

THE BILLIONAIRES' TEA PARTY

How Corporate America is Faking a Grassroots Revolution

[transcript]

Barack Obama: This is our moment. This is our time. To reclaim the American Dream and reaffirm that fundamental truth that where we are many, we are one; that while we breathe, we hope; and where we are met with cynicism and doubt and those who tell us we can't, we will respond with that timeless creed that sums up the spirit of a people: Yes we can.

Man on Stage: They're listening to us. They are taking us seriously, and the message is: It's our county, and they can have it when they pry it from our cold dead fingers. They work for me!

NARRATOR: Where did it all go wrong for Barack Obama and the democrats? After sweeping to power with a promise of hope and change, a citizens uprising called the tea party movement emerged. Their message was "no" to big government spending, "no" to healthcare and climate change legislation, and "no" to Obama himself.

Woman: Obama is a communist. He says that he doesn't believe in the constitution.

NARRATOR: Then, two years into Obama's presidency, tea party endorsed candidates emerged to sweep the republicans to victory in the House of Representatives.

Male News Reader: 32% of the candidates that were elected last night across this country are affiliated with the Tea Party movement.

Rand Paul: There's a Tea Party tidal wave, and we're sending a message to 'em.

Female Reporter: And they see it as a repudiation of the President and his policies.

Male Reporter: What does it feel like?

Barack Obama: Feel's bad.

NARRATOR: I came to the United States to examine the Tea Party phenomenon, and in particular the accusations that the protestors were pawns in a covert power play by a small group of billionaires and corporate players.

Kert Davies: They're recruiting them to do the bidding of corporate America.

Chris Clemency: This is not some corporately sponsored thing.

Mark Crispin Miller: These citizens groups are bogus.

Julie Williams: The media portrays us as being backed by some billionaire person or people or group and it's not. We're individual citizens who are just wanting to make a difference.

[TITLE SCREEN]

NARRATOR: I've come to Kentucky, the heart of tea party country. The movement takes its name from the Boston Tea Party, a tax revolt that helped kick-start the American war of independence. As an Australian and an outsider, I found this reverence of the America's founding fathers strange. But as I would come to learn, they represent a spirit of liberty and individual freedom that goes right to the heart of the American identity. The revolutionary theme of the Tea Parties has attracted everybody from gun-toting militia groups to the so-called "birthers" who think America's first black president is really a Kenyan.

Man: Mr. Obama, where's the birth certificate?

NARRATOR: Starting less than a month after Obama took office, the movement began as a reaction to successive Republican and Democrat administrations bailing out irresponsible Wall Street banks while plain folks were left to deal with the recession they had created across America.

Wendy Caswell: My name's Wendy Caswell, and I actually started the Tea Party movement here in Louisville. You know, just because I'm in fear of my future, I'm in fear for my country. You know, we're getting away from the constitution and what the founding fathers was brought up on and our representatives don't listen to the people any more. They listen to elitists and special interest groups and don't really pay attention to what's going on in America. And you know they're spending our tax dollars without our consent. And people are just really upset about it.

NARRATOR: The Tea Party idea was first raised during this on-air rant by CNBC reporter Rick Santelli.

Rick Santelli (CNBC, Feb. 2009): And I tell you, if you read our founding fathers – people like Benjamin Franklin and Jefferson – what we're doing in this country now is making them roll over in their graves. We're thinking of having a Chicago Tea Party in July. All you capitalists that wanna show up to Lake Michigan, I'm gonna start organizing.

NARRATOR: Testifying to the grassroots nature of the uprising, the vast majority of tea

partiers are middle-class Americans, with little or no experience in political organizing.

Amy Kremer: I'm just a mom who was tired of seeing what was going on in my country, and I decided to do something about it. The day after Rick Santelli had his rant, there were about 22 people that got together on a conference call and we decided to have a round of tea parties one week from that day. And we had 50 tea parties with 30,000 people in attendance. There was obviously something brewing, and on April 15th we had 850 plus tea parties across this country with 1.2 million people in attendance.

NARRATOR: While on the surface, the Tea Party movement is a bi-partisan citizens uprising against government waste and corruption, beneath the surface other powerful forces were at work.

In January 2010, a group of prominent leaders released the Declaration Of Tea Party Independence. In it, they decreed that the movement's core purposes included a belief in a radical form of free market capitalism.

The focus of my investigation was this first year of the tea party movement. In particular, what role had been played by two billionaire industrialists, brothers Charles and David Koch – who for more than three decades have funded a propaganda war, enrolling citizens in their quest to create a privatized America.

“Government has become a monster, crippling the economy and devouring personal liberties.” This poster is from the 1980 Libertarian Party campaign, in which David Koch ran for vice president.

The party's policy platform is an insight into just how radical the views of the free market movement really are. They sought the abolition of almost all regulatory agencies charged with protecting public health and safety. Not to mention social security, the public school system and virtually all taxes.

But after spending over 2 million dollars of their own money on the campaign and receiving just 1% of the vote, the Koch brothers changed course.

In 1984, they founded a group called Citizens For A Sound Economy. The aim was to make it appear that grassroots citizens were advocating these radical ideas and not a wealthy and powerful elite.

In truth, as this leaked 1998 budget shows, the backing came not only from billionaire ideologues, like the Koch's, but sizeable donations from companies across a range of industries. Take their work for the tobacco industry.

In 1992, Citizens For A Sound Economy mounted a protest against a plan by the Food and Drug administration to tighten cigarette regulations. The key was that citizens were never told they were fighting for the tobacco industry.

Instead, the paid operatives who ran the group demonized the FDA as an example of overbearing big government, telling people what to do and impinging on the individual freedoms and constitutional rights of average Americans.

While in 1994, Citizens For A Sound Economy played a leading role in defeating the Clinton administration's proposed healthcare reforms. Working with the tobacco and health insurance industries, they inspired a massive public backlash against the plan by convincing people that the government was trying to impose Soviet-style socialized medicine that would lead to a denial of vital healthcare treatments.

In 2004, the group split into two, with the Koch's funding the newly formed Americans For Prosperity or AFP.

To find out more, I've come to AFP's annual convention. As representative of the groups 800,000 members gathered, it was obvious how successful this campaign to get citizens to support the free market vision has been – much to the delight of chairman David Koch.

David Koch: Five years ago, my brother Charles and I provided funds to start the Americans For Prosperity. And it's beyond my wildest dreams how AFP has grown into this enormous organization. Of hundreds of thousands of American citizens from all walks of life, standing up and fighting for the economic freedoms that have made our nation the most prosperous society in history.

NARRATOR: While Koch has distanced himself publicly from tea party movement, the event indicated otherwise.

Koch: It's now great pleasure to begin my favorite part of the summit conference, and that is the reports by representatives of each of the 25 chapters of AFP on their activities over the last year.

Woman: We helped organize huge Tea Parties all throughout the state.

Man: We have led the largest Tea Party in the state.

Man: The largest tax day Tea Party in the nation on April 15.

Man: Hey folks, we've held 29 Tea Parties.

Man: Organized dozens of Tea Parties.

Man: Mr. Chairman, our grassroots efforts are engaged. They're energized and they're ready to fight for their freedoms.

Man: And if you try to raise our taxes and trample on our liberties, we're either going to beat you or make your life miserable.

NARRATOR: Importantly, AFP helped build the Tea Party Movement from day one. Within hours of Rick Santelli making his famous tea party rant, an AFP staffer was able to offer him on national television half a million names to get the movement started.

AFP Staff Member: Rick, I've got 500,000 people who signed our petition against the stimulus bill. I'm willing to email all of them and tell them to come out to your event.

NARRATOR: Then there's the other group born from the ashes of the old Citizens For A Sound Economy. While no longer financially connected to the Koch's, Freedomworks run a similar model of corporate-funded free market activism. From day one, they too worked on the ground to help small groups organize tea party events. But in order to understand how these groups might be manipulating tea partiers and their own supporters, the first issue was why the identity of donors was hidden behind the façade of being a grassroots citizens group. It was a question I posed to propaganda expert Mark Crispin Miller.

Mark Crispin Miller: Propaganda is all the more credible for not seeming to be propaganda at all. It's very important. It has to seem to come from some unimpeachably neutral source or from the people themselves. Because we're talking about deceptive ways of getting around people's defenses, right? Of getting around their natural resistance to being told what to do by a powerful forces. Well, in the political realm we have the really insidious practice of fake grassroots agitation. We call it "Astroturf." The people who are chosen to represent the group are paid, they are hired precisely because they look convincingly of the people, but if it weren't for the entities that are pumping money into them and are starting them in the first place, they wouldn't exist.

NARRATOR: Take the example of Americans For Prosperity president Tim Phillips, who I met at this protest against healthcare reform. With a list of former clients that includes Enron, disgraced lobbyist Jack Abramoff, and George W Bush, Phillips has built a career as one of Washington's most experienced political operatives.

Tim Phillips: AFP is a grassroots organization that goes out and gets Americans from all walks of life to defend their economic freedoms. We go out and we educate Americans on here's the threat, here's what the healthcare bill's gonna do, the takeover, here's what cap and trade's gonna do to your job, and to your utility rates and we just say if you wanna get active, here are ways to get active. Come to rallies,

email you legislators, call them, forward these communications on to your friends and family. And Americans are pretty grassroots-oriented. They do that. And really it's participation at the most broad level in our country. And that's what we do at Americans For Prosperity.

Taki Oldham: And obviously Pelosi and Obama and such have been trying to deride or downplay a lot of this stuff as "Astroturf" – is the word of the moment. How do you respond to that?

Phillips: It's backfiring on 'em. Look, so many Americans are now involved in this movement, by the millions, that Americans who are not involved, they listen to the president or speaker Pelosi deride and vilify other Americans as evil mongers or mobsters, or astroturf, made up anger, etc. And they know – well, wait a minute – I've got friends or co-workers or folks I go to church with, they're active in that movement, and they're not crazy, they're perfectly normal great folks. They're just defending their freedoms. So that charge is falling flat, but they're welcome to keep making it.

Jim Wass: Oh, the sign. I am not paid to be here. We are here at our own expense, in our own interests.

NARRATOR: That millions of people have joined the rising anti-government movement is beyond doubt, whether in their own interests is another matter. Most people, myself included, are naturally suspicious of government. And the ability to protest is the sign of a healthy democracy.

But I was wary of the way in which these free market groups have guided the tea partiers to oppose keys element of the Obama agenda, healthcare and climate legislation, especially the use of corporate funded big government rhetoric from the old Citizens For A Sound Economy days, designed to appeal to the American spirit of individualism and evoke the spectra of communism – themes which became the driving force of the tea party movement.

Miller: Propaganda tries to get around the mind. It tries to go straight to the nervous system, straight to the stomach, straight to bowels, straight to the genitals, straight to the heart. That's not persuasion - that's suasion. Because you often don't even know you're being moved. One thing that one must do of course is cloak one's message in a kind of moral righteousness. We believe in liberty, we believe in free enterprise, we hear that all the time. Well, that basically means crony capitalism. But it implies something that most Americans will feel a surge of positive emotion about, right? Now there is a tacit opposition there, between free enterprise and Communism, and that's the other technique that has to be used. You've also gotta have enemies, demons that serve as scapegoats and against which you can vent all the angry feelings that the propaganda will also incite. For them, Socialism conjures up a sort of weird mélange of boogie men. Obama's associated with that by the right wing for example, he's also associated with Muslims you know, there's this myth that he's this Muslim and so on,

he's also black. So all these things serve for a highly volatile and irrational minority of the American population. In a way, that's just kind of classic propaganda. And it's no accident that this serves the interests of the health insurance companies, the big pharmaceutical cartel, the petrochemical interests. I mean, we could go on and on. It suits them fine. This is why they've basically encouraged this.

NARRATOR: That America is the only country in the developed world without universal healthcare for all citizens is a testament to the depth of anti-government feeling that pervades society here. But to what degree has this feeling been manipulated? To find out more, I went to visit Wendell Potter, a former health insurance industry spin doctor who worked on coalitions with free market groups in the past and has turned whistle blower about these deceptive practices.

Wendell Potter: I was growing disenchanted with my industry and ultimately came to question the practices of the industry and the techniques that the industry uses to manipulate public opinion. I began to have a crisis of conscience. But it took a visit to a healthcare expedition, as its organizers called it, in Wise county, Virginia. So just out of curiosity, I went up there and I was just stunned when I walked through the fairground gates. I saw thousands of people who were lined up, and they were waiting to get care that was being provided on a charity basis by volunteer doctors and nurses in animal stalls and in barns. It became clear to me that this is really what so many Americans have to resort to to get the care they need, and a big reason for that is because of the health insurance industry that I had been promoting all these years.

NARRATOR: Whether it was health insurers or wealthy ideologues is not known, but soon after Obama announced plans to once again try and reform healthcare, AFP's deep-pocketed friends stepped up.

Tim Phillips: Some great Americans come to us and say they were concerned with this health care issue and could see this train coming down the pipe, and they wanted to do something about it. Our board met and said you know what, Americans For Prosperity wants to be a part of that.

NARRATOR: Tim Phillips and his crew toured the country in two buses, telling the media and citizens that they wanted the government...

Phillips: To keep their hands off our healthcare.

Wendell Potter: They're hired guns, and they do what they are told to do, and it doesn't matter what the tactics are sometimes – if it involves bending ethics or violating ethical standards, they will do that.

Phillips: Sometime in the next 60 or 90 days, this Senate and this House that meet right back at the capital behind us, are going to vote on whether or not your healthcare

is run by the government.

Potter: Terms like government takeover of the healthcare system is one that has been used many times to scare people away from reform, and it's misleading. No plan before Congress would have come anywhere close to a government takeover, but nonetheless it's a term that the industry knew would be effective.

Slippery slope toward socialism in the United States – socialism still has this connotation, something that is akin to communism, if not even worse. So using the word socialism in the United States, the people who put those sentences together do it for a purpose and they know that will evoke a certain emotion.

NARRATOR: AFP ran a multi-million dollar ad campaign, scaring senior citizens.

TV Announcer: Treatments and potentially life saving drugs could be withheld, and seniors could even lose their own doctors.

NARRATOR: And when Democrat politicians were sent out to hold town hall meetings in August 2009, little did they know all hell was about to break loose.

Americans For Prosperity Speaker: We hit the button, and we started doing the Twittering and the Facebook and the phone calls and the emails, and you turned out in huge ways. A thousand showed up at that hall and set the tone for what was the worst August in Democrats history.

TV Voice 1: 1500 people tried to cram into an event.

TV Voice 2: People are turning up in record numbers to these town hall events, and the temperature is rising.

TV Voice 3: Opponents of change shouting at members so loud that at times police are called in.

TV Voice 4: Is this live? This is Live. Things are getting physical.

Phillips: If you're a senior citizen, this new takeover is a disaster for you. And the American people know that. Because truth is on our side.

Old Lady 1: We do not want the government in control of healthcare programs.

Old Lady 2: And we're telling you we don't want this.

NARRATOR: While congress eventually passed a very much compromised healthcare bill, by then opponents had helped make it so unpopular that healthcare became a

major factor in the Democrats' defeat in 2010.

TV Presenter: Older voters in the last mid term split evenly. This time they were overwhelmingly voting Republican, and why did they vote? Six out of ten said they wanted to repeal healthcare.

NARRATOR: Having witnessed the power of anti-government propaganda in the healthcare debate, next up I wanted to find out the Koch brothers' role in the campaign against that other great socialist element of the Obama administration: climate change legislation.

The environmental group Greenpeace are strong advocates for climate change action, and I went to speak to research director Kert Davies, who has been investigating the Koch's for a number of years.

Kert Davies: The Koch brothers, Charles and David Koch, are now the 5th and 5th richest persons in the country. They've risen up the food chain of the richest Americans. They're both worth about 20 billion dollars. They run the company together. They inherited the company from their father who built the company from scratch, doing refining and oil pipelines. It's the second largest private company in this country. We don't even know how much money they make. They now have expanded into paper, and chemicals, acquiring other companies in recent years. They're worldwide, based here in the United States in Wichita Kansas.

NARRATOR: In this context, the Koch's war on regulatory agencies like the Department Of Energy and The Environmental Protection Agency begin to look far more than just ideological – especially given their terrible environmental record.

Davies: The Koch's and their allies deliberately founded these groups to intervene in government, to reduce taxes on corporations, to reduce the impact of environmental laws – and all of this of course benefits their business.

NARRATOR: This charge of profiteering was especially evident in AFP's opposition to a proposed climate change bill. Known as cap and trade, the legislation was designed to phase out the use of coal and oil.

Davies: In 2009, after the Obama administration came on, there was massive momentum towards climate legislation. Suddenly, there was a real possibility of getting new good law passed, and they went into high gear attacking Obama from day one – even started before the Obama administration – attacking any climate legislation. They've run for years these summer Hot Air tours where they run what looks like a grassroots activist campaign around the country with a bus and t-shirts and handouts and little events in small towns. In fact, it's a corporate-funded propaganda tour.

Steve Lonegan: At Americans For Prosperity, we recruit, educate, motivate, and activate citizens like you to take action – to write letters to your congressman, to get on talk radio shows. Because they know something is wrong. This country is heading in the wrong direction. And that direction is more big government, more government programs, taking control of our healthcare, taking control of our businesses, taking control of our lives. But like Americans have always done, we're gonna rise to the occasion. You know that. We're not gonna let this cap and trade bill pass. That legislation that you have all heard about that will cap American prosperity and trade our jobs.

This is the last leg of what we call our Hot Air Tour where we're exposing the fraud of what is basically a trillion dollar tax on American energy users. The phoniness of green jobs and government subsidized alternative fuels, and what we're doing at Americans For Prosperity is educating Americans to understand the threat to our future.

Davies: Attack, attack, attack. They reframed it as cap and tax, as opposed to the term cap and trade, the term for carbon trading. And went on the attack and declared this part of the Obama agenda to tax people more, to harm their freedom, to impose socialism and grow the government. All message points that resonated with the Tea Party movement that was rising through 2009 and into 2010.

Taki Oldham: What's motivating the government to try and bring in the cap and trade bill?

Mark Hutchinson: It's a Marxist regime basically. The Obama administration, the Democratic Party has gone totally to the left so extreme now. It's about seizing control over our lives. It's a total government scam, and it's going to destroy jobs and industry in this country.

NARRATOR: At a number of the Hot Air tour events, logistical support is provided by local tea party volunteers. At today's event, it was a group named after this building which loomed conspicuously behind us, the birthplace of the American constitution.

Chris Clemency: What brings me out here today is to support Americans For Prosperity. I'm with a group called the Independence Hall Tea Party Association. We've thrown two tea parties. But the one thing I really wanted to get through to people is that this not some corporately sponsored thing. We are dirt poor. I know I am. I live in an apartment. I have two kids and a wife. I'm struggling. But this isn't a feel sorry for me thing. I'm just telling you. We're not corporate-sponsored, period. And everything's grassroots. Our organization itself is from the group up and no budget. Not low budget, no budget. We've done everything for free. I built the website for free. We've gone to great lengths to make this happen, and it's all in the name of liberty and justice and what our founding fathers had proposed this country to be: a republic.

NARRATOR: While many individuals are struggling, each of the Koch brothers has seen their personal wealth increase by an estimated 4 billion dollars in the last year alone. Helped not only by their ongoing efforts to delay a climate bill, but also to foster doubt in the underlying science.

Steve Lonegan: Well, the cap and trade bill is an alarmist response to a man made crisis. But that man made crisis is the global warming claim. The science is not finished; the debate is not over, as the left who support this legislation would tell you.

Mark Hutchinson: I think global warming's a complete hoax, actually getting cooler for the past 10 years.

NARRATOR: A recent study by Pew Research found that only one in three Americans believe that human activity is causing global warming. But as I found out from climate scientist Brenda Ekwurzel, the scientific community is of a different opinion.

Brenda Ekwurzel: Overwhelming vast majority. Absolutely. Most of the scientific societies around the world, national academies of sciences, the Intergovernmental Panel on Climate Change. All the leading experts of the world that get together and make scientific statements about climate change, they all agree that climate change is real. It's unequivocal, and they're very worried about the lack of action on the parts of weaning ourselves off of fossil fuel.

NARRATOR: Author and PR man Jim Hoggan has little doubt about the role of the Koch's and other energy industry players in creating this disparity.

James Hoggan: These guys have been able to delay action on climate change for two decades, all along making billions and billions of dollars in dirty energy.

NARRATOR: So how have they done it? The answer lies in a small but highly coordinated network of free market groups, in particular free market think tanks. If Astroturf groups recruit the foot soldiers of this revolution, free market think tanks provide the intellectual ammunition. Their policy experts appear in the media, testify before congress, and pump out endless reports as to why universal healthcare will bankrupt America, why a climate bill will kill jobs, and why global warming is an unproven theory. Never revealing that their funding comes from the likes of Koch Industries or oil giant Exxon Mobil. Key to their success in manufacturing doubt over climate change is a handful of scientists, employed by the think tanks specifically to give the impression that debate still rages in the scientific community.

James Hoggan: It was a media campaign. They wanted to create doubt in the minds of journalists, they wanted to create doubt in the minds of the public, and they did a fantastic job of that. And your average person would never know. They just see some articulate guy, may even be a scientist, basically being skills for industry. People like

Fred Singer; he was a guy who worked for tobacco - now works on climate change. But because they have a lab coat and have a PHD, people believe them.

NARRATOR: I tracked down Fred Singer in Washington DC where he was briefing senate staffers on the scientific reasons why they shouldn't support the cap and trade bill.

Fred Singer: This suggests that after 1998 there's further warming. That's not correct. There's been cooling since 1998.

NARRATOR: This message is then echoed by people like Myron Ebell of the Competitive Enterprise Institute, seen here talking to a group of Americans For Prosperity members.

Myron Ebell: I want to talk about cap and trade, or as I call it cap and tax - as I think probably most of you do as well. But first, I want to talk about global warming for a minute. Here's the last 30 years. You'll see for last 10 years we haven't had any warming. I think that shows the models are phoney.

NARRATOR: Having planted skepticism about the science, supporters are then told that bills like cap and trade are really an excuse for big government intervention that impinge on people's freedom.

John Tamborini: It's just another way of government controlling our lives, and I'm dead set against that - and certainly human beings are not bad for the planet.

Julie Williams: I believe it's a hoax. I believe that this is - liberals want more control.

John Jarrat: I think mother nature is the one who affects the environment. I don't believe we can. I think cap and trade is nothing but a power play.

NARRATOR: This worrying trend of politicizing the science of climate change is evident when examines opinion along party lines. With Democrats at 53% and Republicans at just 16%, the figure drops to just 8% among surveyed Tea Party supporters. To the dismay of people like Kert Davies, this was reflected by Republican candidates come election time.

Davies: During the 2010 elections, you saw candidates in absolute denial of climate science. Declaring proudly that they were going to stop anything that would solve global warming, that they did not believe that global warming is caused by humans, and bringing that message to Washington and to voters, and they were voted into office - the majority of them outright climate deniers.

Adam Kinzinger: And I'm also looking forward to standing up and declaring that the

cap and trade legislation is dead.

NARRATOR: The emergence of Tea Party politicians and rise of political stars like Sarah Palin embodies a rising "us and them" culture in America. But if this increased political polarization has been fed by the free market propaganda machine, equally important is the role of the conservative media. None more so than the nation's most watched news network Fox News. 24 hours a day they pump out pro-business, pro Republican talking points. Including emails directing their reporters to say that global warming "theories are based upon data that critics have called into question."

TV Presenter: Some suggest that the research has been manipulated and that those questioning the effects of climate change have been silenced.

NARRATOR: And echoing the insurance industry language of "government-run health insurance."

Neil Cavuto: Government run healthcare may include some rationing.

Sean Hannity: A government healthcare takeover could drastically change the way you and you family receive healthcare.

NARRATOR: The Tea Party movement too owes a lot to Fox, who urged its legion of loyal fans to get involved.

Fox Voice 1: It's a movement that is sweeping the nation, all across the country.

Fox Voice 2: Hundreds of these protests all across the country and may involve millions of people.

Fox Voice 3: Fox News is out in front of this.

Fox Voice 4: Well, you can join the tea party action from your home if you go to the fox nation dot com.

Fox Voice 5: The Tea Party revolution...

Fox Voice 6: There's probably one right by you.

Fox Voice 7: We have a map to show just how widespread these are.

Fox Voice 8: These are people who demand to be heard.

Fox Voice 9: Americans are making their voices heard as they fight for their future. Total fair and balanced network coverage.

Fox Supporter 1 – Woman: Unbiased. They give you both sides. They don't manufacture news.

Taki Oldham: So Fox News is?

Fox Supporter 2 – Man: I could point everyone one these organizations and give you specific examples of where they've either lied to me, or disingenuous or call me names. They don't tell the whole story. They tell one side of the story. We see that now, and we're speaking out.

NARRATOR: But if there's one person at Fox who has become the darling of the tea parties, it's Glenn Beck.

Arvid Mosnes: Glenn Beck has been the one that has more than anybody nailed the problems on TV and radio. And I've followed him. He's my hero. I'm not too old to have heroes.

NARRATOR: Watching Beck's paranoid populism and race baiting goes a long way to explaining some of the more extreme views in the tea party movement.

Glenn Beck: The media either can't see it, or they're complicit or just wildly out of touch, I don't know which it is. But let me show you the big picture of what's happening here. The roots of the tree of radicalism and revolution.

This president has I think exposed himself as a guy over and over and over again who has a deep-seated hatred for white people, or the white culture, I don't know what it is. This guy is, I believe, a racist.

Angry Woman: I say not just impeach that asshole, put him in prison. He is communist, he is a racist, he is worse than Hitler. He says he wants to destroy the world, everyone that is white. That means Filipino's, that means Chicanos, that means Irish, that means everyone that is not black - even though his stupid ass isn't even half black.

Arvid Mosnes: We're not gonna march to the camps. We're not going to go into the gas chambers like the Jews did back then. We're going to stand up and fight before it gets to that point.

Man on Stage: Barack Obama, and the left wing of the Democratic party, reek of fascism, socialism, whatever you wanna call it. It's totalitarianism indoctrination. And we can't allow it to happen. If it wasn't for Fox News and the Wall St Journal and people like me on a local level, you wouldn't get the truth.

NARRATOR: With 9 million people tuning into his TV and radio shows each day, Beck's obsession with communism also makes him a powerful ally to oppose things like the cap and trade bill.

Glenn Beck: Let's bring in Phil Kerpen. He is the Director for Policy for Americans For Prosperity. You like watermelon? I think this is a watermelon bill.

Phil Kerpen: I think you're exactly right. This bill is green on the outside. The thinnest green on the outside and inside it's deep communist red.

NARRATOR: This was especially evident when AFP's Phil Kerpen fed a story to Beck that Obama's green jobs advisor was a commie.

Glenn Beck: This is the beginning. This is the porthole into all of this. This is the biggest story in history.

Self avowed communist activity.

There are communist Marxist revolutionaries all around the president.

These guys are Marxists in the White House.

NARRATOR: As I arrived in Washington DC understanding a bit more about how propaganda works, I went to examine its use as Freedomworks hosted the first ever national tea party.

Man Selling Flags: American made. American made. Two dollars. Two dollars. Two dollars. Two dollars.

Man in Old Costume: We've certainly got the feathers. We just need the tar.

Man: Socialism has just taken over. It's got its grips on it, it always leads to communism.

Taki Oldham: Tell us about your sign.

Woman: Well, we're against socialism in America. We stand for the constitution, the bill of rights. We want our freedom.

Woman: Freedom!

Man: Yeah, we came out here today for freedom, that is exactly right. This is Christine. She can talk too.

Woman: Well, he said it all. They're trying to push socialism in this country and take our freedoms away. We're not standing for it.

Woman: We want our country back. Get rid of all this trash they're bringing down on us!

Man: Mr. President, Here We Are!

Crowd: Here we are! Here we are!

Woman: Let's hear it! Let's hear it! Let's let them hear freedom ring in this country.

Man: We do not want government run healthcare. Americans want government out of our lives!

NARRATOR: Eventually speakers from libertarian groups took to the stage, and never was this tactic of equating the anti-government free market agenda with freedom itself more evident.

Man: Let me hear an Amen!

Crowd: Amen!

Man: Now that sound is proof that hell hath no fury like a taxpayer ignored.

Man: I am the grassroots director for Freedomworks. We are an organization that believes in lower taxes, less government, and more freedom.

Man: You can't be for freedom if you are for more power for the government. Government power is the enemy of freedom.

Man: We fight against tyrannies of government, and that's why we are here today - because something radically changed in the last few months.

Man: This is nothing less than an intellectual battle for the heart and soul of America.

NARRATOR: Having successfully steered protestors to revolt against the entire Obama agenda in the name of freedom, phase two was to succeed where the Koch's had failed in 1980. To build a free market movement capable of staging a revolution at the ballot box. To find out more, I went undercover as a budding fiscal conservative. My first stop was a training session for tea party goers held by the Competitive Enterprise Institute.

John David Lewis: What is the theme to the tea party? What is the tea party about? Is

it about just opposing this and opposing that, or is there an integrated theme? And that idea I submit to you and the idea I want to sell you on is the rights of man. The basic issue at stake is the destruction of the rights of those who produce in the United States

Fred Smith: And the Tea Parties of course are the battlegrounds we're in today. We are today's peasant army. We are the thin line between freedom and the status dystopia they want to create. Freedom is a wonderful thing to fight for. It's time for us to join that army, and that's something I hope we all are dedicated to.

NARRATOR: In Nashville, I met up with a collection of libertarian groups crossing the country teaching guerrilla internet tactics for free market ideals.

Austin James: Over 200 years ago guys, a group of people just like you did something extraordinary. Ordinary people doing extraordinary things. They were activists, just like you, I truly believe that. They were activists then, we are activists now. Make no distinction about it. So what do we do? We become digital activists, we identify the medium, we learn the medium, we manipulate the medium. It was printing presses then, it's the internet now. That's where we influence the hearts and minds of our fellow citizens. The tea parties got us running up the hills. American majority's trying to give you the tools, the muskets right? So here's what I do. I get on Amazon, and I type in liberal books. I go through and I say, 1 star, 1 star, 1 star. The flip side is you need to go to a conservative, libertarian whatever, go to their products and give them 5 stars. OK? So literally 80% of the books I put a star on, I don't read, so that's how it works. OK. This is where your kids, I promise, this is where you kids are getting their information. Rotten Tomatoes, Flixster, those are places where you can rate movies, so when you type in movies on healthcare, documentaries on health care, I don't want Sicko to come up, I don't want Michael Moore's to come up, so I always give it bad ratings. I spend about 30 mins a day. So that's guerrilla tactics, if there's a place to comment, a place to rate, right? A place to share information, you have to do it. That's how you control the online dialogue. Give our ideals a fighting chance.

Ned Ryun: The principles that I believe strongly in, that the founders believed strongly in, were the idea of individual liberty, rule of law, limited government, the free market system. There are correlations. Free market, religious and personal freedom, we lose the free market, we will lose personal and religious freedom, that's why we fight for it.

NARRATOR: It's the end of the session and suddenly we're all asked to introduce ourselves to the group. I've thrust my camera phone into the hand of the lady sitting next to me, and I'm just preying I don't blow my cover.

Taki Oldham: I was at the 912, I've been to the Louisville Tea Party Express, I've been to lots of different grassroots movements, events, and I just want to say you guys are amazing, and bring on the second revolution.

Man: Are you ready to join the second American revolution?

NARRATOR: The radical capitalist revolution was underway. In January 2010, as the movement approached its first birthday, more than 60 tea party leaders gathered at Freedomworks headquarters to sign The Declaration Of Tea Party Independence and officially adopt the mantra of free markets, with other Tea Party groups quickly following suit.

Tea Party backed Republican candidates emerged all over the country to contest the 2010 elections, promising to stop the energy tax, repeal healthcare and reduce the size of government. While the Koch's chipped to support some two dozen tea party candidates, as usual their real contribution was behind the scenes. In June, at this resort in Aspen Colorado, they hosted a secret strategy session with a network of ultra wealthy donors and powerful allies, including Glenn Beck.

According to this letter from Charles Koch, at the June meeting, "participants committed to an unprecedented level of support."

Soon after, Americans For Prosperity announced plans to spend a staggering \$45 million dollars on the election. They ran ads attacking politicians for supporting the Obama agenda. Obama tried to hit back, accusing AFP of being a corporate front in more than a dozen speeches.

Obama: But if you are in a battleground state right now, you are being bombarded with negative ads every single day, and nobody knows whose paying for these ads. They've got names like Americans For Prosperity.

NARRATOR: Meanwhile, in a test case known as "Citizens United," the Supreme Court, which included two judges who had attended secret Koch meetings, ruled that corporations were free to anonymously invest as much as they wanted in front groups like AFP.

Republican operatives seized upon the decision, creating new groups and flooding the airwaves with tens of millions of dollars in ads for unknown donors. On the grassroots side, AFP dusted off their buses, launching their November Is Coming campaign.

AFP and Freedomworks also used their considerable budgets to train and mobilize the Tea Party army.

Man: Identify your voters. Get 'em registered to vote.

NARRATOR: With an economy that had failed to improve, a lingering resentment over the healthcare bill and the best grassroots army that money can buy, the tea party was ready to strike.

Woman on TV: Because this is our last stand. This is our last stand to let the president know. We're out here on the corner, in north Philadelphia. We're down also in the city of Philadelphia. We have a fully operational phone bank. That's been open since nine this morning through Americans For Prosperity. We've been running that all day. We have our people out there door knocking. And we're standing here now, and here's what we're gonna say. We don't like way you view us. We don't like your view of America. We don't like your policies, and we're taking it back on November 2.

Female Newsreader: Well, this morning it's being called a GOP sweep and a Tea Party tidal wave.

Female Reporter: In the biggest wipe out for either party since 1948...

Katie Couric: The new 112th congress with feature forty tea party members.

Sarah Palin: A lot of libertarian leaning individuals within the Tea Party movement - especially when it comes to taxes and over-regulations.

Adam Kinzinger: We just took the crossroads that came back to the constitution, and came back to the free market system and limited government.

Rand Paul: It's a message of limited constitutional government.

Pat Toomey: End the threats of the excessive government regulation and the huge out of control role that Washington has begun to play.

Davies: There's a new day now. The Republicans took control of the house in November 2010 - very anti-government agenda in fact. One of their agenda items is to take out full agencies like the department of education, the department of energy, the EPA. When you have politicians elected who want to shut down the government, it sets a pretty interesting tone for the debate.

NARRATOR: For me, the newfound zeal for the Koch's radical free market ideology is the real revolution of the tea party movement. It has nothing to do with people in old costumes, or waving flags or holding protest events. But it is a revolution that has everything to do with hidden corporate agendas, complicit media players, seasoned propagandists, a highly coordinated network of free market groups, and most of all a pair of brothers with al dream create a privatized America.

Koch: The American Dream of free-enterprise capitalism is alive and well.

Taki Oldham: And so what does the American Dream mean to you?

John Jarratt: The American Dream to me is one word: freedom.

Julie Williams: Defending the American Dream means defending our rights and freedoms and our liberties that have made this country great.

Jane Burgess: To me, the American Dream is to live in peace and prosperity and freedom, and government under socialism is not a government of freedom.

NARRATOR: What about the freedom of individuals to make up their own mind through reason and rational debate? What about the freedom to trust that grassroots movements are just that and not tools of the wealthy? And what does this say about the state of American democracy?

Potter: I think it's a serious threat to our Democracy, and I think people are mostly unaware of it, if not completely unaware of the threat. They're very much unaware of the front groups, unaware of how their thoughts are being manipulated and their actions are actually being manipulated in many cases. I think they're unaware that we to a large extent have a plutocracy in this country, or at least an emerging one, rather than a democracy, and I think that's because of the rise in power and influence of corporations and the way they have been able to use PR and PR tactics and propaganda to get what they want.

Miller: We are drowning in propaganda, drowning in it. And I'm not just speaking figuratively. I think it's threatening our lives. It's cutting off our air. It's making real democracy all but impossible. It has brought the planet to the point of ecological destruction. It's had no positive consequences whatsoever because it doesn't serve the people. It serves other interests.

James Hoggan: I've come to believe more and more as I've been studying this, this problem, that the real currency in democracy is honest information. That if you are on a mass scale able to pump out false information, then the whole democratic system kind of breaks up. And yet these people have a perfect right to do it and hide their involvement in it.

Davies: And now you have very motivated people out across the country who are activists, who are willing to fight for what they think is rights for themselves, but in fact it's forwarding a corporate agenda, that is to stop regulations, to stop taxes, and they're not gonna stop in 2010. They will continue to the 2012 elections.

NARRATOR: As the tea partiers march on toward 2012 and their goal of taking out President Obama, and installing politicians who will pave the way for private enterprise to replace government, my only message to them is be careful what you wish for because you just might get it.

[end]