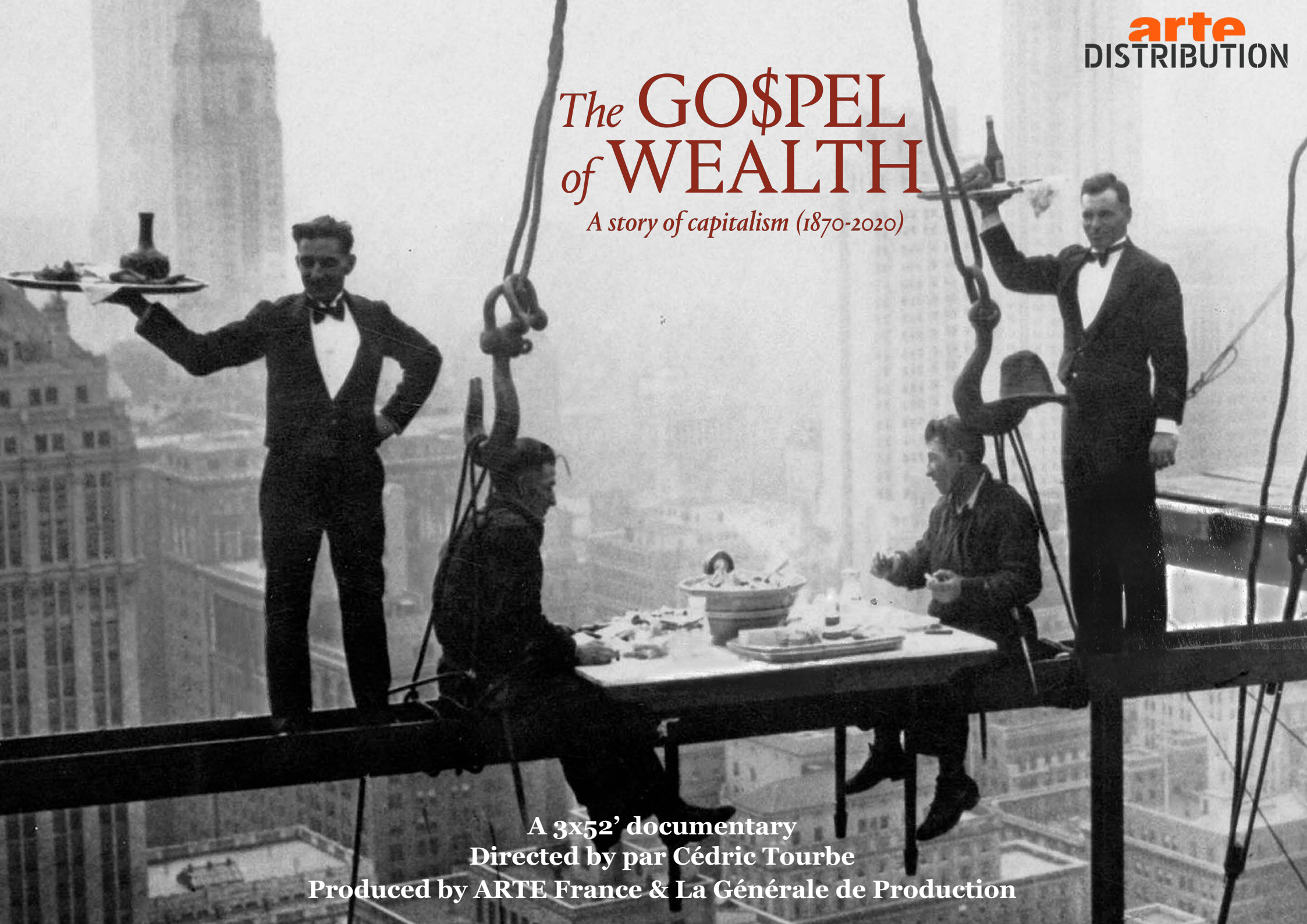


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# *The* GOSPEL of WEALTH

*A story of capitalism (1870-2020)*



A 3x52' documentary  
Directed by par Cédric Tourbe  
Produced by ARTE France & La Générale de Production



# PITCH

In this series of 3 episodes covering 150 years of economic, political and cultural history, Cédric Tourbe and Romain Huret dissect the capitalist storytelling that has succeeded in perpetuating the American dream – from Rockefeller to the Koch family, or from Carnegie to Bezos. Culture, advertising, public relations and above all philanthropy are the weapons of a genuine gospel of wealth, which, despite the inequalities, continues to nourish the American psyche. Until when?

In 2018, the three wealthiest Americans' estimated worth equals that of about half of the least wealthy Americans together; or 162 million people. Since its inception, the United States has been capitalism's very own Promised Land. But the accumulation of wealth cannot come at the expense of democracy – as the founding fathers, themselves multimillionaires, said. Too many inequalities heighten the risk of chaos. Capital versus democracy: a very American equation.

1. The Merchants of the Temple (1870-1945)
2. The Republic of Consumers (1946-1980)
3. Unfettered Wealth (1981-2021)

# DIRECTOR'S NOTE

**Materialists, speaking of money with uninhibited nature, having the cult of initiative and risk taking, Americans are capitalists at heart.**

Reality is much less clear-cut.

The greatest fear of the Founding Fathers, even though they were all millionaires, was that their new democracy would be confiscated by the richest. This would have marked for them a return to a hated aristocracy and the failure of their project. All of American history has been crossed by this tug of war between the thirst for equality and the pursuit of profit.

Still today, America's great fortunes are not flaunted, and public morals condemn cynicism and greed. Philanthropy advocated by "The Gospel of Wealth", a short text written at the end of the 19th century by the "king of steel" Andrew Carnegie, remains today one of the characteristic features of America's money culture. Hyper-wealth is made tolerable to the extent that it redistributes to society in the form of philanthropic foundations. Tellingly, this social demand is a pattern

that grows stronger each time inequalities increase, as is the case today. Over the course of a story, which runs from 1870 to now, this three-part archival film will highlight how the tension between democracy and capitalism has been more or less settled - with sometimes violent ideological clashes - the tension between democracy and capitalism. By mixing political and social events, cinema, literature, propaganda and advertising, we will dive into the heart of the different stages of American capitalist accumulation.

This story takes place from the point of view of the capitalists. Always pushing the boundaries of moral acceptance, we will see how from J.D. Rockefeller to Jeff Bezos the same practices are repeated.

I therefore tried to bring out the main constants shaping the relationship between democracy and capitalism in United States: obsession with founding myths, unsurpassable communitarianism, allergy to taxes, mistrust of public intervention, discourse of individual emancipation, possibility of unlimited enrichment in exchange for philanthropy.



# DIRECTOR'S NOTE

I want to give this film its own rhythm and musicality. A three-voice rhythm which scripts give you a first idea.

## **1. First, there is the "voice archives"**

For writing reasons, it is the least present in the scripts for now while it will be very present in the film. It will be narrative, that is to say that it will be able at certain point -without recourse to the voice-over - to carry the story on its own. It will give pride of place to all the inventiveness of marketing, commercials and corporate films, which alone tell a lot.

## **2. Then there is the "voice from the period"**

It is presented in the scripts in the form of newspaper inserts, literary excerpts, cinematic and musical quotes, which I pasted in the middle of the voice-over. This collage is a tribute to the American trilogy of John Dos Pasos who invented this type of story and allows an immersion in the reality of an era. This voice tells us how Americans look at what happens to them over time. Amused, ironic, scandalized, threatening, active voices. It is the voice over, a secondary narrative that complements, feeds and sometimes hits the main narration.

I had fun following all of the action in the movie through the *New York Times* archives, and came across some quite amazing things. *The New York Times* started out as a practical choice: this newspaper has codified all of its issues since 1851. I then realized that just keeping that title gave the story a breadth I had never imagined. First, it is the newspaper of New York, city-emblem and the heart of American mythology, a city also central in our story. Then in a society in constant upheaval, this newspaper becomes an anchor point, a fixed witness which tells us precisely the extent of the changes and how they are perceived.

To impose "the voice from the period" on viewers, this is the first voice that will be heard in the film. It will be carried by an actress (I want a female voice) and will accompany us throughout.

I don't think I will illustrate it in a classic way with newspaper clippings (for example) but with specific graphic work to be carried out by La Brigade du Titre and Mathieu Decarli, with whom I am used to collaborating.

## **3. Finally, there is the "voice-over"**

It's the one, again for the sake of writing, which is most present in the scripts so far. It carries the foundations and the few essential elements for establishing and resolving conflicts, the engine of action. I am going to work it "with great precision". It will be my voice.

The film will be edited in collaboration with Mathieu Blanc. The challenge will be to find the right balance, the right matches and the right ellipses between the three voices of the film.

As the first of the world's media companies, America has been photographed, filmed and told itself in pictures for a very long time and in abundance. American companies invented "public relations". We will not run out of archives and we may even have the opposite problem. I will have recourse to two librarians: Fabrice Héron with whom I have already made a film about United States and an American librarian whose mission will be to work on the spot with the countless public and private sources, business foundations, etc. . : the American capitalist story is above all a story of images.

In his "Gospel of Wealth", Andrew Carnegie dreamed of a society "built" by the goodwill of the rich alone. We will see in the end, and after many twists and turns, that his gospel is more alive today than ever.

***Cédric Tourbe***

# Part one (1870-1945)

## The Merchants of the Temple



# Part one (1870-1945)

## The Merchants of the Temple

In the spirit of the Founding Fathers, economic and political freedoms went hand in hand. They feared, however, that the rich would end up privatizing democracy, creating a tyranny of money.

But from the start of the industrial revolution, this is precisely what is happening. A few hundred new millionaires including Rockefeller, Carnegie and JP Morgan have established monopoly positions and are stifling competition. To justify their domination, industrialist Andrew Carnegie published in 1889 "The Gospel of Wealth", both Darwinian and moral. According to him, inequalities are natural and should not be opposed, on the other hand it is the duty of millionaires to shape society by resorting to philanthropy. Philanthropy is becoming a national sport which also justifies the refusal of millionaires to submit to income tax. In fact, while millions of migrants run factories for a pittance, industrialists are elected to Congress and pass favorable laws to their interests.

At the start of the 20th century, the federal state managed to break some forty monopoly positions, but without interrupting the ever-increasing concentration of capital.

In 1913, an income tax for the richest was voted, but Congress granted a fundamental tax loophole exempting income used for philanthropic purposes. Philanthropic foundations protect family fortunes but also have a real impact, particularly on the generously funded university world. The Rockefeller Institute won at that time its first Nobel Prize in medicine.

With Fordism and Taylorism, capitalism evolves. Mass production involving mass consumption, workers are better paid and not as badly treated. Businesses have to "sell themselves" and invent marketing and public relations. After World War I, a sweeping plan to drain Americans' savings toward Wall Street resulted in a shareholder democracy.

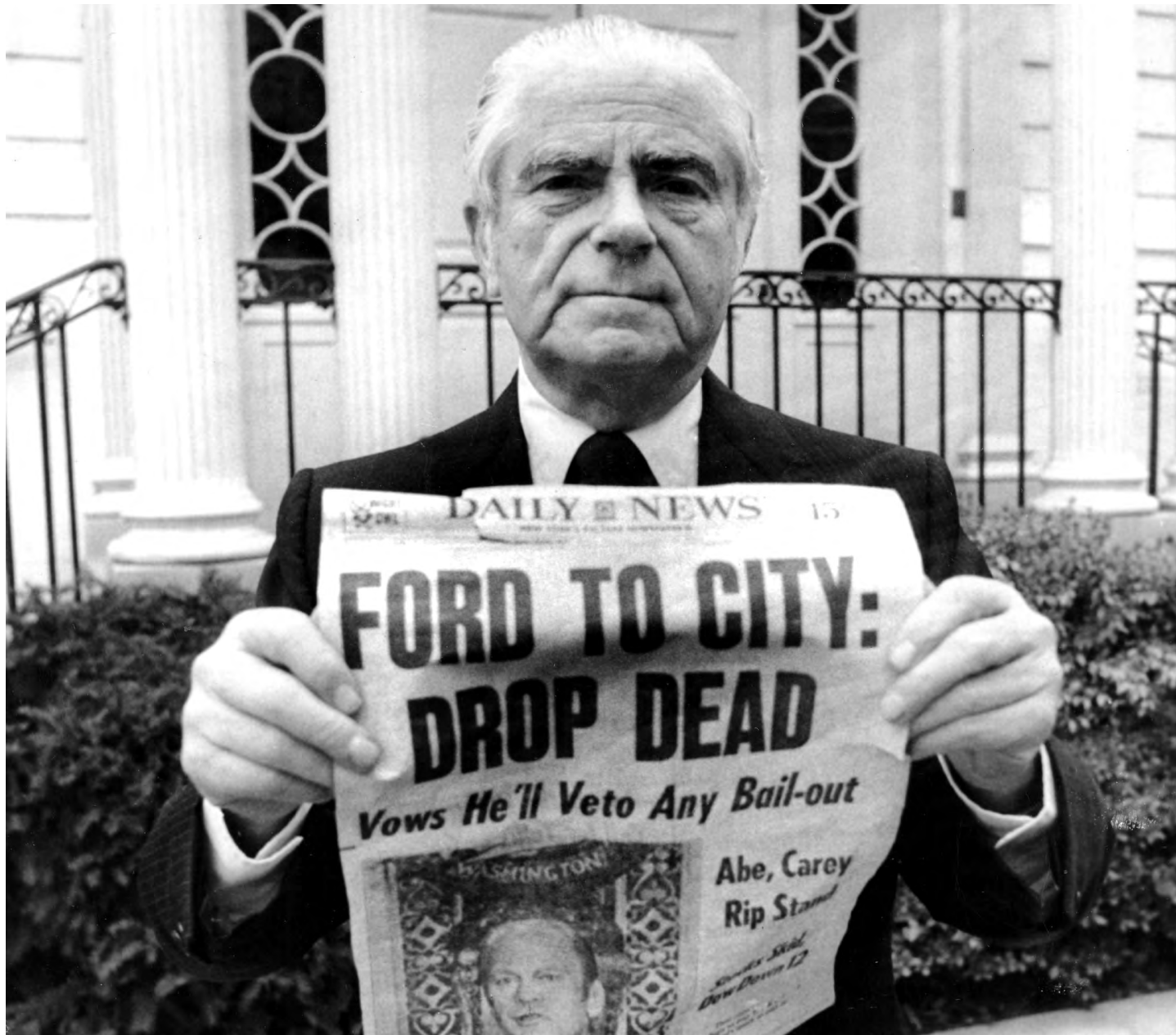
Everything collapsed with the crash of 1929.

Roosevelt's New Deal breaks all old taboos. The State now intervenes directly in the economy, regulates Wall Street, legalizes unions and makes wage negotiations mandatory. While the business world cries out for tyranny, two opposing blocs are formed: the "liberals" in favor of the New Deal and the "conservatives" who want to return to the world prior to 1929. The New Deal fails in 1937 to "make people pay" the rich ". Conservative industrialists go on strike on investments and obtain tax breaks.

Everything changes with the Second World War. The broad-based tax for all Americans will finance the war effort, and while the GDP doubles, the 40 largest companies provide half of the war output. In 1945, the cake grew huge. Big manufacturers understand that it is in their best interests to accept unions and pay taxes, in return for endless opportunities for growth. Everyone, or almost everyone, has now become "liberal".

## Part Two (1946-1980)

# The Republic of Consumers



# Part Two (1946-1980)

## The Republic of Consumers

American capitalism has accepted the Welfare State, which is also the subject of a bipartisan consensus: Democrats and Republicans are now all "liberals." Rich Americans pay heavy taxes without flinching. The foundation of this Welfare State is the powerful industrial North (General Motors, Ford, etc.). The showcase is New York, a city that is still partly working-class where transport, health and culture have become almost free.

Philanthropy and foundations remain a national sport (and a tax loophole) for millionaires who fund American science, but also culture and medicine.

The "conservatives", however, do not disarm. Comforted by the reading of the economist-philosopher F. Hayek, they are convinced that the post-war consensus leads straight to "servitude" and tyranny. They use philanthropic foundations to convey the ideology of "free enterprise".

The leaders of the third largest company in the country, General Electric, then embarked on an anti-union crusade and "ideologize" their executives and their workers. They revive a late actor, Ronald Reagan, by entrusting him for eight years with a television show where he preaches the good word, both anti-State and anti-tax.

At the same time, initiatives to bypass social laws are increasing. Invention of temporary work (Manpower), new "Christian" management practices where the employee obeys the boss as God

(Wal-Mart), informal and cool management (Hewlett-Packard and the nascent Silicon Valley) which encourages people to work day and night. Northern companies are also starting to relocate to the Midwest and South, in search of a less unionized workforce.

While the Democratic Party as a whole remains "liberal", the Conservatives undertake the reconquest of the Republican Party.

The liberation of morals, the protest against Vietnam war and especially the struggle of blacks for civil rights are turning more and more "blue collars" from the North and white citizens of the Midwest (the "Bible belt") towards the conservative camp. The Welfare State and the liberal camp are losing their electoral support.

The industrial behemoths of the North are subject to international competition (Japan) and are struggling to adapt to changes in the market. The 1973 oil crisis was the final blow to post-war social and industrial consensus.

In 1975, riddled with debt, the city of New York was abandoned to its fate by the Federal State. Forced to a massive social plan including among firefighters and police, poverty and crime explode there. The last "liberal" president, Jimmy Carter, makes the first massive tax cuts and the first deregulations of the economy. Free enterprise is taking over. The Conservatives have won the battle of ideas.

**Ronald Reagan was elected in November 1980.**

# Part Three (1981-2021)

## Unfettered Wealth



# Part Three (1981-2021)

## Unfettered Wealth

The "conservative revolution" is intended to be the exact opposite of the New Deal, of which it will erase all traces. In 1982, when Ronald Reagan dismissed all of the American air traffic controllers who were on strike, he marked the start of the new era. The industrial North is sinking into a slump from which it will not emerge. The de-unionization of the working class is accelerating and badly or underpaid jobs are increasing. Millions of Americans are soon forced to hold two jobs to get by.

Surrounded by neoliberal economists (Friedman, Greenspan), Reagan leads a continuous tax cuts policy, particularly for the rich, which he justifies by the "trickle down effect" like Andrew Mellon in the 1920s. What Vice-President G. Bush had denounced during the Republican primaries in 1980 as "voodoo economics" soon became a political line which is no longer contested within the party.

Ronald Reagan increases military spending by running the military-industrial complex at full speed. "America is back" proclaimed its campaign slogan in 1984. The body cult and praise of individualism in face of Soviet collectivism: "Rocky IV" (1985) made a record box office of \$ 300 million.

As poverty increases, money is everywhere. New York is in the hands of real estate developers, such as Fred Trump and his son Donald. Time Square is "cleaned up," real estate is skyrocketing, Manhattan is turning into a millionaire's stash, and Brooklyn is gentrifying.

We are witnessing a concentration of capital in all areas, especially health (Pfizer). Complete deregulation of drug and private insurance prices will quadruple the price of health care in United States.

The same is true in academia, with a dramatic increase in tuition fees. Big universities like Harvard are seated on a real war treasure (\$ 50 billion for Harvard) which they are growing by taking thousands of stakes in American capitalism. Philanthropic funding now only represents a tiny part of how it works.

It is in this context of deregulation and the cult of free enterprise that we must look at the tremendous rise of Tech in two major places on the West Coast: Silicon Valley in California and rainy Seattle, State of Washington, first home of Boeing, then Microsoft, and Amazon.

After the slave cotton plantations, after the industrial revolution, microcomputers pave the way for the 3rd capitalist accumulation in the history of United States.

The land of microcomputing is as virgin and full of opportunities as oil and steel were in 1870. The new Rockefellers, Carnegie and JP Morgan are called Bill Gates and Paul Allen (Microsoft), or Steve Jobs (Apple).

In 1972, Nolan Bushnell, 29, founded Atari and marketed the first electronic game. Four years later, Bushnell sold Atari to Warner Communication for \$ 28 million and retired at 33.

But it was in 1981 that Microsoft took the "deal of the century".

In the same way as Rockefeller had taken possession of all modes of oil transport in 1882, Bill Gates and Paul Allen imposed a hundred years later Microsoft's virtual monopoly on the OS of all PCs (Personal Computers) that will be built in the years to come. Microsoft earned \$ 16 million in 1981, \$ 50 million in 1983, \$ 1 billion in 1989.

Unlike Microsoft, which only sells software, Apple is betting on selling both hardware and a specific OS.

Just as a Ford T was made only for driving, PCs are defined by their usefulness and are interchangeable. Like a Cadillac, the "Mac" is a single object (although mass produced) and loaded with symbols. The brand with the bitten apple (the forbidden fruit) is addressed to "the mad, downgraded, rebels, troublemakers" and invites its customers to "think differently" (Think different). Apple users enter a dream factory: they feel distinct, valued, creative, artistic: unique and free.

**Apple is an industrialist who produces and sells machines with the same logic of lowering production costs as General Motors or Ford.** Macs were first built in California, before Apple relocated production to Latin America and then to Asia.

In 1991, USSR collapsed. Assuming with its position of hyperpower and "leader" of the world (G. Bush), the United States sees in it the confirmation that liberal democracy and capitalism are not only the best systems, but they are one.

Embedded in the American business community, Washington is forcing the globalization of commerce. From Wal-Mart to Gap, from computer components to plastic toys, it was the start of massive outsourcing of North American industries to Communist China.

In 1992, the Clinton / Gore tandem allowed the Democratic Party to regain power. But now it is the "new" Democratic Party, which has recognized the change in era. The pro-rich tax policy continues. Democrats and Republicans are distinguished only by their "societal" positions - the only real areas of confrontation in American politics until today: minority rights and environment.

But the levels and speed of enrichment of bosses of the 3rd capitalist accumulation correspond to nothing known until then. The surprise felt by American society is identical to that of the end of the 19th century.

**This is why as early as 1995 the "morality" of "The Gospel of Wealth" made a big comeback.**

For the first time, a Tech boss became the richest American: Bill Gates now "weighs" \$ 9.35 billion. And he doesn't practice philanthropy. The first biographies that came out made him a hateful and venal type. He was subjected to a "stingy" media trial and became the most hated man in the country, as was J.D. Rockefeller in his time.

**But the 4th phase of capitalist accumulation is already being prepared: digital capitalism. The already incredible gain levels of the 3rd phase will be multiplied by 20.**

The internet revolution is being prepared by the Federal State (Republican as well as Democrat), which is organizing ... a new Wild West. Minimum taxation on Tech companies and telecoms liberalization laws which is becoming the new El Dorado.

In 1998, two young Stanford graduates, Larry Page and Sergey Brin, founded Google. They imagine the internet as a democratic and liberating social force. Their desire: that all online information be available everywhere and to everyone.

Google does not sell anything, does not buy anything. Google collects data from users who search its engine. Thus, the company has increasingly precise knowledge of people's behavior, data processed and analyzed by constantly improving artificial intelligence (AI). These billions of billions of data collected are used to improve the search engine, which effectively becomes the most efficient in the world.

But soon, only a small part of the data collected is used to improve the service. The rest (in "surplus") is not used much: it is countless collateral behavior data, either collected directly (browsing history, purchase history) or easily deductible by the AI (age, gender, race, hobbies, network of acquaintances, political opinion, etc.). This is called the "behavioral surplus" and it remains untapped. Google teams also quickly realize that they are even able to have a predictive view of user behavior.

These discoveries are worth more than gold. From 2000, Larry Page and Sergey Brin abandoned their anti-advertising ethic and began to sell their raw material, this "behavioral surplus", to advertisers. Unbeknownst to the owners of the data.

September 11, 2001 gave a boost to all methods of collecting digital data. The War on Terror plays the same role for Silicon Valley as World War II for American industry. The Federal State heavily subsidizes data collection plans.

The combination of increasingly powerful AI and the growing supply of behavioral surplus will become the foundation for unprecedented accumulation. In 2001 Google made \$ 86 million in net income, in 2004, \$ 3,200 million, an increase of 3,700% in three years. Absolute record of American capitalism, which still stands.

Meanwhile Apple opens a new door without suspecting the incredible vein behind it. The firm starts selling digital music with the launch of its iTunes platform. Three days after its launch, users have already bought 1 million pieces of music, selling for \$ 0.99. Within 72 hours, Apple had become the world's leading music seller.

**First (predictable) effect:** iTunes has no physical output (CD), and doesn't even produce the music since it pre-exists. With a production cost equal to zero, it thus reverses a century-old industrial logic.

**Second effect (discovery):** iTunes allows everyone to configure their music library as they wish. There is no one library like another. The absolute individualization of the client and the culmination of liberalism. That's why iTunes attracts them like flies. I consume therefore I am.

In March 2008, after a long struggle, Mark Zuckerberg managed to gently introduce advertising on Facebook. Bingo, because Facebook is a behavioral surplus factory: users voluntarily share their opinions, tastes and experiences. I communicate therefore I am.

Since Rockefeller, the goal of the game has never changed. Build a monopoly position and hold on to it as long as possible. In this case, it is a matter of acquiring as much behavioral data as possible and to do so, buying all the companies that generate traffic in the most varied fields.

There's no time to lose.

In 2006, Google spent \$ 1 billion to take over a startup that never made a dime and is beset with copyright infringement lawsuits: YouTube.

**Facebook continues the same logic by buying the virtual reality company Oculus (2 billion) and Whatsapp messaging for the astronomical sum of 19 billion dollars.**

When a buyout is not possible, partnerships are formed to share the benefits of behavioral data; Twitter messaging messages (2006 creation, directed by Jack Dorsey) are thus indexed in real time by Google.

The use of personal data is in itself an invasion of privacy.

It could take a very dangerous turn for democracy. By pursuing only its own goal of maximizing its profits, digital capitalism is venturing into the lands of ... 1984.

Studies are already underway to resell the data of users of connected cars to insurance companies. Google Map lets Google know where people are at all times. In real time, depending on the behavior of the motorist (if he is driving too fast, for example), his insurance premium could be automatically increased. This is the subject of a very official note from the consulting firm Deloitte.

### **As for the profits made, they make you dizzy.**

Out-of-proportion enrichment is not just about Tech. Walmart is a brand open day and night, which always guarantees the lowest price and systematically underpays its employees, while its hyper-developed logistics information system, thanks to the innovations of Silicon Valley, allows it to flood in three days all stores nationwide with the latest consumer searched good. Almost nothing of what Wal-Mart sells is no longer produced in United States, but in low-cost countries.

Between 1982 and 2012, the heritage of the Walton family, founder of Wal-Mart, jumped by 6000%. The fortunes of very discreet - but very politically active - dynasties, the Mars and the Kochs, followed the same trend.

In 2010, the Supreme Court's Citizen United decision uncapped - in the name of freedom of expression - all election campaign communications spending, throwing American politics once and for all into the hands of the wealthy.

That same year, billionaire Warren Buffet said he found it scandalous that with all the tax incentives he had, he paid less taxes than his secretary. But inequalities are no longer a political issue in United States.

In a now traditional way, the only media or real lawsuits brought against American billionaires concern only their monopoly position (evil) ... and their respect for The Gospel of Wealth (good).

The master of the subject is now Bill Gates, set to wrest the crown of greatest philanthropist of all time from Rockefeller.

It is more socially rewarding to be a philanthropist than a billionaire.

In reality, behind the Gates, Buffet, Rockefeller, American billionaires give very little. Only about 0.4% of their fortune per year, knowing that it only keeps growing endlessly. Their annual contribution to health, education or social sectors is negligible in comparison with public budgets and stratospheric inequalities now. Many of America's 86,000 (!) Philanthropic foundations are just tax-exempt machines, the most recent example being the Trump Foundation, which was closed by court order in 2018.

At the same time, Jeff Bezos, CEO of Amazon, in turn becomes the richest man in the world (\$ 112 billion) ahead of Bill Gates (\$ 90 billion). And it's Bezos's turn to face a media trial: he's no philanthropist. He didn't even sign the Bill Gates Giving Pledge!

Microsoft and Amazon, the two billionaire Seattle firms, have skyrocketed local property prices and the number of homeless people. When the Seattle city council proposed a special tax to build social housing in 2017, Jeff Bezos objected and threatened to leave Seattle. The municipality then withdraws its project.

The tax would have cost Amazon \$ 20 million (a drop of water). But lynched in the media, Bezos finally launched a philanthropic operation to support homeless associations in Seattle for... 40 million dollars!

**The gospel has a bright future ahead for another very American reason.**

**Only 37% of Americans believe that the hyper-rich are dangerous for democracy and 82% still believe that anyone can become a billionaire.**

**So why can't they?**

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