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SALVOS

FROM The Baffler No. 25 20

## The Business of America is Dirty Tricks

Meet the United States Chamber of Commerce

LEE FANG

Any glance at the inert state of political progress in our market-addled age has to leave even the most dogged investigator a bit bewildered. We live, after all, in an era of economic and ideological drift%of street occupations and ballot-box insurgencies. Yet our institutions of national government remain in shameful fealty to a laissez-faire fantasy. With metronomic predictability, the wise men of Washington preach austerity amid a raging jobs recession and wish away the bulwarks of economic security that make life in these United States (barely) tolerable for fixed-income retirees and poor people who have had the unpardonable bad taste to fall ill. As major manufacturing metropolises go bankrupt, as wages continue to go south while productivity climbs, as mortgages and pension plans are pillaged by the bailed-out banking class, we are trapped in a political consensus that urges government continually to shrink and depicts tax increases on the rich as an unholy abomination against the market's righteous will. Why, for God's sake?

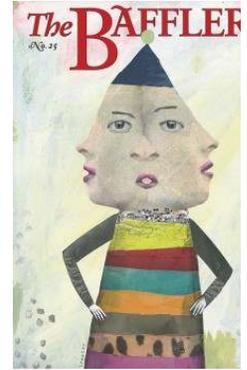


- LISA HANEY

One answer comes from a place that few Americans spend much time thinking about: the stodgy and terminally respectable U.S. Chamber of Commerce, a lobbying group best known for its civic booster speeches and young entrepreneur† scholarships.

What has the U.S. Chamber of Commerce done to advance the undoing of the American middle-class dream? One might ask, far more efficiently, what the Chamber *hasn't* done along these lines. The group, which commands an annual budget of more than \$200 million covering six legal sub-entities, has proven a diehard foe of federal health care reform, global warming legislation, rational tax policy, and virtually any piece of legislation not designed to feather the nest of a plutocrat. And thanks to its little-noted recent makeover as a corporate sluicagate for soft-money campaign contributions, this formerly milquetoast business lobby is probably the main reason that the Tea Party will hold domestic policymaking in a functional state of suspended animation for the foreseeable future.

At the moment, the D.C. media claims the Chamber is at war† with the far-right fringe of the Republican establishment. The government shutdown, the conventional wisdom goes, split the business community from Tea Party leaders. Yet a closer examination of the record shows that little has changed; the right wing of the GOP still benefits from the Chamber's largesse. In March the Chamber presented awards to dozens of lawmakers for



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championing the “Spirit of Enterprise.” The awardees included many leaders of the industry last fall. And true to form, while pledging to reporters that they would oppose the proponents of the shutdown in their election campaigns, the Chamber has already aired campaign advertisements in favor of GOP congressmen who voted to shutter the federal government.

The Koch brothers may get most of the credit for funding the antigovernment right, but the Chamber funded a large number of the campaigns that stamped the U.S. House of Representatives as an unofficial franchise of the Tea Party. And the Chamber’s strategists didn’t much care which campaign finance laws they had to sidestep in the process. So let’s give them their due.

### The Vanilla Putsch

On the surface of things, it is hard to account for this dramatic recalibration of power in official Washington. At first glance, a tourist walking past the Chamber might view its Corinthian columns and Beaux Arts architecture and confuse it for any number of nondescript federal agencies: A branch of the U.S. Department of Commerce, perhaps? Or maybe a meeting ground for local chambers of commerce? Plunked down on a grassy lawn just across from the White House, the Chamber seems to be the very picture of placid policymaking chumminess. And though its decisions are largely made by a small clique of executives hailing from Fortune 500 companies, such as Pfizer and Dow Chemical, it would be easy to assume that the national Chamber reflects the desires of small-town chambers across the country—as indeed the flacks for the group routinely claim. Even for politicians in the know, the Chamber is regularly mistaken for a mundane advocacy group, a voice for business† that can be found hosting quaint-sounding conferences on regulatory issues or sponsoring bland advertisements in Capitol Hill newspapers.

The Chamber’s brand is wholesome and unthreatening and, more important, ambiguous. But in the sort of Machiavellian genius native to our nation’s capital, this very ambiguity has permitted generations of ambitious leaders of the group to chart radically different paths to power. And the Chamber’s vanilla image, bolstered by a now-distant record of pragmatism and strategic compromise, has helped conceal its recent career as an all-purpose corporate enforcer, a launching pad for reactionary movements and a source for unabashed partisan propaganda. No other organization can be credited as much for obstructing progressive governance.

Within the first two years of the Obama administration, the Chamber led the way in blocking what was widely—and correctly—understood to be the greatest opportunity for Democrats to pass substantive reform legislation in more than three decades. While business leaders fretted about how liberals would use their control of Congress and the White House to remake America, the Chamber—virtually alone among Washington’s difference-trimming lobbying community—was there to offer hostility. But any overheated conservative blog or opinion journal can do that; what sets the Chamber apart is that it has the money and organization to lead a full-throated counterassault. [\*]

**What has the Chamber of Commerce done to advance the undoing of the American middle-class dream? One might ask what it hasn’t done.**

As the rest of Washington scrambled to catch up to the first Democratic sweep of representative government in nearly forty years, the Chamber’s money brought the legislative process grinding to a halt. How? For starters, the Chamber’s opposition to any draft of health reform or climate change legislation proposed by Democrats led to partisan gridlock. And the Chamber directed an enormous flow of corporate money into attack ads against Democratic lawmakers—an outlay of a gargantuan scale without parallel in our political history, and neatly enabled by the Chamber’s own litigation strategy in battles over the interpretation of campaign-finance law. The Supreme Court’s landmark 2010 *Citizens United* decision, which unleashed unlimited corporate money into the election system, propelled the Chamber into leading—along with a Super PAC run by the Chamber’s former general counsel—a midterm-election advertising campaign that outranked the campaign spending of both of the two major political parties. With a few exceptions, their ads ravaged

Democrats and helped to elect Republicans in the Tea Party sweep of 2010. [\*\*] And you thought Silicon Valley had the patent on synergy.

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**The Powell Doctrine**[Menu](#)[Search](#)[Subscribe](#)

Just months before president Richard Nixon nominated him for the Supreme Court in 1971, Lewis F. Powell Jr., then a partner at Hunton & Williams, the Richmond-based law firm best known for its ties to the tobacco industry, penned a memo setting out a future course of advocacy for the Chamber. In the hard-hitting document, Powell advised the Chamber to mobilize the business community against a new national wave of antibusiness activism. Liberalism, from clean air and water laws to the creation of the Occupational Safety and Health Administration and the burgeoning consumer rights movement, seemed unstoppable back then, even under a Nixon administration. The Powell Memo, as it is now known, urged the Chamber to bring corporate leaders together to work in unison, not only to tamp down government regulation and tax hikes, but also to change public discourse about the role of business in society.

To Powell and his colleagues at the Chamber, business leaders were too timid and their beliefs and tactics were too segmented when they elected to fight back against the liberal tide. There should not be the slightest hesitation in rallying Americans to the cause of business interests, Powell wrote, and corporate executives should not shy away from any opportunity to penalize politically those who oppose their political agenda. Businesses would find strength, Powell argued, in solidarity:

Strength 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.

Powell's call for capitalists to carry the banner of "confrontation politics" found a receptive audience in the early years of the antiliberal backlash. In short order, business leaders launched new policy-focused think tanks in New York, San Francisco, and beyond, including right-wing institutions such as the Heritage Foundation and the American Legislative Exchange Council. The Chamber itself more than doubled in size and formed a legal foundation. Corporate political action committee and lobbyist spending skyrocketed over the next decade. Big business, in short, had created a new political apparatus, with sprawling lobby groups like the Business Roundtable established to ensure that even under the most liberal of D.C. regimes, corporate America would have the resources to hold its ground.

The Powell Memo has also become something of a Rosetta stone for left-leaning theorists of the corporate influence on American politics. "We look back on it now as a call to arms for class war waged from the top down," notes Bill Moyers, who adds that Powell, a hard-bitten strategist of elite power formation, used it to recast the Chamber's role in ideological conflict as a "council of war."

Such sinister interpretations are not mistaken, but they do tend to foreshorten the range and ambition of the Chamber's agenda today; the contemporary leaders of the group make the power-grabbing reveries of Lewis Powell seem like so much child's play. Four decades after Powell's call to corporate arms, no one has to mount any serious case for corporate influence in American governance; that is the great and fundamental taken-for-granted condition of the businessman's republic. No, the challenge ahead is for the Chamber and its far-flung allies to secure their standing as the seat of financial power—the real "permanent government" in today's Washington.

That quest has taken an unexpected, and distinctly ominous, form in the age of the other great transformative force in American commerce and politics: the rise of Big Data. Sure, the Chamber continues to run up short-term legislative and legal victories—such as a big win on class-action lawsuits at the Supreme Court and a bipartisan law, the 2011 JOBS Act, that has gutted many of the modest investor protections established under the accounting provisions of the post-Enron Sarbanes-Oxley Act—but it also has been quietly planning the next few decades of control. If the Powell Memo was a blueprint for the last few generations of right-wing political ascension, a lesser-known set of documents, originating from the group codenamed "Team Themis," points toward a manifesto for twenty-first-century domination. Hold on to your hat, Bill Moyers.

[LOG IN](#)**Law and Order Victims Unit**

Following the 2010 midterm elections, a group of defense contractors, including Palantir Technologies, a Silicon Valley data analysis startup, exchanged hundreds of emails discussing how to customize their wares for an exciting new prospective client. The contractors were developing a state-of-the-art surveillance system and had been in direct conversations with the Chamber and its law firm%by coincidence, Powell's old employers at Hunton & Williams. The spying operation would gather massive amounts of personal information, some from meta-data scraped off social media accounts (like Facebook, LinkedIn, etc.) and some stolen through illicit "custom malware" attacks. The group, nicknamed "Team Themis" after the Greek goddess of law and order (say what you will about the kids who helm Silicon Valley startups, they have a well-developed sense of irony), would keep tabs on an array of journalists, activist groups, and labor unions. As one of the people crafting the proposal explained, Team Themis would resemble the "fusion cell" used by the Joint Special Operations Command%the elite military unit that hunted down Osama bin Laden.

For these contractors, the opportunity seemed like a natural application for their technology. After all, Palantir, a Big Data firm founded in part with an investment from the Central Intelligence Agency's venture capital arm In-Q-Tel, has won contracts from several U.S. intelligence agencies, the Marines, and the Army. And Palantir's proprietary software scans through immense quantities of information, searching for patterns. It's tracked Taliban insurgents and Somali pirates, and it's gained traction within the private sector, including a well-publicized contract to help JPMorgan Chase detect fraud.

The two other firms that make up Team Themis, HBGary Federal and Berico Technologies, employ a roster of executives with extensive backgrounds in clandestine cyber-security work. The president of HBGary Federal's sister company, HBGary, is a legendary developer of "rootkits"%undetectable software that can be planted on a target computer for malicious purposes. For a modest charge of \$60,000, HBGary offered a rootkit designed in partnership with General Dynamics that could monitor keystrokes, delete files, and crash a computer infected with its proprietary code. HBGary Federal%which, as the name suggests, is the government-sector wing of the company%attempted to sell contracts to the U.S. Air Force, among other clients. [\*\*\*]

Now why would the Chamber of Commerce, America's premier lobbying group, want to develop its own miniature National Security Agency? Consider the events that led up to its negotiations with Team Themis. Ever since the landmark electoral triumph of 2010, the Chamber has been consumed by paranoia. And it's not hard to see why; institutional paranoia was, in many ways, the winning strategy that landed the House of Representatives firmly within the control of the nihilistic right. Just days before the Chamber's attorneys reached out to the defense contractors, Bruce Josten, executive vice president for government affairs for the Chamber, appeared on Glenn Beck's radio show to discuss the ways in which the Obama campaign sought to make the Chamber an "enemy of the state."

Lower-grade versions of this jumpy, persecution-haunted self-image have since landed the Chamber in the same ever-vigilant, ever-fearful posture of keystroke-monitoring that fuels our postmodern digital surveillance state. It speaks volumes about the present synergies of our interwoven omnisurveillance sectors that diplomatic paranoia and its private-sector cousin are now used indiscriminately to market each other. As the correspondence surrounding the Palantir deal shows, the Chamber was greatly enamored of some dummy software the firm had developed to monitor the business movements of the great geopolitical bogeymen of the national security state: the Iranian regime. What "sold the Chamber in the first place," wrote Pat Ryan, an analyst with Berico Technologies, in an email to the other defense contractors involved in the plan, was the "Iranian shipping demo."

The Iran shipping demo is a presentation that Palantir's lead marketers cooked up to impress clients. By compiling press reports, Palantir shows how its software can visualize the various shell companies that Iranian operatives have used to bypass 2008 sanctions levied against the Islamic Republic of Iran Shipping Lines company, a state-owned shipping company that the U.S. Department of State has accused of weapons smuggling.

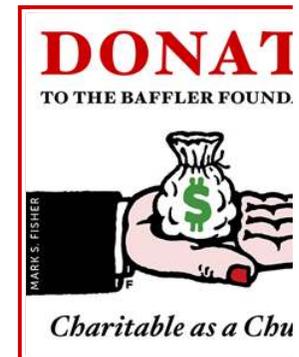
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**The Chamber is  
regularly mistaken**

For the Chamber, the plan presented an opportunity to lash back at its perceived enemies. As one Team Themis presentation noted, the Chamber faced increasing scrutiny from a union-backed watchdog group, U.S. Chamber Watch, which had

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filed a formal complaint in 2010 alleging that the former AIG chief executive Maurice Greenberg had laundered money from a tax-exempt foundation through the Chamber for political purposes. Moreover, the Chamber has also been fielding flak from, well, me: I wrote an October 2010 report for *ThinkProgress*, the online arm of the Center for American Progress, revealing that the Chamber had been funneling a boatload of foreign money into the 2010 midterm campaign. The group was

issuing campaign disbursements through its primary legal entity, the Chamber of Commerce of the USA, a 501(c)(6) nonprofit that had raked in hundreds of thousands of dollars from companies based in Bahrain, India, and other foreign nations. Watchdogs at U.S. Chamber Watch and MoveOn.org started to look more deeply into this global cash nexus, and eventually, both Obama and Joe Biden began questioning the Chamber's foreign funds on the campaign trail.

After all that publicity, you can see how the Chamber wound up talking to Palantir. The eminences of the businessman's republic might have felt, well, like an Iranian shipping network trying to elude closer scrutiny from the West.

The trio of defense contractors seeking to land the Themis deal concluded that a concerted campaign to undermine the U.S. Chamber Watch's messaging capabilities and credibility would represent a huge win for the CoC and should be a focus.† So in short order, Team Themis had worked out a plan of sabotage, including a proposal to create a fake insider persona† to regenerate communications† with the Chamber's union critics, while planting phony documents with the Chamber's watchdog groups. The architects of this counter-messaging initiative would feed Palantir's proprietary software with information gleaned from metadata concerning the personal lives of activists. The targets included labor unions SEIU, IBT, UFW, UFCW, and AFL-CIO and the labor coalition Change to Win, as well as left-leaning organizations such as the Center for American Progress, MoveOn.org, Courage Campaign, the Ruckus Society, Agit-Pop, Brave New Films, and others.

As the Chamber's attorneys haggled with the contractors, Team Themis shopped the same idea to Bank of America in a proposal to undermine WikiLeaks, which was rumored at the time to have in its possession private files from Bank of America. A plan similar to the one devised against U.S. Chamber Watch was detailed in a PowerPoint presentation that called for destroying the credibility of Glenn Greenwald, WikiLeaks' biggest booster in the press. Though the Themis plan began as a proposal to help the Chamber counter certain left-leaning groups, Hunton & Williams and the contractors clearly expected to adapt this model of activist surveillance for other markets%anywhere that perceived rivals and enemies could be profitably surveilled or undermined.

### The Right Stuff

To understand how a historically buttoned-down lobbying concern like the Chamber has emerged as the testing ground of first resort for cutting-edge digital espionage programs, it's necessary to pan back a bit and consider the group's curious odyssey of influence-peddling since the early phase of the Cold War%arguably the Golden Age of its legislative influence and the initial proving ground of its paranoid style. Like many such institutional migrations to the hard right, the Chamber's journey has been a gradual affair, taken in small, incremental steps rather than in a single leap of faith. Still, the transformation of the Chamber into a Big Data player of the first rank is an ideological wonder to behold. The cloak-and-dagger tactics of Team Themis, or even the aggressively adversarial politics of the Powell Memo, would seem unthinkable bizarre to the Chamber's initial leaders.

To be sure, there has always been a reactionary tilt to the Chamber's collective mindset. But such tendencies were largely confined to the hobbyhorse political agendas of individual members; rarely had the Chamber staked out hard-line positions on any controversial questions of politics or social policy during its early career. Indeed, the group made its name in Washington by pointedly resisting the eager political overtures of its godfather in the Oval Office, William Howard Taft.

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The Chamber was founded in 1912 at Taft's urging; the Republican president had sent a bill to Congress the previous year outlining the purpose of such an organization. Publicly, Taft said he envisioned the group%one among

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countless Progressive Era initiatives meant to better organize the institutional framework of American society as it coped with the new upheavals of industrial capitalism—as a centralizing network, set up to keep in touch with associations and chambers of commerce throughout the country and . . . to keep purely American interests in a closer touch with different phases of commercial affairs.” Privately, Taft and his secretary of commerce and labor, Charles Nagel, hoped the national Chamber would curry favor with employers in the presidential election that year.

Unfortunately for Taft, the Chamber selected Harry Wheeler, a pragmatic and moderate executive from Chicago who refused to get involved with electoral politics. Wheeler preached “commercial patriotism,” calling for peaceful relations with labor unions and for policies to better position American firms against foreign competitors. Under Wheeler, the Chamber endorsed a broad expansion in central government, from the creation of the Federal Reserve to a national vocational education system. He also found common cause with Progressives in the push for expanded infrastructure spending on state highways, the plan to establish a federal trade commission, and even Wisconsin’s experiment with an income tax, which the Chamber hoped would reduce the public sector’s reliance on property taxes.

Up until the New Deal, the Chamber viewed itself less as a bludgeon for businesses to beat back the forces of government expansion and more as a conduit for executives to get their interests before policymakers. At a 1917 convention in Atlantic City, the Chamber promised support for the war effort in Europe, which meant the acceptance of price controls, and even passed a resolution praising the nascent revolution in Russia.

### Why would the Chamber of Commerce, America’s premier lobbying group, want to develop its own miniature National Security Agency?

The election of president Franklin Roosevelt brought a bitter reaction from much of the country’s business elite, as lobby groups like the National Association of Manufacturers and millionaire-backed front groups like the American Liberty League sowed fear about “socialism.” Still, in many cases, the Chamber demurred from high-profile fights with FDR and his brains trust. For all the sound and fury that issued from the boardrooms of the Liberty League and the NAM, the Chamber’s New Deal-era leadership stayed resolutely moderate. Insurance executive Henry Harriman, for example, told a House of Representatives committee in 1933, shortly after he’d taken over the Chamber’s presidency, that there was “ample justification for a reasonable public works program” and defended other early Roosevelt initiatives. Though a right-leaning faction within the Chamber scorned his positions, liberals like Harriman prevailed in leadership squabbles.

World War II marked the end of moderation. As the war came to a close, Eric Johnston—another FDR ally who would go on to serve as Roosevelt’s U.S. trade emissary in South America and the Soviet Union—left the top spot at the Chamber to lead the Motion Picture Association of America. The Chamber’s extended run of moderate presidents preaching an accommodationist posture toward the New Deal finally gave way to a different breed of business leader—fiercely anti-Communist figures bent on transforming the Chamber into a more partisan organization. One such commercial leader, an Omaha attorney named Francis Matthews, founded the Committee on Socialism and Communism under the Chamber’s aegis in 1946; its mission was to study the influence of Communism throughout America. Matthews’s group started to produce alarmist red-baiting reports well before the rise of senator Joseph McCarthy’s anti-Communist crusade began in earnest. The Chamber also worked closely with John Francis Cronin, a Catholic priest who assisted the FBI in compiling lengthy lists of suspected Communist agents—including evidence against Alger Hiss, the State Department official whose prosecution launched Richard Nixon’s political career. Without naming them, Matthews accused advisers to labor leaders such as CIO cofounder Sidney Hillman of being card-carrying Communists. (Hillman had passed away two months prior to the report, rendering him unable to answer the charges.) Matthews also demanded that Congress enact a series of laws to regulate labor unions and that it investigate suspected Communist infiltration of American society. The Chamber provided research to the House Committee on Un-American Activities and, later, to McCarthy. The initial phase of the Chamber’s high-paranoid theology of the backlash was officially under way.

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All this post-war red-baiting gave rise to a new set of Chamber-affiliated organizations that sought to marry ideological conservatism with American corporate leaders. Leonard Read, then general manager of the Los Angeles

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Chamber of Commerce, was one of the conservative dissidents who had <sup>Menu</sup> <sup>Search</sup> <sup>Subscribe</sup> <sup>LOG IN</sup> <sup>another</sup> <sup>lobbying</sup> <sup>association</sup> <sup>finds</sup> <sup>itself</sup> <sup>stuck</sup>, or refused to fight, much of the New Deal. Through connections with business executives forged through his time at the Chamber, in 1946 Read formed the Foundation for Economic Education, a corporate-funded think tank that distributed the radical laissez-faire writings of Milton Friedman and Ludwig von Mises—and even got a strict Misesian curriculum approved for use in high school economics instruction. Read’s model was also a forerunner of latter-day Tea Party tactics: his foundation took an absolutist approach to political debates, demanding policies that reduced the size of government. FEE gained prominence quickly through partnerships with local chambers and large expenditures on marketing.

FEE also gave rise to other libertarians, including F. A. Harper, who befriended a young industrialist named Charles Koch. Today, Koch cites Harper’s book, *Why Wages Rise*, as one of the free-market tracts that “helped start me on my intellectual journey.” In 1961 Harper founded what is now one of the most prominent Koch-funded political operations, the Institute for Humane Studies, a libertarian think tank.

Throughout the latter half of the last century, the Chamber settled into its new identity as a vigilant guardian of the laissez-faire way, lobbying against much of the modern welfare state, including Medicare, as well as much of the modern regulatory state. But it took another leadership revolt within the Chamber to transform it into the powerful and paranoid lobbying behemoth that is today.

### Show Me the Money

In the early 1990s, Chamber president Richard Leshner, who had enjoyed a cozy relationship with the Reagan and Bush administrations, broke with the Republican Party and pledged to work with the Clinton White House on major economic policies. Leshner was a lobbyist willing to go to bat for unpopular corporate lobbying efforts, like opposing the Americans with Disabilities Act. But he also hoped to make the Chamber more responsive to the interests of the wider business community. He oversaw an expansion of the Chamber’s national magazine and developed broadcast news content under a new program called BizNet, which took up an entire floor of the Chamber’s headquarters. He interviewed policymakers and made sure the Chamber’s economic analysis reached local business leaders.

But when he proposed to collaborate with the Clinton White House, he infuriated the Republican right. In 1993 a number of far-right House members, including the influential Texas dyad of Dick Armey and Tom DeLay, began to circulate a letter condemning Leshner. Leshner’s short-lived offer to negotiate with Clinton on his planned first-term health care overhaul was a stinging provocation to conservative lawmakers, who were counting on rigid opposition to Democrats as part of their political strategy. In the letter, the congressmen wrote that there was “a rapidly spreading frustration and anger with the Chamber’s failure to take an aggressive posture on the Clinton economic program.” Ohio GOP Rep. John Boehner reportedly confronted Leshner and his chief lobbyist, William Archey, and told them it was “the Chamber’s duty to categorically oppose everything that Clinton was in favor of.”<sup>[\*\*\*\*]</sup> (In other words: *Plus ça change, plus c’est la même chose.*)

Eventually, the conservatives successfully brought off Leshner’s ouster, and in 1997 his successor Tom Donohue, a former Chamber official then leading a trucking industry trade association, officially took charge of the organization.

In short order, Donohue instituted an ambitious new set of policy initiatives showing that he’d taken the clarion call of the Powell Memo very much to heart. He expanded the Chamber’s lobbying team from two to its current number, seventy-eight. He dissolved BizNet and other programs Leshner had created to communicate with ordinary business leaders; in a telling convergence of entrepreneurial policy interests, Donohue rented the roof space of the Chamber’s headquarters to the D.C. bureau of Fox News. He increased the Chamber’s budget fourfold: from \$50 million in 1996 to the more than \$200 million that the Chamber and its largest foundations spent in 2011. Donohue, a prolific fundraiser with a “Show Me the Money” placard set conspicuously atop his office desk, explained later to an interviewer that the chamber acts as “reinsurance salesmen.” When a corporation finds itself in a bind, or when another lobbying association finds itself stuck, the Chamber is there to take on the difficult public affairs campaigns, deploying its brand to make any singular issue an affront to—or, as the case may be, a priority for—American business.

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Donohue also gained prestige within the right-wing establishment by pushing the limits of federal campaign finance law. Well before *Citizens United* changed the rules of the game, the Chamber tiptoed around restrictions, or at least the commonly accepted norms, of corporate money in politics. He pushed a multimillion-dollar campaign to flood state judicial elections with advertising—thereby polarizing the balloting for state judgeships along the same fiercely partisan grid that distorts most campaigns for national office. Though the Chamber was prohibited from spending money in federal elections, it took a risk by providing \$3 million to a committee called the November Fund, which attacked John Edwards during the 2004 presidential race. Federal Election Commissioners refused to pursue the matter, and their silence quite predictably emboldened other corporations to find loopholes for injecting soft money into campaigns. The Chamber pounced on a 2007 Supreme Court ruling allowing vague campaign-related advertisements near an election date to expand its corporate-funded expenditures in congressional elections in 2008. And of course, it was an unprecedented typhoon of undisclosed corporate money, spent through the Chamber, that made Donohue's old friend John Boehner the sixty-first Speaker of the House.

There is no issue—taxation, bailouts, or even health reform—that whips up the Chamber's lobbying machinery with greater ferocity than campaign finance. When the Obama White House floated a proposal to use an executive order to force government contractors to disclose “dark money” contributions to third-party political groups such as the Chamber, a lobbyist with the Chamber told the *New York Times* that the group was planning a response in line with how NATO forces had dealt with Muammar Qaddafi. A threat of violence by a Washington insider against the president, even in jest, on the front pages of the *Times*, might have been a costly and humiliating tactic for a group other than the Chamber. But as has generally been the pattern during the ostensibly liberal takeover of our federal government, the Chamber prevailed: Obama backed down from the executive order.

Such inside-Washington set-tos point up the bracing lesson of the Donohue revolution: by plunging the once-staid Chamber into rounds of relentless fundraising and brash electioneering, he basically reinvented the business lobby as an unanswerably powerful arbiter of political survival on the right. From there, it was a short step to the course of action that most fiefdoms of state power in Washington pursue once they've secured their foothold here: the safeguarding of privilege by any means necessary. And so enter Team Themis, with a plan tailor-made to solidify the Chamber's new alliance with the Tea Party right into seeming perpetuity.

Here, too, the money flow tells the real story. As the Chamber led Bush-administration-backed campaigns to forge new free trade deals, Donohue began a fundraising quest to bring foreign corporations into the Chamber membership fold. No longer would the group simply spin off new foreign trade entities, like the American Chamber of Commerce in Egypt, a group that was founded in 1982 under the Chamber's corporate umbrella but that maintains its own independent legal existence. Going forward, the Chamber would solicit donations from businesses to feed its coffers directly.

For instance, as Donohue's group led the lobbying effort to pass the Hyde Act, which cemented nuclear cooperation with India in 2006, Indian businesses were asked to give money to the Chamber of Commerce of the USA, the 501(c)(6) entity later used to pummel Democrats in advertisements. The U.S.-India Business Council, the Chamber's ostensible affiliate for India-related commerce issues, does not exist as a distinct entity; checks to the U.S.-India Business Council go directly to the Chamber of Commerce of the USA. Other trade efforts, such as the accords the United States has inked with Bahrain and Brazil, brought new foreign-based membership dues through the door. Although the Chamber has been cagey about releasing any information about foreign business contributions in its budget, a tax form for 2010 shows the Chamber spent \$570,574 on “fundraising and program services” in South Asia alone.

By using the 501(c)(6) protections of the Chamber of Commerce of the USA—which require no public disclosures under *Citizens United*—to shield election expenditures from closer scrutiny, the backlash-obsessed Chamber has created a backlash of its own. As the flurry of 2010 press reports showed, it's bad PR for a group historically aligned with business patriotism to be exposed unleashing new torrents of foreign money into U.S. elections. The Chamber denied that it had spent its foreign dues on the election, telling *Politico* that it kept its out-of-country donations separate from its domestic campaign expenditures. Even if such a claim were verifiable—which is most decidedly not

the case, since the Chamber never explains its budgeting procedures — it's hardly a distinction without a difference. If modern-day Washington has taught us nothing else, it's that money is *profoundly fungible*.

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Still, the foreign money story was what spooked Donohue's Chamber into nearly approving the Team Themis plan—a dirty-tricks campaign aimed at smearing and sabotaging the critics who were questioning the group's use of foreign campaign cash. The Themis initiative unraveled due to yet more adverse publicity: members of the hacking collective Anonymous stole some 75,000 emails from one of the Team Themis contractors, HBGary Federal, and leaked them to the public.[\*\*\*\*] Chamber leaders quickly distanced themselves from the plan, telling reporters that they had not made any deal with the Team Themis firms, nor did they endorse the tactics.

Luckily for the Chamber, the hackers released the emails only days before February 14, 2011, the date on which Hunton & Williams and the Chamber had scheduled to finalize the Themis deal. But this is no cause to be complacent. God only knows what countermeasures Donohue and company have been contemplating now that they've added Anonymous to their enemies list.

[\*]While media outlets obsessed over the approximately \$310 million that the 2008 Obama campaign spent on advertising, the Chamber spent more than \$396 million in the first two years of the president's first term. And this money, unlike the Obama campaign brand, was tailored to very specific legislative initiatives—or more precisely, to their scorched-earth defeat.

[\*\*]*Citizens United* had been nudged on by the Chamber through years of successful cases designed to chip away at campaign finance regulations. The Chamber's amicus brief was even cited in the final decision. Notably, justice Anthony Kennedy fell for not only the Chamber's arguments about government censorship inherent in corporate money restrictions (there's little evidence of that), but also the lie that the Chamber represents three million companies, most of them small businesses with fewer than one hundred employees. Kennedy cites this figure and the Chamber approvingly in his opinion. In reality, the Chamber now admits that member companies total somewhere around three hundred thousand firms; in previous years, tax records show that a mere nineteen companies provided a third of the Chamber's budget. As a former Chamber executive admitted to the *Washington Monthly*, larger firms have significantly more clout.

[\*\*\*]The *New York Times* later revealed a secretive Chinese government hacking cell, based in Shanghai, that had broken into the computers of major American companies and government agencies. The *Times* relied on a report that identified the Chinese cyber agents largely by using their profiles on HBGary's now-shuttered message board for discussing rootkits. It's unclear whether HBGary knew its technology had fallen into the hands of foreign interests.

[\*\*\*\*]Leshner said that three Chamber board members considered the GOP attack to be "McCarthyism of the '90s" and that "some said it was fascism and has no place in American life."

[\*\*\*\*\*]HBGary Federal officials had bragged to the *Financial Times* that they were going to unmask the identities of several Anonymous members, thus making them a target for hackers from LulzSec, a splinter group of Anonymous.

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