



Crony Capitalist Pickens' Role at GOP Conference Raises Questions

The inclusion of T. Boone Pickens, an energy tycoon, at the 2015 Southern Republican Leadership Conference (SRLC) in May raises some questions as to just how dedicated some SRLC leaders are to the concept of free enterprise.

Pickens has worked to receive government subsidies for some parts of his energy business, and is hardly a convincing example of the GOP's claim to be the party of the free market.

The Southern Republican Leadership Conference is being held this year in Pickens' native Oklahoma, May 21-23. Likely to attend are several of the expected Republican presidential candidates for 2016. The SRLC is probably best known for its presidential straw poll, won last year by Senator Ted Cruz of Texas, who garnered 30 percent of the vote. But how much importance can be placed on the poll as a predictor of the eventual winner can be questioned, as Texas Congressman Ron Paul easily won the 2011 poll, while the 2012 nominee, former Massachusetts Governor Mitt Romney, managed only a fifth-place finish, with a mere five percent of the vote.

Oklahoma's Republican Party Chairman David Weston was gushing in his praise for Pickens, as he announced Pickens' upcoming appearance at the conference to be held in Oklahoma City:

We are delighted to celebrate T. Boone Pickens' 87th birthday at the Southern Republican Leadership Conference. He has a special place in the hearts of Oklahomans, and his leadership in both the energy industry and in supporting Republican leaders has been critical over the years. His message is critical for the growing energy needs of America's 21st Century economy.

In a press release from the host Oklahoma Republican Party, Pickens was praised for his "groundbreaking Pickens Plan for leveraging traditional and new technology to achieve American independence from foreign oil."

So, Pickens has supported "Republican leaders," and he has a "message" concerning the energy industry.

But has Pickens supported conservative principles, limited government, and the free market, or just Republican "leaders"? And just what is his "message" on energy? Is it consistent with free enterprise?

The conservative weekly *Human Events* newspaper raised questions about Pickens in a cover story in 2012 that was highly critical of his role in an effort to obtain "subsidies to politically favored businesses in the energy area." It seems that an amendment to a \$109-billion highway bill would have "enriched" certain natural-gas companies, and taxed consumers to pay for those subsidies. The amendment failed, but according to *Human Events*, it would have benefitted a few wealthy backers of the measure, including leftist billionaire George Soros, and Pickens. Fortunately, in what the paper said was "an unusual coalition" of the Left and Right, the measure was stopped in the Senate. The subsidy, called

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New Alternative Transportation to Give Americans Solutions (NATGAS Act), would have created a natural-gas tax to provide certain selected industries with the subsidy.

Pickens, and Pickens' wife (now ex), and an executive of Pickens' company had donated over \$15,000 to Representative Bill Bilbray, a California Republican and major supporter of the proposed subsidy, according to FEC reports. In fact, Pickens, his wife, and senior employees of Pickens' Clean Energy Fuels company had given more than \$150,000 to politicians and committees that supported the NATGAS Act.

Pickens' "generosity" has not been confined to Republicans, despite his featured role at the Southern Republican Leadership Conference. Clean Energy Fuels employees have given almost \$20,000 to members of Congress who support the subsidies, including money to then-Senate Majority Leader Harry Reid, certainly one of the nation's key liberal Democrats.

Kevin Williamson, in his book *Politically Incorrect Guide to Socialism*, included Pickens as a prime example of the crony capitalist who uses government for personal advantage, observing, "In the case of oil socialism, those looking for a place at the planners' feeding trough include Oklahoma oil billionaire T. Boone Pickens." Williamson interviewed Pickens in 2010, and they discussed Pickens' effort to have Congress mandate that "18-wheel-tractor-trailer trucks operating in the United States switch from using gasoline to using compressed natural gas."

The cost to retrofit the trucks on natural gas would be enormous, and Pickens' plan would cause the taxpayer to cough up a subsidy of \$65,000 per truck!

When Williamson expressed skepticism at the idea, Pickens essentially questioned Williamson's patriotism by responding, "Well, you must be in favor of foreign oil. You must be in favor of the Saudis."

Perhaps it should not be too surprising that Pickens expects special preference because of his enormous wealth. It was just a few years ago that he actually directed some of his employees to dig up a portion of someone else's driveway. When he was a little boy, the home belonged to a relative of his, and he had written his name in the cement.

While most Americans have certainly heard of the Boston Tea Party, few understand that it is an excellent example of an early protest against crony capitalism. Using their influence over Parliament, many stockholders in the British East India Company (which included several members of Parliament), convinced Britain's legislators to award them what we would now call a bailout. They were granted a monopoly on the sale of tea in the colonies.

Sadly, crony capitalism (or as some call it, political capitalism) did not end with the American Revolution and our nation's independence. In his historic veto message concerning the rechartering bill for the Second Bank of the United States (a prime example of political capitalism in the 19th century), President Andrew Jackson wrote,

It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes. Distinctions in society will always exist under every just government. Equality of talents, of education, or of wealth cannot be produced by human institutions.

Jackson added that government has a proper role to protect wealth, "but when the laws undertake to add to these natural advantages, artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society — the farmers, mechanics, and laborers — who have neither the time nor the means of securing like favors to



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themselves, have a right to complain of the injustice of their government.”

Of course, these elite political capitalists enjoyed a measure of revenge on Jackson when they put his picture on the \$20 Federal Reserve note. The Federal Reserve System is yet another example of a government-granted monopoly that still plagues us today, and bears numerous similarities to the Bank of the United States opposed by Old Hickory.

The message the Republican Party needs to send is one of free enterprise; however, by handing a starring role at its conference to political capitalist Boone Pickens, the GOP has severely clouded that message.

Photo of T. Boone Pickens: screenshot from Pickens' promotional website



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