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Surveillance of the Right Is Not New: The IRS Scandal in Historical Perspective

The Obama administration's ongoing coverup of the IRS scandal about targeting the Tea Party is not the first instance of the federal government persecuting the political Right with IRS audits. In fact, the current IRS scandal — where Lois Lerner's Blackberry and her desktop computer have apparently been wiped clean to destroy evidence — are actually following a more than 50-year script for government to destroy the political Right in the form of the "Reuther Memorandum." "The flow of big money to the radical right should be dammed to the extent possible," the "Reuther Memorandum" informed the Kennedy administration, asking for political assistance in stemming that flow.



Sound familiar?

The "Reuther Memorandum" was a December 19, 1961 letter from socialist labor organizer Victor Reuther to Attorney General Bobby Kennedy urging the federal government to target right-of-center political education organizations. Union organizer Reuther (who was head of the education department of the United Auto Workers) had worked for Stalin's Gorky Auto Works for more than a year in the 1930s, at the height of Stalin's purges. Though not a Communist Party member, Victor — along with his brothers Roy and Walter (all three shown in photo) — was a dedicated socialist who was determined to get the government to prosecute the constitutionalist movement. All three Reuther brothers developed strong Democratic Party ties after abandoning the Socialist Party in the 1930s to work for the New Deal via the Democratic Party. Walter Reuther was a founder of the leftist Americans for Democratic Action and headed the United Auto Workers labor union, later rising to head the Congress of Industrial Organizations (of which the UAW was a member). Victor and Roy Reuther worked for the UAW in the Education and Citizenship Committees, respectively, and all three brothers were loyal Kennedy political lieutenants in the Democratic Party.

The means sought by Victor Reuther's memorandum were focused IRS audits via congressional subpoenas to bog conservatives down in investigation, purging patriotic opinion from the U.S. military, and federal government listing of conservative organizations as "subversive" to the U.S. Constitution.

"The radical right or extreme right-wing," the "Reuther Memorandum" claimed back in 1961, "includes an unknown number of millions of Americans of viewpoints bounded on the left by Senator Goldwater and on the right by [John Birch Society founder] Robert Welch." It added that the government needed to suppress dissent from new small-government and anti-communist organizations, such as The John Birch



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Society and the Christian Anti-Communist Crusade of Dr. Fred Schwarz, the former of which is the parent organization of this magazine. Reuther noted in a libel against the organizations: "By the use of the twin propaganda weapons of fear and slander, the radical right moves the national political spectrum away from the Administration's proposed liberal programs at home and abroad.... What are needed are deliberate Administration policies and programs to contain the radical right from further expansion and in the long run to reduce it to its historic role of the impotent lunatic fringe."

Criminalizing the Right

The "Reuther Memorandum" explicitly called for labeling conservative and anti-communist organizations as subversive to the U.S. Constitution, even though they were the primary organizations supporting restoration of that document in the face of a socialist assault. "The Attorney General's list of subversive organizations is lending aid and comfort to the radical right. Although the radical right poses a far greater danger to the success of this country in the battle against international Communism than does the domestic Communist movement, the latter have been branded subversive by the Government and the former have not."

One of the organizations Reuther believed should be particularly targeted for this ideological blacklisting was The John Birch Society:

Under existing regulations, the Attorney General can only put an organization on the Attorney General's list if he finds, after notice and hearing, that it meets the standards of the list — i.e., that the organization is "totalitarian, fascist, communist or subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution ... or as seeking to alter the form of government of the United States by unconstitutional means." Certain of the radical right organizations may well meet one or more of these criteria.

The "Reuther Memorandum" also sought to stigmatize The John Birch Society and other right-thinking organizations in the 1960s by involving them in highly charged congressional investigations. "The mere act of indicating that an investigation will be made will certainly bring home to many people something they have never considered — the subversive character of these organizations and their similarity to the listed groups on the left." Some time after the "Reuther Memorandum" called for hearings, Robert Welch affirmatively sought out a legislative hearing in order to dispel the myth and to clear up the false allegations. But Congress refused to hold hearings on the organization. Eventually the state legislature of California, where the JBS then had one of its two headquarters offices, held hearings on the JBS and vindicated the organization.

IRS Targeting

In addition to trying to get the government to investigate the JBS, the "Reuther Memorandum" also demanded that "the flow of big money to the radical right should be dammed to the extent possible." The strategy was to use audits in the 1960s in the same manner as the Tea Party has been audited in recent years: Tie up the organizations with thousands of man-hours and tens of thousands of dollars in audits and accounting costs, and delay tax-exempt status for organizations. Because many corporations and foundations today will donate only to organizations with approved tax-exempt status, the government-focused delays and audits have long been designed to starve the organizations of funds



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before they ever get out of the starting gate.

The “Reuther Memorandum” — buttressed by the strong political and social bond between the Reuther brothers and John F. Kennedy’s presidential administration — bore immediate fruit in the surveillance of the Right. Little did Reuther know that the Kennedy Justice Department had already begun to target conservatives using the IRS. According to the Senate Intelligence Committee’s final report in 1976 (the Church Committee report):

The FBI and the Internal Security Division of the Justice Department gave SSS [Special Services Staff of the IRS] lists of taxpayers deemed to be “activists” or “ideological organizations;” the FBI, in providing SSS with a list of over 2,000 groups and individuals classified as “Right Wing,” “New Left,” and “Old Left,” expressed its hope that SSS tax examinations would “deal a blow to dissident elements.”

Just as the IRS targeted both Right and Left ideological organizations in both the Obama and Kennedy administrations, in both cases the most focused audits were against so-called right-wing organizations. In the 1960s, this meant organizations such as The John Birch Society. The Church Committee report — chaired by the leftist Senator Frank Church (D-Idaho) — acknowledged that “a smaller though more intensive selective enforcement program, the ‘Ideological Organization Project,’ was established in November 1961 in response to White House criticism of ‘right-wing extremist’ groups. On the basis of such political criteria, 18 organizations were selected for special audit although there was no evidence of tax violation.”

But The John Birch Society never had major problems with the IRS, because it never applied for a 501(c)(3) or 501(c)(4) tax-exemption from the IRS. “We are organized differently,” current John Birch Society CEO Art Thompson told *The New American*. Thompson noted that while the JBS is incorporated as a non-profit organization under the laws of the Commonwealth of Massachusetts, it files with the IRS every year a “regular for-profit 1120 tax form just as if we were a regular for-profit business, not that we ever have any profit.” Thompson noted that the JBS founder had never wanted the IRS to have discretionary powers over the organization, adding that “the foresight of Robert Welch when he started the organization was that he knew he would come under attack from the federal government.”

The JBS organization enjoys several advantages over local Tea Party organizations formed in the wake of the TARP bailouts and ObamaCare mandate in that it is a national organization. “We can make a cause célèbre out of anything, literally overnight,” Thompson told *The New American*. “They are being picked off one at a time because they are not a national organization.”

JBS President John F. McManus noted that the Birch Society has had legal run-ins with the federal government on other fronts, however. “The most expensive thing we ever had to do was to defend TRIM from the FEC,” McManus told *The New American*. The John Birch Society’s non-partisan fiscal report cards on Congress — Tax Reform IMmediately (TRIM) — were challenged by the Federal Election Committee as being “electioneering communications” back in 1978-1980. Though the charges were dismissed by the U.S. Court of Appeals in 1980 with the conclusion that the FEC had “failed abysmally to meet this awesome responsibility” to protect the First Amendment guarantee of freedom of the press, the organization was tied up for years in litigation.

Warrantless Surveillance of the “Right”

Government surveillance of The John Birch Society began even before the “Reuther Memorandum”



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called for labeling it as “subversive” to the U.S. Constitution. The Church Committee of the U.S. Senate reported in 1976, “Under these programs, the FBI collected and disseminated intelligence about the John Birch Society and its founder, Robert Welch, in 1959.”

Under the category of “Army Surveillance of Civilians,” the Church Committee reported:

The Army’s nationwide intelligence surveillance program created files on some 100,000 Americans and an equally large number of domestic organizations, encompassing virtually every group seeking peaceful change in the United States including ... the John Birch Society [and] Young Americans for Freedom.

This surveillance was also directed against a plethora of domestic leftist groups, such as the National Organization for Women, the NAACP, the Urban League, and the Anti-Defamation League. But again, the focus was upon the political Right, which was the greatest threat to the political success of the Kennedy administration.

If this sounds familiar, it should. The Obama administration has followed the same “Reuther Memorandum” playbook with respect to the IRS and labeling conservatives as criminal opponents to free government. And the Obama administration has likewise launched a political attack on small-government organizations, labeling them potential terrorists in a 2009 report entitled *Rightwing Extremism: Current Economic and Political Climate Fueling Resurgence in Radicalization and Recruitment*. The report lumped in legitimate conservative and libertarian limited-government organizations with actual white supremacist organizations.

Several lessons can be learned from the 1960s. The first is that the perseverance of The John Birch Society in the wake of such government persecution and surveillance over the past 55 years should be a source of hope for modern Tea Party organizations. The Obama administration has tried to delay and deny tax-exempt status designations from the IRS in order to starve the Tea Party for funds because they know most corporations and foundations won’t donate to an organization without a 501(c)(3) or 501(c)(4) tax-exempt designation from the IRS. Despite the intimidation, IRS harassment, and media ridicule, the JBS remains a major fixture on the political Right today.

Secondly, the experience of The John Birch Society teaches the lesson that government can’t be trusted — even the administration of the allegedly sainted and martyred John F. Kennedy — and its secrets need to be revealed through dogged congressional investigations and strong public information laws. Public information laws needed include a strengthened Freedom of Information Act, as well as stronger whistleblower laws so that public informants such as Edward Snowden can come to Congress with information about blatant government violations of the U.S. Constitution without fear of prosecution. Most of what we know about the FBI and IRS persecution of political groups — both in the 1960s and under the Obama administration — came from the congressional investigations and whistleblowers who testified before them.

Photo of (left to right) Victor, Roy, and Walter Reuther: AP Images



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