culture increasingly separated from the fate of everyone else, it is "hardly surprising," Frank and Lind concluded, "that so many of them should be so hostile to paying taxes to support the infrastructure and the social programs that help the majority of the American people."

You would think the rich might care, if not from empathy, then from reading history. Ultimately gross inequality can be fatal to civilization. In his book *Collapse: How Societies Choose to Fail or Succeed*, the Pulitzer Prize-winning anthropologist Jared Diamond writes about how governing elites throughout history isolate and delude themselves until it is too late. He reminds us that the change people inflict on their environment is one of the main factors in the decline of earlier societies. For example: the Mayan natives on the Yucatan peninsula who suffered as their forest disappeared, their soil eroded, and their water supply deteriorated. Chronic warfare further exhausted dwindling resources. Although

Mayan kings could see their forests vanishing and their hills eroding, they were able to insulate themselves from the rest of society. By extracting wealth from commoners, they could remain well-fed while everyone else was slowly starving. Realizing too late that they could not reverse their deteriorating environment, they became casualties of their own privilege. Any society contains a built-in blueprint for failure, Diamond warns, if elites insulate themselves from the consequences of their decisions, separated from the common life of the country.

Yet the isolation continues – and is celebrated. When Howard came down to New York last December for what would be my last interview with him, I showed him this document published in the spring of 2005 by the Wall Street giant Citigroup, setting forth an “Equity Strategy” under the title (I’m not making this up) “Revisiting Plutonomy: The Rich Getting Richer.”

Now, most people know what plutocracy is: the rule of the rich, political power controlled by the wealthy. Plutocracy is not an American word and wasn’t meant to become an American phenomenon – some of our founders deplored what they called “the veneration of wealth.” But plutocracy is here, and a pumped up Citigroup even boasted of coining a variation on the word— “plutonomy”, which describes an economic system where the privileged few make sure the rich get richer and that government helps them do it. Five years ago Citigroup decided the time had come to “bang the drum on plutonomy.”

And bang they did. Here are some excerpts from the document “Revisiting Plutonomy;”

“Asset booms, a rising profit share and favorable treatment by market-friendly governments have allowed the rich to prosper... [and] take an increasing share of income and wealth over the last 20 years.”

“...the top 10%, particularly the top 1% of the United States – the plutonomists in our parlance – have benefitted disproportionately from the recent productivity surge in the US... [and] from globalization and the productivity boom, at the relative expense of labor.”

“... [and they] are likely to get even wealthier in the coming years. Because the dynamics of plutonomy are still intact.”

I’ll repeat that: “The dynamics of plutonomy are still intact.” That was the case before the Great Collapse of 2008, and it’s the case today, two years after the catastrophe. But the plutonomists are doing just fine. Even better in some cases, thanks to our bailout of the big banks.

As for the rest of the country: Listen to this summary in The Economist – no Marxist journal – of a study by Pew Research:

More than half of all workers today have experienced a spell of unemployment, taken a cut in pay or hours or been forced to go part-time. The typical unemployed worker has been jobless for nearly six months. Collapsing share and house prices have destroyed a fifth of the wealth of the average household. Nearly six in ten Americans have cancelled or cut back on holidays. About a fifth say their mortgages are underwater. One in four of those between 18 and 29 have moved back in with their parents. Fewer than half of all adults expect their children to have a higher standard of living than theirs, and more than a quarter say it will be lower. For many

Americans the great recession has been the sharpest trauma since
The Second World War, wiping out jobs, wealth and hope itself.

Let that sink in: For millions of garden-variety Americans, the audacity of hope has been replaced by a paucity of hope.

Time for a confession. The legendary correspondent Edward R. Murrow told his generation of journalists that bias is okay as long as you don't try to hide it. Here is mine: Plutocracy and democracy don't mix. Plutocracy too long tolerated leaves democracy on the auction block, subject to the highest bidder.

Socrates said to understand a thing, you must first name it. The name for what's happening to our political system is corruption – a deep, systemic corruption. I urge you to seek out the recent edition of Harper's Magazine. The former editor Roger D. Hodge brilliantly dissects how democracy has gone on sale in America. Ideally, he writes, our ballots purport to be expressions of political will, which we hope and pray will be translated into legislative and executive action by our pretended representatives. But voting is the beginning of civil virtue, not its end, and the focus of real power is elsewhere. Voters still "matter" of course, but only as raw material to be shaped by the actual form of political influence – money.

The article is excerpted from Hodge's new book, *The Mendacity of Hope*. In it he describes how America's founding generation especially feared the kind of corruption that occurs when the private ends of a narrow faction succeed in capturing the engines of government. James Madison and many of his contemporaries knew this kind of corruption could consume the republic. Looking at history a tragic lens, they thought the life cycle of republics – their degeneration into anarchy, monarchy, or oligarchy – was inescapable. And they attempted to erect safeguards against it, hoping to prevent private and narrow personal interests from overriding those of the general public.

They failed. Hardly a century passed after the ringing propositions of 1776 than America was engulfed in the gross materialism and political corruption of the First Gilded Age, when Big Money bought the government right out from under the voters. In their magisterial work on *The Growth of the American Republic*, the historians Morrison, Commager, and Leuchtenberg describe how in that era "privilege controlled politics," and "the purchase of votes, the corruption of election officials, the bribing of legislatures, the lobbying of special bills, and the flagrant disregard of laws" threatened the very foundations of the country."

I doubt you'll be surprised to learn that this "degenerate and unlovely age" – as one historian described it – served to inspire Karl Rove, the man said to be George W. Bush's brain and now a mover and shaker of the money tree for the corporate-conservative complex (more on that later.) The extraordinary coupling of private and political power toward the close of the 19th century – the First Gilded Age – captured Rove's interest, especially the role of Mark Hanna, the Ohio operative who became the first modern political fund-raiser. (David von Drehle wrote (*Washington Post*, July 24, 1999) that "as a tenacious student of political history, Rove had dug so deeply into the McKinley era that he had become "the swami of McKinley mania." Rove denied it to the writer Ron Suskind, who then went on to talk to old colleagues of Rove "dating back 25 years, one of whom said: "Some kids want to grow up to be president, Karl wanted to grow up to be Mark Hanna. We'd talk about it all the time. We'd say, 'Jesus, Karl, what kind of kid wants to grow up to be Mark Hanna?"

"There are two things that are important in politics," Hanna said. "The first is money and I can't remember what the second one is." He had become rich as a business man in Ohio, "the characteristic American capitalist of the Gilded Age" (*Columbia Encyclopedia*). He was famously depicted by one cartoonist as "Dollar Mark," the prototype of plutocracy. Hanna tapped the banks, the insurance companies, the railroads and the other industrial trusts of the late 1800s for all the money it took to make William McKinley governor of Ohio and then President of the United States. McKinley

was the perfect conduit for Hanna's connivance and their largesse – one of those politicians with a talent for emitting banalities as though they were recently discovered truth. Hanna raised “an unprecedented amount of money (the biggest check came from the oil baron John Rockefeller) and ran a sophisticated, hardball campaign that got McKinley to the White House, “where he governed negligently in the interests of big business,” wrote Jacob Weisberg in “Slate” (November 2, 2005) His opponent in the 1896 election was the Democrat-Populist candidate, William Jennings Bryan, whose base consisted of aroused populists – the remnant of the People's Party – who were outraged at the rapacity and shenanigans of the monopolies, trusts, and corporations that were running roughshod over ordinary Americans. Because Bryan threatened those big economic interests he was able to raise only one-tenth the money that Mark Hanna raised for McKinley, and he lost: Money in politics is an old story.

Karl Rove would have learned from his study of Hanna the principles of plutonomy. For Hanna believed “the state of Ohio existed for property. It had no other function...Great wealth was to be gained through monopoly, through using the State for private ends; it was axiomatic therefore that businessmen should run the government and run it for personal profit.”

He and McKinley therefore saw to it that first Ohio and then Washington were “ruled by business...by bankers, railroads, and public utility corporations.” The United States Senate was infamous as “a millionaire's club.” City halls, state houses and even courtrooms were bought and sold like baubles. Instead of enforcing the rules of fair play, government served as valet to the plutocrats. The young journalist Henry George had written that “an immense wedge” was being forced through American society by “the maldistribution of wealth, status, and opportunity.” Now inequality exploded into what the historian Clinton Rossiter described as “the great train robbery of American intellectual history.” Conservatives of the day – pro-corporate apologists – hijacked the vocabulary of Jeffersonian liberalism and turned words like “progress,” “opportunity,” and “individualism” into tools for making the plunder of America sound like divine right. Laissez faire ideologues and neo-cons of the day – lovers of empire even then – hijacked Charles Darwin's theory of evolution and so distorted it that politicians, judges, and publicists gleefully embraced the notion that progress emerges from the elimination of the weak and the “survival of the fittest.” As one of the plutocrats crowed: “We are rich. We own America. We got it, God knows how, but we intend to keep it.”

And they have never given up. The Gilded Age returned with a vengeance in our time. It slipped in quietly at first, back in the early 1980s, when Ronald Reagan began a “massive decades-long transfer of national wealth to the rich.” As Roger Hodge makes clear, under Bill Clinton the transfer was even more dramatic, as the top 10 percent captured an ever-growing share of national income. The trend continued under George W. Bush – those huge tax cuts for the rich, remember, which are now about to be extended because both parties have been bought off by the wealthy – and by 2007 the wealthiest 10% of Americans were taking in 50% of the national income. Today, a fraction of people at the top today earn more than the bottom 120 million Americans.

You will hear it said, “Come on, this is the way the world works.” No, it's the way the world is made to work. This vast inequality is not the result of Adam Smith's invisible hand; it did not just happen; it was no accident. As Hodge drives home, it is the result of a long series of policy decisions “about industry and trade, taxation and military spending, by flesh-and-blood humans sitting in concrete-and-steel buildings.” And those policy decisions were paid for by the less than one percent who participate in our capitalist democracy political contributions. Over the past 30 years, with the complicity of Republicans and Democrats alike, the plutocrats, or plutonomists (choose your own poison) have used their vastly increased wealth to assure that government does their bidding. Remember that grateful Citigroup reference to “market-friendly governments” on the side of plutonomy? We had a story down in Texas for that sort of thing; the dealer in a poker game says to the dealer, Now play the cards fairly, Reuben; I know what I dealt you.” (To see just how our system was rigged by the financial, political, and

university elites, run, don't walk, to the theatre nearest you showing Charles Ferguson's new film, "Inside Job." Take a handkerchief because you'll weep for the republic.)

Looking back, it all seems so clear that we wonder how we could have ignored the warning signs at the time. One of the few journalists who did see it coming – Thomas Edsall of the Washington Post – reported that “business refined its ability to act as a class, submerging competitive instincts in favour of joint, cooperative action in the legislative arena.” Big business political action committees flooded the political arena with a deluge of dollars. They funded think tanks that churned out study after study with results skewed to their ideology and interests. And their political allies in the conservative movement cleverly built alliances with the religious right – Jerry Falwell's Moral Majority and Pat Robertson's Christian Coalition – who zealously waged a cultural holy war that camouflaged the economic assault on working people and the middle class.

Senator Daniel Patrick Moynihan also tried to warn us. He said President Reagan's real strategy was to force the government to cut domestic social programs by fostering federal deficits of historic dimensions. Senator Moynihan was gone before the financial catastrophe on George W. Bush's watch that could paradoxically yet fulfill Reagan's dream. The plutocrats who soaked up all the money now say the deficits require putting Social Security and other public services on the chopping block. You might think that Mr. Bush today would regret having invaded Iraq on false pretences at a cost of more than a trillion dollars and counting, but no, just last week he said that his biggest regret was his failure to privatize Social Security. With over 100 Republicans of the House having signed a pledge to do just that when the new Congress convenes, Mr. Bush's vision may yet be realized.

Daniel Altman also saw what was coming. In his book *Neoeconomy* he described a place without taxes or a social safety net, where rich and poor live in different financial worlds. “It's coming to America,” he wrote. Most likely he would not have been surprised recently when firefighters in rural Tennessee would let a home burn to the ground because the homeowner hadn't paid a \$75 fee. That's what is coming to America.

Here we are now, on the verge of the biggest commercial transaction in the history of American elections. Once again the plutocracy is buying off the system. Nearly \$4 billion is being spent on the congressional races that will be decided next week, including multi millions coming from independent tax-exempt organizations that can collect unlimited amounts without revealing the sources. The organization Public Citizen reports that just 10 groups are responsible for the bulk of the spending by independent groups: “A tiny number of organizations, relying on a tiny number of corporate and fat cat contributors, are spending most of the money on the vicious attack ads dominating the airwaves” – those are the words of Public Citizen's president, Robert Wiessman. The Federal Election Commission says that two years ago 97% of groups paying for election ads disclosed the names of their donors. This year it's only 32%.

Socrates again: To remember a thing, you must first name it. We're talking about slush funds. Donors are laundering their cash through front groups with high-falutin' names like American Crossroads. That's one of the two slush funds controlled by Karl Rove in his ambition to revive the era of the robber barons. Promise me you won't laugh when I tell you that although Rove and the powerful Washington lobbyist who is his accomplice described the first organization as “grassroots”, 97% of its initial contributions came from four billionaires. Yes: The grass grows mighty high when the roots are fertilized with gold.

Rove, other conservative groups and the Chamber of Commerce have in fact created a “shadow party” determined to be the real power in Washington just like Rome's Opus Dei in Dan Brown's “The DaVinci Code.” In this shadow party the plutocrats reign. We have reached what the new chairman of Common Cause and former Labor Secretary Robert Reich calls “the perfect storm that threatens American democracy: an unprecedented concentration of income and wealth at the top; a record

amount of secret money, flooding our democracy; and a public becoming increasingly angry and cynical about a government that's raising its taxes, reducing its services, and unable to get it back to work. We're losing our democracy to a different system. It's called plutocracy."

That word again. But Reich is right. That fraction of one percent of Americans who now earn as much as the bottom 120 million Americans includes the top executives of giant corporations and those Wall Street hedge funds and private equity managers who constitute Citigroup's "plutonomy" are buying our democracy and they're doing it in secret.

That's because early this year the five reactionary members of the Supreme Court ruled that corporations are "persons" with the right to speak during elections by funding ads like those now flooding the airwaves. It was the work of legal fabulists. Corporations are not people; they are legal fictions, creatures of the state, born not of the womb, not of flesh and blood. They're not permitted to vote. They don't bear arms (except for the nuclear bombs they can now drop on a congressional race without anyone knowing where it came from.) Yet thanks to five activist conservative judges they have the privilege of "personhood" to "speak" – and not in their own voice, mind you, but as ventriloquists, through hired puppets.

Does anyone really think that's what the authors of the First Amendment had in mind? Horrified by such a profound perversion, the editor of the spunky Texas Observer, Bob Moser, got it right with his headline: "So long, Democracy, it's been good to know you."

You'll recall that soon after the Court's decision President Obama raised the matter during his State of the Union speech in January. He said the decision would unleash a torrent of corrupting corporate money into our political system. Sitting a few feet in front of the president, Associate Justice Samuel Alito defiantly mouthed the words: "Not true."

Not true? Terry Forcht knew otherwise. He's the wealthy nursing home executive in Kentucky whose establishments is being prosecuted by Attorney General Jack Conway for allegedly covering up sexual abuse. Conway is running for the Senate. Forcht has spent more than \$1 million to defeat him. Would you believe that Forcht is the banker for one of Karl Rove's two slush funds, American Crossroads, which has spent nearly \$30 million to defeat Democrats?

What's that, Justice Alito? Not true?

Ask Alan Grayson. He's a member of Congress. Here's what he says: "We're now in a situation where a lobbyist can walk into my office...and say, 'I've got five million dollars to spend and I can spend it for you or against it.'"

Alito was either disingenuous, naïve, or deluded. He can't be in this world without knowing he and his four fellow corporatists were giving big donors the one thing they most want in their campaign against working people: an unfair advantage.

My friend and colleague, the writer Michael Winship, told a story this week that illuminates the Court's coup de grace against democracy. It seems the incorrigible George Bernard Shaw once propositioned a fellow dinner guest, asking if she would go to bed with him for a million pounds (today around \$1,580,178 US dollars). She agreed. Shaw then asked if she would do the same for ten shillings. "What do you take me for?" she asked angrily. "A prostitute?" Shaw responded: "We've established the principle, Madam. Now we're just haggling over the price."

With this one decision, the Supreme Court established once and for all that Shaw's is the only principle left in politics, as long as the price is right.

Come now and let's visit Washington's red light district, headquarters of the U.S. Chamber of Commerce, the front group for the plutocracy's prostitution of politics. The Chamber boasts it represents more than three million businesses and approximately 300,000 members. But in reality it has almost nothing to do with the shops and stores along your local streets. The Chamber's branding,

as the economics journalist Zach Carter recently wrote, “allows them to disguise their political agenda as a coalition of local businesses while it does dirty work for corporate titans.” Carter reported that when the Supreme Court came down with its infamous ruling earlier this year, the Chamber responded by announcing a 40% boost in its political spending operations. After the money started flowing in, the Chamber boosted its budget again by 50%.

After digging into corporate foundation tax filings and other public records, the New York Times found that the Chamber of Commerce has “increasingly relied on a relatively small collection of big corporate donors” – the plutocracy’s senior ranks – “to finance much of its legislative and political agenda.” Furthermore, the chamber “makes no apologies for its policy of not identifying its donors.” Indeed, “It has vigorously opposed legislation in Congress that would require groups like it to identify their biggest contributors when they spend money on campaign ads.”

Now let’s connect some dots. While knocking down nearly all limits on corporate spending in campaigns, the Supreme Court did allow for disclosure, which would at least tell us who’s buying off the government. Senate Republican Leader Mitch McConnell even claimed that “sunshine” laws would make everything okay. But after the House of Representatives passed a bill that would require that the names of all such donors be publicly disclosed, McConnell lined up every Republican in the Senate to oppose it. Hardly had the public begun to sing “Let the Sunshine In” than McConnell & Company went tone deaf. And when the chief lobbyist for the Chamber of Commerce was asked by an interviewer, “Are you guys eventually going to disclose?” the answer was a brisk: “No.” Why? Because those corporations are afraid of a public backlash. Like bank robbers pulling a heist, they prefer to hide their “personhood” behind sock masks. Surely that tells us something about the nature of what they’re doing. In the words of one of the characters in Tom Stoppard’s play *Night and Day*: “People do terrible things to each other, but it’s worse in places where everything is kept in the dark.”

That’s true in politics, too. Thus it turns out that many of the ads being paid for secretly by anonymous donors are “false, grossly misleading, or marred with distortions,” as Greg Sargent reports in his website “The Plum Line.” Go to Sargent’s site and you’ll see a partial list of ads that illustrate the scope of the intellectual and political fraud being perpetrated in front of our eyes. Money from secret sources is poisoning the public mind with toxic information in order to dupe voters into giving even more power to the powerful.

On another site – “thinkprogress.com” – you can find out how the multibillionaire Koch brothers – also big oil polluters and Tea Party supporters – are recruiting “captains of industry” to fund the right-wing infrastructure of front groups, political campaigns, think tanks and media outlets. Now, hold on to your seats, because this can blow away the faint-hearted: Among the right-wing luminaries who showed up among Koch’s ‘secretive network of Republican donors’ were two Supreme Court Justices: Antonin Scalia and Clarence Thomas. That’s right: 2 of the 5 votes to enable the final corporate takeover of government came from justices who were present as members of the plutocracy hatched their schemes for doing so.

Something else is going on here, too. The Koch brothers have contributed significantly to efforts to stop the Affordable Care Act – the health care reforms – from taking effect. Justice Clarence Thomas has obviously been doing some home schooling, because his wife Virginia claims those reforms are “unconstitutional,” and has founded an organization that is fighting to repeal them. Her own husband on the Supreme Court may one day be ruling on whether she’s right or not (“Play the cards fair, Reuben; I know what I dealt you.”) There’s more: The organization Virginia Thomas founded to kill those health care reforms – also a goal of the Koch brothers, remember – got its start with a gift of half a million dollars from an unnamed source, and is still being funded by donors who can’t be traced. You have to wonder if some of them are corporations that stand to benefit from favorable decisions by the Supreme Court. Now guess the name of the one Supreme Court justice who voted against the disclosure provision. I’m not telling, but Mrs. Thomas can tell you – if, that is, she’s willing to share the pillow talk.

This truly puzzles me. It's what I can't figure out about the conservative mindset. The Kochs I can understand: messianic Daddy Warbucks who can't imagine what life is like for people who aren't worth 21 billion dollars. But whatever happened to "compassionate conservatism?" The Affordable Care Act – whatever its flaws – extends health care coverage to over 40 million deprived Americans who would otherwise be uncovered. What is it about these people – the Thomases, the secret donors, the privileged plutocrats on their side – that they can't embrace a little social justice where it counts – among everyday people struggling to get by in a dog-eat-dog world? Health care coverage could mean the difference between life and death for them. Mrs. Thomas is obviously doing okay; she no doubts takes at least a modest salary from that private slush fund working to undermine the health care reforms; her own husband is a government employee covered by a federal plan. Why wouldn't she want people less fortunate than her to have a little security, too? She headquarters her organization at Jerry Falwell's Liberty University, a reportedly Christian school aligned with the Moral Majority. How is it she's only about "Live and Let Live?" Have they never heard there the Old Time Religion of "Live and help live?" Why would this cushioned, comfortable crowd, pious crowd, resort to such despicable tactics as using secret money to try to turn public policy against their less fortunate neighbors, and in the process compromise the already tattered integrity of the United States Supreme Court?

I don't get it.

You be the judge (Because if you don't, Justice Thomas will.)

Time to close the circle: Everyone knows millions of Americans are in trouble. As Robert Reich recently summed it the state of working people: They've lost their jobs, their homes, and their savings. Their grown children have moved back in with them. Their state and local taxes are rising. Teachers and firefighters are being laid off. The roads and bridges they count on are crumbling, pipelines are leaking, schools are dilapidated, and public libraries are being shut.

Why isn't government working for them? Because it's been bought off. It's as simple as that. And until we get clean money we're not going to get clean elections, and until we get clean elections, you can kiss goodbye government of, by, and for the people. Welcome to the plutocracy.

Obviously Howard Zinn would not have us leave it there. Defeat was never his counsel. Look at this headline above one of his essays published posthumously this fall by the Progressive magazine: DON'T DESPAIR ABOUT THE SUPREME COURT. The Court was lost long ago, he said – don't go there looking for justice. "The Constitution gave no rights to working people; no right to work less than 12 hours a day, no right to a living wage, no right to safe working conditions. Workers had to organize, go on strike, defy the law, the courts, the police, create a great movement which won the eight-hour day, and caused such commotion that Congress was forced to pass a minimum wage law, and Social Security, and unemployment insurance....Those rights only come alive when citizens organize, protest, demonstrate, strike, boycott, rebel and violate the law in order to uphold justice."

So what are we to do about Big Money in politics buying off democracy? I can almost hear him throwing that question back at us: "What are we to do? ORGANIZE! Yes, organize—and don't count the costs." Some people already are. They're mobilizing. There's a rumbling in the land. All across the spectrum people oppose the escalating power of money in politics. Fed-up Democrats. Disillusioned Republicans. Independents. Greens. Even Tea Partiers, once they wake up to realize they have been sucker-punched by their bankrollers who have no intention of sharing the wealth.

Veteran public interest groups like Common Cause and Public Citizen are aroused. There are the rising voices, from web-based initiatives such as "freespeechforpeople.org" to grassroots initiatives such as "Democracy Matters" on campuses across the country, including a chapter here at Boston

University. “Moveon.org” is looking for a million people to fight back in a many-pronged strategy to counter the Supreme Court decision.

What’s promising in all this is that in taking on Big Money we’re talking about something more than a single issue. We’re talking about a broad-based coalition to restore American democracy – one that is trying to be smart about the nuts-and-bolts of building a coalition, remembering that it has a lot to do with human nature. Some will want to march. Some will want to petition. Some will want to engage through the web. Some will want to go door-to-door: many gifts, but the same spirit. A fighting spirit. As Howard Zinn would tell us: No fight, no fun, no results.

But here’s the key: If you’re fighting for a living wage, or peace, or immigration reform, or gender equality, or the environment, or a safe neighborhood, you are, of necessity, strongly opposed to a handful of moneyed-interests controlling how decisions get made and policy set. Because most Americans are attuned to principle of fair play, of not favoring Big Money at the expense of the little guy – at the expense of the country they love. The legendary community organizer Ernesto Cortes talks about the “power to preserve what we value.” That’s what we want for Americans – the power to preserve what we value, both for ourselves and on behalf of our democracy.

But let’s be clear: Even with most Americans on our side, the odds are long. We learned long ago that power and privilege never give up anything without a struggle. Money fights hard, and it fights dirty. Think Rove. The Chamber. The Kochs. We may lose. It all may be impossible. But it’s OK if it’s impossible. Hear the former farmworker and labor organizer Baldemar Velasquez on this. The members of his Farm Labor Organizing Committee are a long way from the world of K Street lobbyists. But they took on the Campbell Soup Company – and won. They took on North Carolina growers – and won, using transnational organizing tactics that helped win Velasquez a “genius” award from the MacArthur Foundation. And now they’re taking on no less than R. J. Reynolds Tobacco and one of its principle financial sponsors, JPMorgan-Chase. Some people question the wisdom of taking on such powerful interests, but here’s what Velasquez says: “It’s OK if it’s impossible; it’s OK! Now I’m going to speak to you as organizers. Listen carefully. The object is not to win. That’s not the objective. The object is to do the right and good thing. If you decide not to do anything, because it’s too hard or too impossible, then nothing will be done, and when you’re on your death bed, you’re gonna say, “I wish I had done something. But if you go and do the right thing NOW, and you do it long enough “good things will happen—something’s gonna happen.”

Shades of Howard Zinn!

[Watch a video of the full speech and the question and answer session here:](#)

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