Impetus for Change: LBJ versus Goldwater

Following the death of President John F. Kennedy and his succession by Lyndon B. Johnson in 1963, the Democratic Party experienced an immense popularity. In 1964, Republicans searched desperately for a candidate strong enough to run against the incumbent Democrat Johnson. Nelson Rockefeller and Barry Goldwater emerged from the pack.  

The two candidates embodied different political outlooks which mirrored the intense polarization that had developed between moderate and conservative Republicans in preceding years. Rockefeller, a moderate who found his support primarily in the Northeast, espoused the ideology of more liberally-minded conservatives, supporting initiatives to expand government infrastructure and social welfare programs. Goldwater, on the other hand, embraced highly conservative ideals and drew his support from Middle America, favoring low taxes, small federal government, individual rights, business interests and opposing social welfare programs. Although they came from the same party, the two candidates represented very different political platforms.  

The Republican Primary and National Convention illuminated the rift that had developed in Republican thought. With a 51% to 49% victory in California, Goldwater eked out the Republican nomination. At the Republican National Convention, Rockefeller’s speech embracing moderate ideals was met with “boos” from conservative Republicans in the San Francisco convention hall. So goes the idiom, a house divided cannot stand. Goldwater resoundingly lost the presidential election to Johnson, with the Electoral College voting 486–52 in Johnson’s favor. The enormity of this victory sent chills through the conservative elite and convinced them a strategy change was in order.

Blueprint for Power: The Powell Memo

After the 1964 defeat, conservative business leaders grew increasingly fearful that the free enterprise system was under attack. At the behest of Eugene Sydnor, Jr., Director of the U.S. Chamber of Commerce, Lewis Powell crafted a strategy memo to counter this perceived challenge. At the time, Powell was a corporate lawyer for the Phillip Morris Corporation and board member of eleven corporations. It was two months prior to Powell's nomination by President Nixon to the U.S. Supreme Court.  

The memo, dated August 23, 1971, says, “survival of what we call the free enterprise system...lies in...organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action and national organizations.” In the memo, Powell cautioned that the American free enterprise economic system was “under broad attack...[by] Leftists and other revolutionaries.” He found liberal influences on college campuses particularly disconcerting, citing a study which demonstrated that 50% of college students “favored socialization of some basic U.S. industries,” and enumerating prominent college professors who embraced liberal ideals.  

Powell suggested that
liberal students would, after graduation, seek employment “in the centers of real power and influence in our country namely: with the news media, especially television, in government as staffers and consultants at various levels, in elective politics, as lecturers and writers, and on the faculties at various levels of education.” His fear was that, so situated, they would then shift the American political paradigm even further to the left.

Powell believed corporate America was neither “trained nor equipped to conduct guerilla warfare” with the burgeoning progressive movement. According to Powell, business leaders were simply trained to “be good citizens.” In a rallying cry, he said, “the time has come – indeed it is long overdue – for the wisdom, ingenuity and resources of American business to be marshaled against those who [oppose] it.” In Powell’s eyes, it was time for an all out, no-holds-barred war between corporate conservatives and the liberal establishment.

Powell’s memo laid out a plan of coordinated attack believing that “independent and uncoordinated activity by individual corporations, [although necessary, would] not be sufficient. Strength [laid] in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort and the attainment of political power available only through united action and national organizations.” In other words, Powell understood that organizing a conservative infrastructure was integral to regaining and maintaining widespread influence.

The Powell Memo provided a blueprint for the creation of a set of institutions that together could change the public debate. To combat liberal influences on college campuses, Powell suggested that the National Chamber of Commerce establish a staff of reputable scholars to create ideology, a staff of cogent speakers to articulate the message of the scholars, a speakers bureau composed of upper echelon American businessmen to address students as guest lecturers on college campuses and a panel of academics to evaluate liberal biases in college-level textbooks. Powell urged the National Chamber of Commerce to pressure colleges and universities to balance their faculties among liberal and conservative professors.

To combat liberal influences in the general public, Powell suggested that the National Chamber of Commerce monitor television networks for liberal bias and provide feedback to the Federal Communications Commission, create incentives to encourage greater publication from conservatives in scholarly journals, distribute pro-corporation documents to news stands and devote ten percent of American businesses’ budgets to general corporate advertisement of the “overall purpose.” To combat liberal influences in court, like the American Civil Liberties Union, Powell suggested that the National Chamber of Commerce assemble a team of highly competent lawyers funded by corporate America. Lastly, he advised corporations to exert greater influence on stockholders through shareholder reports and by assembling a national organization of stockholders via the Chamber of Commerce.

The Beginning

In 1973, just two years after Powell passed along his recommendations to Sydnor, two Washington aides, Paul Weyrich and Edwin Feulner, discussed the ideas expressed in the Memo with renowned conservative beer baron Joseph Coors. After describing in vivid, fear-mongering detail the impending crash course of the American economic system, Weyrich and Feulner received a $250,000 grant from Coors to build a conservative think tank. The think tank was called the Heritage Foundation.
Though Weyrich and Feulner did not officially launch the Heritage Foundation until Coors’ donation in 1973, the pair had been planning for Heritage while working on Capitol Hill. The men decided that Republicans needed a research organization possessing what Feulner called a “quick response capability.”15 A few months later, Colorado Republican Senator Gordon Allott, then Weyrich’s employer, told Weyrich that Joseph Coors had been “stirred” by Lewis Powell’s “call to arms against the critics of free enterprise and had become convinced that business was ‘ignoring’ a crisis.”16

Officially, the mission of the Heritage Foundation is to “to formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values and a strong national defense.”17 The think tank has played a central role in conservative politics, producing a steady flow of policy guidelines and suggestions aimed at presenting right-wing positions in a salient, saleable manner.

Weyrich served as Heritage’s first president in 1973. After only a year in that capacity, he moved on, forming the Committee for the Survival of a Free Congress with backing from the Coors fortune.18 The committee sought to influence the electoral process through fundraising, outreach, education, recruitment, and grassroots organizing and kept Weyrich enormously prominent in the conservative infrastructure. In 1977, Feulner assumed control of Heritage. Feulner proved to be an extraordinary promoter and fundraiser who appreciated the mobilizing power of ideas. In his first four years at the Heritage Foundation, Feulner raised Heritage’s annual budget from $1,008,557 to just over $7.1 million.19 Feulner was not only able to lure support from tremendously wealthy family foundations like the John M. Olin Foundation and the Smith Richardson Foundation, but also from Fortune 500 corporations and banks including General Motors, Ford Motors, Procter and Gamble, Chase Manhattan Bank, Dow Chemical, the Reader’s Digest Association, Mobil Oil, Pfizer and Sears.20

In addition to developing Heritage’s substantial endowment, Feulner also established Heritage’s innovative style, focusing on producing article-length policy recommendations on current legislative and foreign policy issues known as “backgrounders.” This novel system revolutionized the way that information penetrated the policy process, as it ensured that arguments bolstering the conservative party could be rapidly sent and easily digested by politicians, public officials and journalists. In the words of Heritage Foundation President Edwin J. Feulner, “We don't just stress credibility....We stress an efficient, effective delivery system. Production is one side; marketing is equally important.”21 These backgrounders grew increasingly important towards the end of the 1970s. When the Reagan administration and Senate Republicans took power in 1980, Heritage incorporated current backgrounders into a massive compilation known as the Mandate for Leadership.

The 1,077 page, twenty-volume Mandate represented a set of 2,000 policy recommendations which served as a roadmap for Reagan’s presidency. These recommendations included rolling back minority programs, dramatically increasing military spending and cutting taxes. In 1984, just before Reagan’s re-election, Heritage published Mandate for Leadership II, which recommended privatization of social security and denial of special educational funding for the handicapped. In 1985, following Reagan’s first term and subsequent reelection, Heritage claimed that, between 1981 and 1985, the Reagan administration enacted 60–65% of the suggested policies from the first Mandate for Leadership.22

Throughout the 1980s and early 1990s, the Heritage Foundation functioned as the key architect and advocate of the “Reagan Doctrine,” under which the United States government supported anti-Communist resistance movements in such places as Afghanistan, Angola,
Cambodia and Nicaragua. Heritage’s foreign policy analysts provided guidance to anti-communist rebel forces, including the Nicaraguan contras and Jonas Savimbi’s Unita movement in Angola, and to dissidents in Eastern bloc nations and Soviet republics. Ultimately, Heritage managed to win both covert and overt United States support for so-called “wars of liberation” against Soviet-aligned states around the world. Throughout the late 1980s and early 1990s, Heritage’s support for the contras and Angola's Savimbi proved extremely influential with the United States government, including the Central Intelligence Agency, the Defense Intelligence Agency and the National Security Council. Disturbingly, after Heritage presented its case for armed support for these movements, U.S. support followed.\textsuperscript{23} The Heritage Foundation played an instrumental role in advancing and upholding Reagan’s controversial description of the former U.S.S.R. as an “evil empire” whose defeat, as opposed to mere containment, was the most pertinent avenue of foreign policy to pursue. This policy served as the justification for the Star Wars anti-ballistic missile defense system which the Heritage Foundation still pursues today.\textsuperscript{24}

Following the collapse of the Soviet Union in 1991, Heritage advised Newt Gingrich and other conservatives on the development of the \textit{Contract with America}, which was credited with helping to produce a Republican majority in Congress. The \textit{Contract} represented a pact of principles that directly challenged both the political status-quo in Washington and many of the ideas at the heart of the Clinton administration, which was then assuming office after George H.W. Bush’s defeat. As such, while Heritage is still officially a non-partisan think tank, it is often credited with supplying many of the ideas that ultimately ended the Democrats’ forty year reign of Congressional control in 1994.\textsuperscript{25}

\textbf{Elements of the Conservative Infrastructure}

The most important thing to understand about the Heritage Foundation is that it is only one of a myriad of similarly well-funded organizations developing and promoting conservative economic and legal theory. These organizations include:\textsuperscript{26}

- Heritage Foundation: $32.9 million\textsuperscript{27} annual budget
- American Enterprise Institute: $17.6 million annual budget
- Cato Institute: $17.6 million annual budget
- Hoover Institution: $30.6 million annual budget
- Manhattan Institute: $8 million annual budget
- Hudson Institute: $7 million annual budget
- Reason Foundation: $4.8 million annual budget
- Freedom Works: $3.8 million annual budget
- Pacific Research Policy Center: $4 million annual budget
- Citizens Against Government Waste: $5 million annual budget
- National Center for Policy Analysis: $4.9 million annual budget
- Competitive Enterprise Institute: $4 million annual budget

The American Enterprise Institute (AEI) is an extremely influential, pro-business right-wing think tank that predates Heritage, having been founded in 1943 by asbestos manufacturer
Lewis Brown. AEI is intimately connected to the power brokers of the neoconservative movement. Irving Kristol, widely regarded as the movement’s founder, is a Senior Fellow at AEI. Other current or former AEI staff who are prominent neoconservatives include Michael Novak and Richard Perle. AEI has emerged as one of the leading architects of the second Bush administration’s public policy, and over twenty AEI alumni and current visiting scholars and fellows have served either in a Bush administration policy post or on one of the government’s seemingly vast array of panels and commissions. Former United States Deputy Secretary of Defense Paul Wolfowitz is a visiting scholar, and Lynne Cheney, wife of Vice President Dick Cheney and former chairman of the National Endowment for the Humanities, is a senior fellow.

The Cato Institute is a non-profit think tank with strong libertarian leanings, oftentimes on behalf of its anti-regulation corporate funders like the tobacco industry. Cato advocates policies that advance “individual liberty, limited government, free markets, and peace.” This translates into policy proposals in favor of abolishing the minimum wage, corporate welfare and trade barriers, diminishing federal government involvement in the marketplace and in local and state issues, and enhancing school choice via vouchers. Cato’s legacy dates back to its founding in 1977, at a time when the conservative movement was heavily influenced by libertarian ideals. However, Cato’s relationship with today’s Republican Party is more tenuous than in the past, as power has shifted from staunchly anti-government leaders like Barry Goldwater and Ronald Reagan, to pro-interventionist neoconservatives like George W. Bush. In recent years, Cato’s non-interventionist foreign policy views, and strong support for civil liberties, have frequently led them to criticize those in power, Republican and Democrat. Cato scholars opposed President George H. W. Bush's 1991 Gulf War operations, President Clinton’s interventions in Haiti and Kosovo, and President George W. Bush’s 2003 invasion of Iraq. On the other hand, Cato scholars supported the 2001 invasion of Afghanistan as a response to the terrorist attacks of September 11, 2001. Cato scholars have been similarly critical of recent perceived infringements upon American's civil liberties, speaking out against the USA Patriot Act, imprisonment of so-called “unlawful enemy combatants” and the Bush Administration’s aggressive assertions of unilateral executive authority.

The Hoover Institution on War, Revolution, and Peace at Stanford University was founded in 1919 by Herbert Hoover. The Hoover Institution is especially influential in the American neoconservative movement, and has, throughout George W. Bush’s term, represented the “conservative think tank President Bush looks to for ideas.” Hoover boasts its strong ties between right-wing ideologues, right-wing think tanks and right-wing policy makers, and many of its scholars have worked for various Republican Presidential Administrations, including Nixon, Ford, Reagan, George H.W. Bush and George W. Bush. With eight current Hoover Fellows sitting on Bush’s Defense Policy Board, as well as several current and former associates like Donald Rumsfeld and Condoleezza Rice serving in the country's highest policy-making posts, the influence of Hoover is difficult to overestimate. While it is best known for its focus on foreign and defense policies, “Hoover…has focused particular attention on tax policy, promoting the flat tax for well over a decade and organizing policy briefings and conferences on the issue….It was, according to one well-placed journalist and author, one of four leading policy institutions that pulled the nation's economic policy debate to the right in the early 1980s.”

Today’s Conservative Message Machine
The network of conservative message makers, advocates, elite journals, professional networks and legal/media monitors enjoy a combined annual operating budget of around $400 million. Together, these elements constitute a value chain that develops, promotes and distributes conservative public policy. Ideas formulated by think tanks are disseminated first to elite journals such as the *Weekly Standard, National Review* and *American Spectator*. These ideas cover the policy landscape, with some of the “top hits” including:

- “Blueprint for America”
- Less government/lower taxes
- De-regulation
- “Defund the Left”
- Chilling The “Liberal” Media
- “Contract With America”
- Welfare Reform
- “Death” Tax
- “Compassionate Conservatism”
- School Vouchers
- Social Security Privatization
- Military “Preemption” Doctrine

After gaining traction in the elite journals, ideas then flow to those mass media outlets that form part of the conservative infrastructure, including Fox Television News, Scarborough Country MSNBC, The Rush Limbaugh Show, Radio America, *The Wall Street Journal* editorial page, *The Washington Times* and websites such as Townhall.com and AnnCoulter.org. Also important here are groups in charge of liberal media mongering. These include:

- Center for Study of Popular Culture: $2.8 million annual budget
- Media Research Center: $6 million annual budget
- Accuracy in the Media: $1.3 million annual budget
- Center for Media and Public Affairs: $1 million annual budget

Legal advocacy groups play an important part in the machine, monitoring judiciary hearings and providing support for conservative causes, further reinforcing the machine. The most important of the groups are:

- Center for Individual Rights: $2.1 million annual budget
- Pacific Legal Foundation: $6.5 million annual budget
- Institute for Justice: $4.7 million annual budget
- Landmark Legal Foundation: $1.1 million annual budget
- Mountain States Legal Foundation: $2.1 million annual budget
- Washington Legal Foundation: $3.2 million annual budget
- Judicial Watch: $14.3 million annual budget
- Federalist Society: $3.6 million annual budget
Additionally, conservative organizations monitoring the liberal media, primarily the Media Research Center, progress the conservative cause by networking with think tanks and legal advocacy groups to diminish the productive propagation of liberal messages.\(^{38}\)

The $400 million tab incurred by the aggregate of think tanks and universities, elite journals, mass media outlets, legal advocacy groups and liberal media monitors is picked up by wealthy donors and philanthropic foundations.\(^{39}\) At the heart of this financial support are nine billionaire family foundations including:

- Scaife Family (4 Foundations): assets of $305 million\(^{40}\)
- Bradley Foundation: assets of $496 million
- Koch Family (3 Foundations): assets of $52 million
- Smith Richardson Foundation: assets of $436 million
- John M. Olin Foundation: assets of $55 million
- Earhart Foundation: assets of $52 million
- Castle Rock (Coors): assets of Foundation $55 million
- McKenna Foundation: assets of $15 million
- JM Foundation: assets of $21 million

Over a seventeen-year period from 1985–2001, these foundations made total grants of $1,659,000,000, of that over $650,000,000 went to the conservative infrastructure. With steady, generous, multi-decade support, these nine billionaire families change the public policy climate of the country. In addition to the nine billionaire families, a few hundred wealthy conservatives are responsible for most of the funding of the conservative infrastructure. The contributions are encouraged by the movement’s “investment bankers,” leaders like Grover Norquist, Paul Weyrich and Irving Kristol, and by several coordinating groups that help direct and motivate top donors. The most critical of these include\(^{41}\):

- The Philanthropy Round Table
- Capital Research Center
- Council for National Policy

The Philanthropy Round Table, for example, serves as a consortium of individual, foundational, and corporate donors, including the Coors Foundation that funds conservative causes.\(^{42}\) The Capital Research Center (CRC) is a non-profit organization, whose supposed purpose is “to study non-profit organizations, with a special focus on reviving the American traditions of charity, philanthropy, and voluntarism.” The CRC also investigates what the organization deems “viable private alternatives to government regulatory and entitlement programs.”\(^{43}\) From their own mission statement, the sole purpose of the CRC is to restore “traditional American values of individual responsibility and free choice,” in other words, the same sentiments echoed in the Powell memo on free enterprise.

Of particular note is the secretive Council for National Policy (CNP), which may be the most influential of the conservative network. “[F]ew people, outside its members, seem to know what the group is, what it does, how it raises money, and how interlocked it has become in the matrix of conservative activism.”\(^{44}\) CNP was reportedly conceived in 1981 “by at least five fathers, including the Reverend Tim LaHaye, an evangelical preacher who was then the head of the Moral Majority.” Paul Weyrich, a familiar name from the Heritage Foundation, “took
responsibility for bringing together the best minds of conservatism, and his imprint on the group's mission is unmistakable: It provided a forum for religiously engaged conservative Christians to influence the geography of American political power. Limited intelligence suggests that this invitation-only society, which meets at thrice-yearly conventions, operates as an arm of the hard right, utilizing its secret meetings to plan its strategy for implementing the radical agenda. It is here, they say, that organizers and activists meet with the financial backers who put up the money to carry out their agenda.

One anecdotal example of the influence exerted by this underground conservative complex is the 1999 CNP meeting in San Antonio, which featured then-GOP presidential candidate George W. Bush as a keynote speaker. Reports on the gathering suggest that “Bush promised the CNP to implement its agenda and vowed to appoint only anti-abortion judges to the federal courts.” Soon afterwards, having secured the confidence of critical CNP members, Bush won the Republican Party nomination.

Conclusion

While the conservative movement may have suffered some electoral setbacks in very recent history, it remains one of the most powerful forces in American political life. Combating this well-funded, well-coordinated machine is the work of this generation of progressive leaders.

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