

## USA: Know Thine Enemy

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**Kim Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: W.W. Norton, 2009), 356 pages, \$26.95, hardcover, \$16.95, paperback.**

Kim Phillips-Fein has provided us with a very fine account of how we got where we are—in a stranglehold of big business conservatism that has by no means been broken by the liberal electoral victory of 2008. She has not only absorbed a considerable amount of secondary literature, but has also combed through the archives, combining her impressive research and insights with a well-paced narrative populated with a variety of interesting personalities—all quite well-to-do, all white, almost all male, and yet a very diverse and interesting lot.

This is hardly the only good book on the creation and triumph of the conservative movement in the United States. George Nash's informative and utterly sympathetic *The Conservative Intellectual Movement in America Since 1945*; Godfrey Hodgson's coolly analytical *The World Turned Right Side Up: A History of the Conservative Ascendancy in America*; and Alan Lichtman's bristling, massive, seemingly exhaustive *White Protestant Nation: The Rise of the American Conservative Movement* are among other valuable sources for those wanting to understand what has happened in our country since the Second World War. Each tells the story of marginalized intellectual and political elements crystallizing over a thirty-year period into a powerful political presence that shifted the nation's center of gravity far to the right, creating a massive popular base and taking control of the state, with profound impacts on our cultural and economic life.

*Invisible Hands* does not pretend to be a comprehensive account of the intricacies of right-wing politics in the United States. Instead, it focuses sharply on the interplay of ideology, organization, and economic interest that drove the process forward to ultimate, devastating (though perhaps temporary) triumph. In a sense, the author is guided by the adage "follow the money." An essential aspect of the story involves the intellectual and political mobilization of the business community—particularly such huge corporations as AT&T, Chrysler, Coca-Cola, DuPont, Exxon, Ford, General Electric, General Motors, B.F. Goodrich, Greyhound, Gulf, IBM, Lockheed Martin, Mobil, Pepsi, Sears & Roebuck, Sun Oil, and U.S. Steel. As the author shows us, they bankrolled small conservative publications, right-wing institutes, foundations, think tanks, educational campaigns, cultural offensives, political mobilizations, and massive electoral efforts. But, in addition to what must ultimately add up to billions of dollars in contributions from 1935 to 2000, these scions, executives, and well-paid representatives of big business intervened in increasing numbers with hearts and minds and hands in the struggle to win their power back, with a vengeance.

Not that big capital had ever completely lost its power in the United States. But as Phillips-Fein shows, the mass mobilizations from the left end of the political spectrum during the Great Depression and again in the wake of the Second World War resulted in a momentous power shift—with radical implications for the working class and other oppressed layers in our society. The militant insurgencies encompassed by, but sometimes bursting beyond, an organized labor

movement, which ultimately represented more than a third of the labor force, found reflection in the political arena, particularly in the far-reaching social programs, economic regulations, and Keynesian perspectives represented by Franklin D. Roosevelt's New Deal. All of this horrified and enraged a class whose immense wealth and power, while hardly destroyed, were curtailed and "trespassed" upon by what they saw as unruly and insolent employees, union bosses, red- and pink-hued "do-gooders," and a swelling legion of government bureaucrats. They denounced these government reforms and regulations over and over and over again, as "socialistic."

Of course, while a militant minority among the insurgencies of the 1930s and mid-1940s had set its sights on replacing capitalism with some variety of cooperative commonwealth, the intention of the Roosevelt administration and its successors—whether Democratic or Republican—up to 1980 was to mitigate mass discontent for the very purpose of preserving the capitalist system. After 1946 this was done within a Cold War context in which anti-Communism served to clip the wings of those with radical aspirations.

But the new orthodoxy predominating in both the Republican and Democratic parties, among mainstream social scientists, and within the population at large, was that government, in the words of pro-business Republican President Dwight D. Eisenhower, should "prevent or correct abuses springing from the unregulated practice of the private economy." Eisenhower articulated that common, "middle of the road" wisdom when he proclaimed: "Should any political party attempt to abolish social security, unemployment insurance, and eliminate labor laws and farm programs, you would not hear from that party again in our political history."

Going against this dominant outlook, the goal of business conservatives was to uproot all manifestations of "collectivism," no matter how mild. As economist Ludwig von Mises, advocate of unrestrained free market forces, emphasized to Leonard Read (Chamber of Commerce executive and founder of the Foundation for Economic Education), "the only thing that really matters is the outcome of the intellectual combat between the supporters of socialism and those of capitalism." For Mises and his followers, there was no middle way.

Phillips-Fein introduces us to a small, initially beleaguered corps of "free market conservatives" (those who want to conserve traditional power relations benefitting big business) who organized the utterly unsuccessful Liberty League, the more durable but often thwarted National Association of Manufacturers, and the marginal Foundation for Economic Education, which published the small, *Monthly Review*-type journal (with quite different politics, to be sure) called *The Freeman*. Throughout this study, we see that even modest efforts at cultivating right-wing publications and public forums—while sometimes demoralizing—had the effect of building up networks and providing experience that would come into play in later efforts, ultimately contributing to victories in the future. And, as Phillips-Fein points out, "at a time when leading liberal intellectuals like Daniel Bell and Arthur M. Schlesinger, Jr. argued that the rise of fascism and Soviet communism had shattered the capacity for faith in ideology in the West, insisting that most conservatives and liberals alike agreed on the welfare state and the limits of government power, these free-market activists understood, in a way that the liberal thinkers did not, the importance of ideas and the need to shape the terms of debate."

By 1955 *National Review* on the right appeared as an increasingly influential rival to the mainstream liberal *New Republic* and the left-liberal *Nation*. Edited by brash, aristocratic William F. Buckley (whose widely read books accused his alma mater, Yale University, of being too liberal and secular, and defended Senator Joseph McCarthy as an anti-Communist hero), this weekly journal fused the conservative traditionalism of academics such as Russell Kirk, who glorified the likes of Edmund Burke and John C. Calhoun with the acid anti-Communism of such ex-leftist Cold Warriors as James Burnham, and with the free-market libertarianism of such economists as von Mises. Buckley's

magazine held immense appeal, Phillips-Fein notes, for the rising business conservatives, denouncing “labor union monopolies” and “the Big Brother state.” She adds: “In addition to articles on the ‘atomic disarmament trap,’ essays on the South that extolled white southerners as the ‘advanced race,’ and cultural critiques of such institutions as *The New Yorker*, the magazine in its early years published articles on the labor movement, detailing scandals and malfeasance in the worlds of organized labor as well as the politically dangerous plans of the unions.”

DuPont executive Jasper Crane, in the forefront of pioneering business conservatives, emphasized the necessity of the “intellectual foundation” that would guide the “leadership of perhaps the relatively few men who know the truth and won’t compromise with evil,” to “follow that up with an emotional presentation of the blessings and advantages of our system.” A 1944 polemic in defense of “free-market” capitalism, *The Road to Serfdom* by Friedrich von Hayek, a disciple of von Mises, saw Nazism, Communism, socialism, and welfare-state liberalism as all part of an anti-capitalist continuum that would destroy freedom. (Hayek regarded freedom as distinct from the notion of rule by the people—he and von Mises fretted over “the fashionable concentration on democracy.”) Hayek’s book was embraced as a holy text by people such as Crane, who helped to make it a best-seller, with an abridged version in *Readers Digest* attracting a million readers. They also bankrolled Hayek’s Mont Perelin Society, an international gathering of pro-capitalist academics and intellectuals, who met in secret beginning in 1947, to forge a global cadre and pool of ideas whose influence would gradually permeate the larger culture.

As *Invisible Hands* documents, the array of business corporations already cited made it their business to educate their managerial staffs, their employees, and the larger public (including politicians) in the free-market gospel. Not all efforts were successful—some were clumsy and crude—but neither were they wasted and without impact. In addition to the tried and true Foundation for Economic Education, the American Enterprise Association (which later morphed into the influential American Enterprise Institute, soon followed by other conservative think tanks, such as the even more right-wing Heritage Foundation) helped provide increasingly sophisticated materials and perspectives.

But developing theory and disseminating ideological perspectives were, by themselves, not enough. It was essential to engage in the class struggle. Leading the way in smashing strikes, undermining, and, where possible, destroying or preventing the establishment of unions, were such people as Lemuel Boulware of General Electric, who conducted a victorious struggle against the International Union of Electrical workers; Herbert Kohler, who carried out a protracted war against the United Auto Workers; and Roger Milliken, who closed down his textile mills in South Carolina to prevent them from being unionized. Such men have become icons of the business conservatives as well as active and generous supporters of right-wing causes.

The crucial right-wing effort to build up broad membership organizations is also addressed by Phillips-Fein. The John Birch Society (named after a U.S. missionary killed by Communists during the Chinese civil war) was formed by candy manufacturer Robert Welch and eleven like-minded industrialists “to start a disciplined, secretive organization committed to protecting American institutions against the Communist threat,” with “Communist” defined to include even the “collectivist” impulses of Republican moderates such as Eisenhower. The Birch Society published much material, sent twenty full-time staffers door-to-door in a successful effort to recruit tens of thousands of members, and focused on working outside the arena of electoral politics—urging its members instead to “join your local PTA [Parent-Teacher Association] at the beginning of the school year, and go to work and take it over!” Despite some successes, its extreme positions (“It is realistic to be fantastic,” Welch explained) caused some business conservatives to give it wide berth and more “respectable” elements such as *National Review* to criticize it publicly.

Phillips-Fein generally does not give more than fleeting mention to such groups as the college-based conservative group, Young Americans for Freedom. In the tumultuous 1960s, the civil rights, antiwar, student, feminist, and other upsurges swept the nation. The Young Americans for Freedom sought, rather ineffectually, to pose a right-wing alternative to the more vibrant “new left,” which swamped the hopes of the “new right.” The radicalization of the 1960s and early 1970s, with its anti-capitalist orientation, shocked the business conservatives and generated a well-orchestrated backlash. In this tumultuous context, Phillips-Fein zeroes in on Richard Viguerie, the one-time executive secretary of Young Americans for Freedom, whose fund-raising efforts for the rightist youth organization led to his becoming “the self-made man of conservatism. Viguerie was a direct-mail innovator who made a fortune selling his famous list of names of conservative donors to activists eager to dip into the money well.” Phillips-Fein continues: “He exercised so much control over the funding base that some critics dubbed him the ‘godfather of the right.’”

No less important was the movement-building vision that he helped to propagate in the early 1970s, which she summarizes in this way:

*“Viguerie believed that the real base for the conservative movement needed to be blue-collar white people, the descendants of Irish or Italian or Eastern European immigrants, with “traditional” social values. Such voters could, he thought, be wooed away from their support for social and economic programs and labor unions through an appeal to them as individuals concerned about protecting their families, their neighborhoods, and their homes from the dangers posed by radicals.”*

A popular (if simplistic) notion from the 1930s to the 1970s had been that the Democratic Party was the party of labor, while the Republican Party was the party of business. Both have always been, in fact, pro-capitalist organizations with shifting differences on appropriate directions and policies of our capitalist society. In the late nineteenth century both presented themselves as the party for working people—but Roosevelt’s New Deal had forged a more durable working-class base. Right-wing strategists such as Patrick Buchanan proposed a future that would make the Republican Party “the party of the working class, not the party of the welfare class.” Playing the race card, often making the necessary points with code words (such as opposition to “forced busing” designed to create racially integrated schools), was interlarded with tough and angry rhetoric against “tax-and-spend liberals,” whom the business conservatives had been fighting since the 1930s. M. Stanton Evans of the American Conservative Union explained: “The important thing...is not that some...reach their political positions by reading Adam Smith while others do so by attending an anti-busing rally, but that all of them belong to a large and growing class of American citizens: those who perceive themselves as victims of the federal welfare state and its attendant costs.”

As *Invisible Hands* demonstrates, business conservatives of the 1970s “sought to create a movement that would be capable of bringing together employees and executives, blue-collar workers and the men who employed them.” And “abortion, busing, pornography, gun rights, and crime were exactly the kinds of morally charged and dramatic issues that were capable of galvanizing public support.” In the words of Richard Viguerie, “The New Right is looking for issues that people care about, and social issues, at least for the present, fit the bill.” This led inexorably to an alliance with the rising current of evangelical Protestant fundamentalism.

Broadening the conservative base by reaching out to Christians had, Phillips-Fein notes, been a goal of business conservatives for many years. In the 1950s the head of the National Association of Manufacturers stressed that “the Christian faith itself offers a tremendous incentive to its followers—the profit which they can hope to attain—the eternal salvation in the world to come.” One pro-capitalist minister in the same period undoubtedly spoke for others in concurring, “The blessings of capitalism come from God.”

Yet, as one of the key organizers in this effort to wed free enterprise with Jesus later confessed, "Fighting the forces that wanted to abolish the free enterprise system was my mission, not promoting Christ." The influence of Social Gospel (and, some might argue, of the Jesus who preached the Sermon on the Mount)—eloquently articulated by Walter Rauschenbusch in the early 1900s and by Martin Luther King, Jr. in the 1950s and 1960s—was an obstacle partially worn away by the 1970s, through the hard work of well-financed right-wing pastors such as Pat Robertson and Jerry Falwell, who played on a religious revival sweeping through much of the United States. "The evangelical leaders of the 1970s," Phillips-Fein notes, "sought to connect the idea of the market and opposition to the power of government to the war over American culture." Richard Viguerie—who helped to facilitate the connections and finances to make this happen (even though he was not even a Protestant)—exulted: "The next real major area of growth for the conservative ideology and philosophy is among evangelical people."

Another important dimension in the political transformation involved the "whites only" Democrats who had dominated the South since the late 1870s, but who, under the impact of the civil rights legislation passed by the modern-day Democratic Party, had migrated to the Republican Party. Phillips-Fein focuses on North Carolina Senator Jesse Helms, "who became known as a strident political leader for the cultural right," but whose political career "had really begun in the world of business conservatism." Helms showed "how the language of the free market could be used in the fight against racial integration." Enormous quantities of money poured into Helms's campaign coffers—not only from Southern textile magnate Roger Milliken, but also from Los Angeles businessman Henry Salvatori, Colorado's Joseph Coors, Pittsburgh's Richard Mellon Scaife, and others. "With the support of such businessmen, Helms used the ideas of individualism, free choice, and property rights to attack any policies that promised greater racial equality and integration." The result was to "create a new kind of southern conservatism—one that could speak to conservatives not only in the South but across the country."

When the political right captured the 1964 Republican Party convention and nominated business conservative Arizona Senator Barry Goldwater for President, all of these pieces were far from being securely in place, and Goldwater went down in a devastating defeat. The mainstream media, liberal Democrats, and moderate Republicans all agreed: Goldwater was a nut, the conservative movement had ruined itself, and the far-right was forever discredited. Yet the forces drawn together by the business conservatives continued to organize. And by the presidential election of 1980, a right-wing "perfect storm" swept Ronald Reagan into the presidency. As Reagan wrote to Lemuel Boulware, his mentor, and General Electric's most prominent class warrior early in his long march to the Oval Office, "I promise you I'll be trying to stir up the business world, including the exhortation to fight back against government's increasing lust for power over free enterprise."

The so-called Reagan Revolution was continued not only by George H.W. Bush, but also—as Phillips-Fein observes—by Democratic President Bill Clinton, who "accomplished much of what Reagan could not: the dismantling of welfare, the deregulation of Wall Street, the expansion of free trade." Organized labor, ravaged during the Reagan years, continued to decline, and economic inequality continued to grow. "He's a Democrat, but I do admire him," Barry Goldwater wrote of Clinton. "I think he's doing a good job."

The once-marginal perspectives of the late 1940s and 1950s that business conservatives had, by the final decades of the twentieth century, become the new political and economic orthodoxy of the United States. The demolition of the assumptions and programmatic vestiges of the New Deal, and of the once-powerful labor movement, seemed to have been largely a "mission accomplished," even before George W. Bush took office. The extent to which President Barack Obama will end up doing the same kind of "good job" as the previous Democratic President remains to be seen. But the story told in *Invisible Hands* suggests that the electoral arena is not, in and of itself, the place to look for

major political changes.

If the Phillips-Fein account is accurate, genuine socialists need to avoid pragmatic adaptations to the status quo. Instead, a strong intellectual foundation must be developed, and there must be persistent education, agitation, and organizing. Over a period of decades it is possible for marginalized intellectual and political elements, if they do their job right, to crystallize into a powerful political presence that shifts the nation's center of gravity far to the left, creating a massive popular base and taking control of the state, with profound impact on our cultural and economic life.

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