



Nancy MacLean

Democracy in Chains

Mary C. Jenkins Center

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On behalf of Transylvania Partners in Democracy, welcome to this, the fifth in our series of talks and presentations focusing upon the threat to Democracy in our troubled times. The election will take place in four days, but the danger and the struggle will continue no matter the outcome of the Presidential race. We welcome your support, financial and otherwise, and plan to continue to explore these challenges in the months to come.

I want my introduction of our speaker tonight to be brief, but that is difficult. From her first book, *Behind the Mask of Chivalry: The Making of the Second Ku Klux Klan* through her more recent *Democracy in Chains*, she has become one of the nation's leading historians, teaching first at Northwestern and now as William Chafe Professor at Duke University.

Like her study of the modern Klan, *Democracy in Chains* is rigorously researched and gracefully written. It received the Lillian Smith Award, was a finalist for the National Book Award for nonfiction and the *Los Angeles Times* Book Award. *The Nation* magazine named it the "Most Valuable book of 2017." It is one of the most important works that help us understand why we have reached the current crisis in American life.

But my admiration for Nancy goes beyond her stature as a scholar. She and I believe that historical writing must be marked by fairness and rigorous research. But I think we

also share a belief that a study of the past can lead, as Tolstoy said, to a form of moral reflection. At its best, our conversation with the past can do more than inform us about what people have said and done; it can help us think about how we *should* live.

Finally, she would probably demur from the comparison, but when I hear Nancy speak, I can only think of the words of the prophet Jeremiah: “the message becomes like a burning fire inside me, deep within my bones. . . . and finally, I cannot hold it in.”

Dan Carter

Why is the Right “Laying Siege to Our Institutions”?

The History that Solves the Mystery

It is so good to see so many here tonight. I want to thank Dan Carter and Transylvania Partners for Democracy for inviting me and being such superb hosts. It's especially good to be here with you after Hurricane Helene—to know that notwithstanding the shock and the horror and the damage and the grief, you are an engaged, resilient community coming together to understand what has happened to our public life—and what has prevented us from acting on the preventable cause of these extreme weather events.

I take my starting point in tonight's talk about my book, *Democracy in Chains*, from a now notorious instigator on the right, Christopher Rufo who boasted at Hillsdale College, a longtime outpost of the antigovernment Right, that “we are laying siege to our institutions.” And, indeed, there are: K-12 schooling, higher ed, public health, libraries, federal agencies, corporate policies, Christian churches— and, of course, election administration. With 5 days still to go before Election Day, the 2024 election is already the most litigated election in US history—with over 200 lawsuits already filed, according to the legal expert Mark Elias this week.

WHY? Why is all this happening? Why would anyone, let alone a self-described “conservative” speak in military language about attacking our country's institutions?

I hope, by the end of my presentation, to have provided you with the history that solves this mystery.

You are only too painfully aware that American democracy is in profound crisis, hovering on the precipice of hurtling toward authoritarianism.

You know this. These are painful times to witness, with signs of approaching climate collapse combining with political crisis in ways that somedays feel apocalyptic—especially here in Western NC after the cataclysmic storm.

What you may be struggling to figure out, though, is HOW we reached this point and what that means for how we might escape it--and save our nation and our world.

The watershed we have reached in our public life has been fed by many streams, of course. They include the kind of movement conservatism that made Barry Goldwater the Republican candidate for president in 1964, just after his vote against the Civil Rights Act of 1964. Another—and related stream—is the Religious Right that has now radicalized into full-throated Christian nationalism. And there is the white supremacist right that has resurfaced with a vengeance in the last several years. And rampant disinformation. All of these are important, and together they've produced the votes to effect radical policy change.

But I want to address another piece of the puzzle of how we got into the dangerous situation in which we now find ourselves, a missing piece that explains much that otherwise remains mysterious: namely, the ideas that are guiding the billionaire-funded libertarian right made famous by Charles Koch.

I believe understanding these ideas—and how the operations funded by the Koch donor network have weaponized them to achieve unpopular radical change—is important not just in its own right, to see more clearly what is happening and why and how. But also because having this knowledge may enable the American people to avert disaster before it is too late. A public health nurse who read my book used this analogy: you need to get the diagnosis right before you can determine the best treatment plan.

Why does the diagnosis matter so much? Because there is an unmarked danger in our situation right now: the noisiest threats are getting the most attention: above all, those coming from Donald Trump and his MAGA movement, which has turned against the Constitution and the factual universe and to demonize and threaten millions of their fellow citizens.

But as their norm-shattering conduct draws nearly all attention, behind it—and indeed, now enlisting MAGA as a battering ram, a quieter extreme

plan is moving along apace—in the 30 states now dominated by this cause, in the House, and in the courts.

This plan is being pursued by a much smaller cause, but one that is archly determined and breathtakingly well-funded. And this cause's architects aim to rewrite the rules of our society—permanently. To do so, they have shown that they are willing to use the popular sections of the right—above all, the Christian nationalist—to get what they want, in the knowledge that they otherwise could never achieve it.

I'll state my case simply: behind all the seeming chaos and dysfunction in our public life right now, there is a strategy in play, a cold-eyed, calculated strategy.

And that strategy is far along. One of its field generals said this in late 2015:

"We're close to winning," he said; "they [the critics] don't have the real path." ... That was Mark Holden, a top Koch Industries' official and board chair of Koch's organization, Americans for Prosperity, gloating to an invitation-only audience of billionaire and multimillionaire donors.

Now, you have heard a great deal for more than a decade now about the fortune Charles Koch has been investing in our politics. But what you likely have *not* heard about is the ideas that have made those investments so devastatingly effective: the ideas that guide the strategy that has enabled the radical libertarian right to gain a power far beyond its numbers. CK boast in late 2018, two years into the Trump presidency: "We have made more progress over the last 5 years than I was able to achieve in the previous 50."

It was an academic, I learned, a faculty member, who supplied those strategic ideas—who taught Koch that for capitalism to thrive, democracy must be enchained: not overthrown in a coup, but rather rigged so that it can no longer provide what citizens have looked to it to provide—from consumer protection and retirement security to racial and gender equity and environmental protection. We see that shackling operating right now: though majorities want action on matters from the student debt crisis to

extreme wealth inequality and our collapsing ecosystem, again and again their will is blocked.

My research for *Democracy in Chains* unearthed the backstory to this defining moment in which we find ourselves—as it explains the “real path” to which Mark

Holden referred. At its core, the book is the story of two men, a scholar and a CEO, whose lives converged through a shared commitment to transform the model of government built up over the twentieth century, largely through collective action.

The scholar was a Tennessee-born economist, James McGill Buchanan, who spent most of his career in Virginia institutions. The CEO is the Kansas-based Charles Koch, one of the richest men in the world, who has spent most of his adult life seeking a way to make our country—and the world, in fact—conform to his arch vision of economic liberty, a free-reign capitalism beyond the reach of voters and their governments.

The history my work conveys is, first, of the crucible in which Buchanan came up with this idea of enchaining democracy to insulate economic liberty, as the civil rights movement made headway in Virginia and the nation in the late 1950s and 1960s. And then, the focus turns to how Koch funded an apparatus to make that idea a reality, in a messianic quest that has produced the volatile situation we now confront.

Tonight, rather than re-narrate the book, I want to share the story of how I stumbled upon the trail that took me to these findings. Knowing the route that led me to the stark conclusions I have just stated will give you, I believe, an even sharper sense of the stakes.

Because it turns out that what we are seeing now is *not* the first time the libertarian right has shown itself willing to exploit white supremacy to advance the cause of property supremacy—a property supremacy that is already injuring the most vulnerable but will ultimately affect us all.

So, what led me to this conclusion? Serendipity. I am a historian of social movements, with a particular interest in the US South. And in 2006, I came across tragic tale of Prince Edward County, Virginia, whose arch-segregationist white officials answered the U.S. Supreme Court's call to desegregate their public schools without further delay by, as they put it, proudly, "going out of the public-school business entirely."

They shuttered every public school in the county, leaving black children with no formal education whatsoever, as their white counterparts headed off to a private segregation academy knowing that they would have state-subsidized tuition grants: vouchers. And the county officials kept the public schools shut for five years, until the courts compelled them to reinstate a tax supported school system.

Shocked, I started to research this, and soon learned that tax-funded school vouchers were crucial to this kind of "massive resistance" to *Brown v. Board of Education*. I also discovered that the Chicago libertarian economist Milton Friedman had issued his first manifesto calling for such vouchers to undermine the "government monopoly" of education in 1955, the year after the *Brown* decision, in the full advance knowledge of how it would aid segregationists. So Friedman became part of my story.

But in following a footnote, I learned of a 1959 report (as this Prince Edward County threat was in the air to close the schools that fall), by two *other* economists, who had studied under Friedman at the University of Chicago and had recently set up a new center at the University of Virginia in Charlottesville, one of them being James Buchanan. Their report attempted to refute a movement of moderate white mothers and liberal ministers who were trying to save Virginia's public education system from the diehard opponents of *Brown*.

How did the economists fight? By making a case that if the state sold off its facilities to private operators it could provide better education with "liberty"—from the federal courts. The report, in effect, called for privatizing the South's schools, before that verb even existed. They saw the crisis as a chance to get rid of public education, because it was public, not private, and they were libertarian ideologues. And they did this knowing that the schools thus funded would be segregation academies because those were

the only private schools in question. Black parents and their organizations opposed the vouchers to a person.

It stunned me, as a professor myself, to see two university faculty members making a case for what their state's most arch segregationists were seeking. And it intrigued me that they did so not in racist terms, but, in economic terms. They enlisted the authority of their discipline to back up the state's powerful elite, knowing that they were exploiting the rage of white supremacists to move their libertarian economic agenda.

Their cover letter to legislators made this intention clear. They said that they were issuing the report and "letting the chips fall where they may." The professors were fully aware, in other words, of the harm their actions would inflict on school children.//

As an educator, I wondered how anyone could do such a thing—not in irrational frenzy, but in cold-eyed calculation?

My curiosity piqued, I began seeking more information about this James Buchanan. I learned that he had gone on to win the Nobel Prize in Economic Sciences in 1986. He was awarded it for having pioneered a new way of thinking called public choice economics in this Virginia hothouse. What Buchanan did that was new was, in his phrase, the economic analysis of politics. But it was a distinctive economic analysis: he applied Chicago-style libertarian assumptions to political actors to argue that they should only be understood as individuals rationally seeking their own personal self-interest—not the common good as they claimed.

Although he packaged it as "science," his approach was political from the start. Buchanan identified with, and indeed worked with, the network of free-market fundamentalists then coming together. But he saw something they did not: growing up in a farm family in Depression-era Tennessee, he knew you couldn't just make a case for how great the market was, how corporations would solve all problems if unleashed. Not many people would believe that, certainly not in the South, which President Roosevelt had rightly called "the Nation's # 1 economic problem."

To win, you had to discredit the only alternative to corporate domination: government. He made it his mission to undermine the trust in government

then common: to suggest that it could not deliver what people looked to it for because those who staffed it—and those who pressed it for action--were really just out for themselves.

He pointed to how elected officials answered organized citizens with programs they could tax others for; he portrayed them as “rent seekers”: takers who looked to government to get what they could not get as individuals from the workings of the market economy—a practice he portrayed as illegitimate collectivism/socialism.

Buchanan made it his mission to find ways to shrink the expanding public sector that was doing so much after WWII. With this public choice economics, he turned new attention to what he liked to call “the rules of the game of politics”: to the taxing and spending incentives of the political process, and to how altering the rules of the process might yield different outcomes. Those ideas have since interested some people who don’t identify with the right, I should point out.

But Buchanan’s version of these ideas, I learned (the Virginia School of Political Economy), was always distinctive. He himself said, looking back, that his goal was “to tear down” the very idea of “the public interest?”

Reading more, I learned that to a libertarian like him, there *is* no common good. Any such notion of shared purpose will lead government to coerce those who individuals don’t agree with the majority. The minority he was concerned with was that of wealthy taxpayers and corporations who don’t share the majority’s view of the public interest. Government, Buchanan and his colleagues argued, all but *steals* the property of this minority, if it taxes them for purposes they don’t share.

We should *not* be our brothers’ keeper, he insisted—or at least, we should not be able to use government to shift tax revenues from one citizen to another. He went SO far as to take issue with Jesus to make his case, saying the ethics of the Good Samaritan produce perverse outcomes in the modern world.

Buchanan’s way of thinking is now widespread on the right.

A case in point: how many remember in 2012 when Mitt Romney was caught on tape speaking disdainfully of what he called “the 47 percent” of Americans who he said would never vote for him because they were too “dependent” on government? Millions of Americans were shocked by his callousness. But Romney was not offering a new idea, it turns out. By then, the Heritage Foundation, a major grantee of Charles Koch, was maintaining an “annual index of dependency” derived from public choice economics.

It was Buchanan who gave scholarly imprimatur to such thinking. And he did not hold back. He spoke of “parasites on the productive.” He warned of “predators and prey.” His very vocabulary made millions of his fellow citizens appear as scheming menaces, not even truly human. It’s a vocabulary that is disinhibiting, one that licenses hostility. And it, too, is rife on the right today and part of why so many white voters are untroubled by the blatant racism of MAGA.

As I read more, I learned, too, that for those who think this way, social justice is a very simple matter: I keep what I earn, you keep what you earn, as another Kochs supported professor summed it up. And you—collectively—can only legitimately tax me if I agree with your goals and methods.

But Buchanan did not stop with theory building. In the 1970s, he moved from scholarship to organizing, urging right-wing donors to build a “counter intelligentsia” by funding “a gravy train” to bring men into the libertarian fold and train them for intellectual battle. (They did, quite lavishly, in the ensuing decades, with Charles Koch in the lead by the 2000s—often over the objection of faculties.

As Buchanan organized, he shifted from analysis to prescription: he set out to design a constitution that could protect capitalists from government—that could enshrine the rights of the wealthy minority to a degree no society anywhere had ever done.

Buchanan prided himself on being an academic entrepreneur, and he certainly turned to this project at a propitious time: when the brutal military junta of General Augusto Pinochet in Chile was facing intense international

pressure to return to representative government—yet wanted to lock in the radical transformation of the political economy it had forced upon the country, including the privatization of education & social security.

In 1980, Buchanan was invited to Santiago to try out his ideas for how to craft a constitution that would protect capitalism from government; the result is still in effect today. So much so that in 2013, Michelle Bachelet, a president elected by two-thirds of the Chilean people to carry out far-reaching reforms, complained of how the constitution's "authoritarian trammels" were keeping her from delivering on her promises to that supermajority. Chile needs a constitution without "locks and bolts," she said. But Buchanan and the Pinochet regime had built them to last.

Sadly, I'm not telling you this Chilean story for historical reasons. THAT kind of constitution—a constitution of locks and bolts--is coming to the United States, owing to pressure from the Koch network and other right-wing groups, which are determined to achieve the kind of binding restrictions that Buchanan urged, without informing the people of their true goals.

And thanks to determined organizing by the apparatus these far-right donors funds—above all the American Legislative Exchange Council (ALEC) and a Republican Party that the donors have all but rebuilt as a delivery vehicle for their agenda—this cause now has in place 28 of the 34 states' authorization needed to call the first constitutional convention since 1787. It's a radical and reckless gambit that shows how determined the Koch network is to transform our society. The civic group Common Cause calls the convention push "the most serious threat to democracy flying almost completely under the radar."

NOW, you may be wondering how I was able to put together the way that Buchanan's ideas were guiding "the real path" the Koch network is following to shackle democracy. The answer is, again in good part, by coincidence.

I moved to North Carolina in 2010, just as a radicalized Republican Party, dominated by Koch-backed Tea Party figures, won majorities in both houses of the state legislature. And suddenly, the things I was reading in

Buchanan's work that still seemed so abstract became concrete as the General Assembly's top donor, Art Pope, a longtime Koch ally, boasted of the "Big Bang" his grantees were delivering to make this once-moderate state "a laboratory" for the cause, using measures derived from public choice thought. The head of Americans for Prosperity said North Carolina would be their model state.

How did they do it? Buchanan had long urged his teammates to stop focusing on *who* rules, and work to change *the* rules. He explained to his allies and those who funded them—including Charles Koch—that if you wanted to get the kind of radical transformation that libertarians did, you must focus laser-like not on getting particular people elected but more so on systematically changing the rules of governance.

What I watched unfold in NC was a stunning barrage of radical rules changes on this model, one after another—among them: extreme gerrymandering to misrepresent the electorate that targeted African Americans with what one judge called "surgical precision"; new measures to undermine workers' ability to organize in unions, particularly public sector unions; attacks on public education at all levels and radical cuts in funding for it; repeal of the Racial Justice Act; refusal to accept the Medicaid expansion of Affordable Care Act; rolling back measures to protect the environment and reduce climate change. And then, to cap it off, they passed what has come to be known as the monster voter suppression bill, which aimed to drive down turnout among Blacks and young people.

What proved so surreal to me as a scholar and a citizen was that I could see that this new Republican majority was *applying* James Buchanan's ideas to get what they otherwise could not, certainly not if they had campaigned openly and honestly for the policies they were rushing through.

I could also see, because of my research, how the critics of all this-- good people who were shocked at the U-turn their beloved state was taking—were missing the deep operational strategy that unified all these varied measures. They could not see that the men pushing this agenda were *not* misinformed about the likely consequences of the agenda they were pushing: they fully understood that it would inflict grievous harm on many of their fellow citizens. But they believed their endgame was worth

that price. They were, you could say, in cold calculation, “letting the chips fall where they may.” //

What my fellow critics of all this also did not see was that this agenda was backed by an ethical system that gave these actors confidence and let them feel heroic enough to weather the criticism and opposition.

I understand why they could not see, not even the prophetic leader of the Moral Mondays movement, the Rev. Dr. William Barber, who has since been rightly awarded the MacArthur genius grant. Why not? Because it is an ethical system that runs counter to the best in all the world’s great religious traditions. But it IS an ethical system, and it has a harsh coherence that we need to understand if we are to figure out how to solve the crisis that the merging of Buchanan’s ideas and Koch’s money has created.

To wit: the libertarian morality deems it better to have people die from lack of health care than receive it from government, from taxes paid by others. This, really, is what they mean, ultimately, by personal responsibility: you *should* be on your own, for all your needs. And if you fail to anticipate and save for those future needs, you deserve your fate. Not only that, your suffering will provide instruction for others in the starkly individualistic world the libertarians are ushering into being: watching what happens to you, as government no longer helps you, will teach others that they must save or suffer.

What they seek, in short, is a world in which we are kept from using government to help ourselves and one another: prevented by the loss of our collective power and by ironclad new constitutional rules.

I learned all this and more in 2013, when James Buchanan died, and finally, that

September I was able to gain access to his private archive at George Mason

University (GMU), his last institutional home. In his records going back to the 1950s, I found my developing understanding of all this confirmed, in a way that literally took my breath away. Just one example: in his private

office, I found piled on a chair a set of documents that exposed how Charles Koch and GMU economics faculty, the law school dean, the president and provost, and a politically appointed Board of Visitors had secretly collaborated to establish a base camp for this political project at a public university, just across the Potomac from Washington, DC – in an effort a whistle blower called illegal.

This was in 1997, just as the Kyoto Climate Accords looked likely to cut fossil fuel profits, when Koch gave his first \$10 million gift to GMU to support a big new Center for Political Economy. (He is now the U's largest donor). Koch made it clear that he wanted bold steps. He told the grantees: "I want to unleash the kind of force that propelled Columbus to his discoveries."

And he put operatives in place on campus who would guide that application of force. One of them was Buchanan's former colleague, Richie Fink, who by then had become Koch's chief political strategist—and a member of the university's highest governing body. Fink made clear that barging into the nation's higher education system was crucial because, as he told donors: "It's an integrated strategy that uses universities, think tanks and political spending for the implementation of policy change."

Kevin Gentry, then Vice President of the Charles Koch Foundation explained in

2014 how the integration works: "The students that graduate out of these higher education programs also populate the state-based think tanks and the national think-tanks... they become the major staffing for the state chapters . . . So it's not just work at the universities with the students, but it's also building state-based capabilities and election capabilities, and integrating this talent pipeline."

From the very beginning of his investment in education, in fact, back in the 1970s, Charles Koch himself argued that businessmen should support "only those programs, departments of schools that contribute in same way to [their] individual companies or to the general welfare of [the] free enterprise system." They should invest "the company's money to insure against the political loss of any opportunity to make a profit."

And that is precisely how and why he has invested since then—including funding the development of theology to undercut Pope Francis’s 2015 encyclical, *Laudati Si* “On Care for Our Common Home”—which would cost Koch Industries the opportunity to make continued profit from the fossil fuels destroying our common home.

To avert that, Koch became the world’s leading funder of climate science denial, having outpaced even the likes of Exxon Mobil. According to Greenpeace researchers, the Koch Family Foundations alone have spent over \$127 million directly financing 92 groups that have attacked climate change science and policy solutions, from 1997 to 2017. They do this for two reasons: libertarian dogma and self-interest, with much of their wealth in excess of \$100 billion having come from fossil fuels.

To make the remainder of my story short, we have all since felt the force that Koch pledged to unleash back in 1997, when he saw an existential threat to his wealthy that depended upon the fossil fuel industry.

For now, in closing, let me pull the lens back out to the overall Koch network project of social and political transformation. For when I brought home all the documents I had copied at Buchanan House, and put them together with other sources, I found myself laying down pieces of a puzzle that astounded me in its scope and audacity—and frankly, its horror.

The Koch project now encompasses dozens of ostensibly separate national organizations, some of whose names will be familiar to you (the Cato Institute, the Heritage Foundation, the Federalist Society, and ALEC, for example). It also includes over 150 state-level operations that make up the State Policy Network.... All told, then, we are talking about hundreds of organizations funded by rightwing billionaires and multi-millionaires to radically alter government and society, to bring unfettered free-reign capitalism into being—without being honest with the people. Because they cannot be honest and win.

As a historian of the American South, I came to realize something else: the form of government these men depict as liberty, “the free society” they speak of, would be a lot like Virginia’s over the first two-thirds of the

twentieth century, in all but the state-mandated racial segregation. When James Buchanan set to work in Charlottesville in 1956, with an avowed mission “to preserve liberty,” that state had just been identified by the great political scientist V.O. Key as the most oligarchical state in the South, and thus in the country. Next to Virginia, Key wrote, “Mississippi is a hotbed of democracy.

Think about it yourself, in light of what you have watched unfold and what I have said. What is the substance of Buchanan’s and Koch’s notion of liberty but midcentury Virginia, a state with formally representative government, but subjected to the “most thorough control by an oligarchy”? As I said, the state-required racial oppression would go. But nearly everything else about the political economy of midcentury Virginia enacts the libertarian right’s dream.

Just a few examples that Koch-allied elected officials have resurrected from that era:

- the use of right-to-work laws and other ploys to keep working people powerless;
- the suspicion of public education as a source of subversion;
- the regressive tax system and refusal to make forward-looking public investments for future generations;
- the insistence that government should not be allowed to stop discrimination, in deference to the property rights of business;
- the deployment of states’ rights legal arguments to prevent the federal government from promoting equal treatment;
- the opposition to social insurance, such as Social Security and Medicare, and to the empowerment of workers through the Wagner Act;
- Even the return of child labor;
- And, of course, voting-rights restrictions to keep those unlikely to support this system from the polls, including young people on college campuses.

In short, what that Virginia had *then* that the right seeks *now* is a system of rigged rules that in combination ensure the uncontested sway of

corporations and the wealthiest and most arch-right citizens. With the end goal of putting democracy in chains.

And the question this stealth plan presents us with, once we know it, is at one level quite simple. Is what this cause seeks the kind the world we want to live in and bequeath to future generations?

That is the real public choice. And the existential choice voters will make next week.

Nancy MacLean
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