**The Rise and Fall (?) of America’s Neoliberal Order**

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Some years ago, I published with Steve Fraser a coedited book, *The Rise and Fall of the New Deal Order, 1930-1980*. The title aptly conveyed the book’s contents: namely, that a political order originating in the Great Depression and the New Deal dominated American politics from the 1930s through the late 1960s and early 1970s, when decay and decline set in. “The New Deal Order,” we wrote, possessed an “ideological character, a moral perspective, and a set of political relationships among policy elites, interest groups, and electoral constituencies that decidedly shaped American political life for forty years.”[[1]](#endnote-1)

In this essay, I use the framework that Fraser and I developed then to analyze the political order that arose out of that old order’s debris. This new order I am calling America’s Neoliberal Order. My goal is to elucidate the political relationships, ideological character, and moral perspective that facilitated the neoliberal order’s rise and triumph in the 1980s and 1990s, and to offer some speculations on how far it has fallen. To frame this dissection properly, I first offer a brief review of the New Deal Order itself.

The New Deal Order arose in the 1930s and 1940s, during the years of the Great Depression and the Second World War. At its heart stood a powerful Democratic party, dominant in its ability to win elections consistently. Southern and eastern European immigrants and their American-born children formed a key constituency in the North; white Protestant voters constituted an equally important constituency in the South. A large and mobilized labor movement provided many of the Democratic Party’s shock troops. They were matched in influence by sectors of the business class persuaded that their industries would benefit from the full employment, mass consumption system of regulated capitalism that the New Deal promised to create.

The New Deal Order gained its power not just from dependable electoral and business constituencies but from its ability to implant its core ideological principles on American politics. One such principle was that unfettered capitalism had become a destructive force, generating economic instability and inequalities too great for American society to tolerate. Only a strong federal government could ease this destructive chaos and manage capitalism’s growth in the public interest. Keynesianism expressed this commitment to a regulated capitalism; New Dealers adopted a vernacular form of it in 1935 and 1936 and formally embraced it in the 1940s.

The New Deal’s commitment to arranging a class compromise between the warring forces of capital and labor similarly expressed the imperative of curtailing capitalism’s destructive chaos. Strikes abounded in the 1930s. Employers often responded with violence. To remedy this situation, the New Deal put in place a system for managing labor relations that curbed employer power and gave workers more workplace rights than they had previously enjoyed. The New Deal thereby facilitated the growth in the labor movement from less than three million members to more than fifteen million, from less than 10 percent of the work force to more than 35 percent. Thus strengthened, workers were able to compel employers to share a higher percentage of their revenue and profits with their employees.

New Dealers also forced into existence fiscal and social policies that benefited the poor. A large welfare state emerged for the first time, much of it funded by the New Deal’s commitment to progressive taxation. In 1935, the taxation rate on the wealthiest Americans rose to 75 percent. In World War II, it rose further, to an astounding 91 percent, the level at which it remained until the 1960s. Economic inequality, as a consequence, fell in the 1940s to its lowest point in the twentieth century, and it stayed there as long the New Deal Order prevailed.[[2]](#endnote-2)

Perhaps nothing indicates the power of a political order more than its ability to shape the thinking of its opponents. Thus, Dwight D. Eisenhower, when he became, in 1953, the first Republican to enter the White House in twenty years, accepted the high rates of taxation that the New Deal Democrats had put in place. He did so with regard to the rest of the New Deal Order’s ideological and policy package as well: that labor should be strong, that capitalism ought to be managed in the public interest, and that a generous welfare state was a necessity. As Eisenhower wrote to his brother in the early 1950s, “Should any political party attempt to abolish social security, unemployment insurance, and eliminate labor laws…, you would not hear of that party again in our political history.”[[3]](#endnote-3) His then vice president, Richard Nixon, shared this perspective, commenting himself after he became president in 1968: “We are all Keynesians now.”[[4]](#endnote-4) Today, uttering such statements would get an individual banished from the Republican party.

If the New Deal Order rested on durable electoral constituencies and a hegemonic ideological character, it also brought into politics a distinct moral perspective: namely, that personal fulfillment mattered, and that the government ought to amplify opportunities for individuals to achieve it. New Dealers defined fulfillment in marketplace terms, and often measured happiness by the quantity and variety of consumer goods that citizens were able to purchase. But this marketplace orientation entailed more than materialism. For one, it carried a strong egalitarian message: participation in the marketplace was to be made available to all Americans regardless of class, race, gender, religion, or nationality. New Dealers viewed consumption in qualitative terms too, believing that a precocious and alluring marketplace would enhance the possibilities for individual expressiveness. Such expressiveness would compensate for the growing impersonality of public life, now dominated by large institutions—corporations, centralized labor unions, and big government. New Dealers believed that the personal could be managed as skillfully as the economic. They had great confidence in secular expertise—in the hard sciences, to be sure, but also in soft science: sociology, anthropology, psychiatry, and social work—and in the ability of government to spread the benefits of such expertise through the citizenry. Happiness and expressiveness through consumption; the capacity of the marketplace to deliver on America’s egalitarian promise; and a faith in the ability of expertise to nurture individuality: these were the components of the New Deal Order’s moral perspective.

It is worth stating what this moral perspective declined to engage: religion. Neither Roosevelt nor Eisenhower was a deeply religious man. Eisenhower did say that it was important that Americans believe in a god, though he also said he didn’t much care which deity they worshipped. Keeping faith at a distance was in part strategic: suspicions between Catholics and Protestants still ran deep, and Democrats needed the support of both groups for their political order to flourish. The best way to satisfy both constituencies was to keep religion out of politics. But the absence of religion from the New Deal Order’s moral perspective reflected something deeper: a belief that a secular government was superior to one built on faith, and that religion was best left to the private realm and individual choice.[[5]](#endnote-5)

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In *The Rise and Fall of the New Deal Order*, Fraser and I downplayed the importance of two-, four-, and six- year electoral cycles, and of particular political actors—presidents, senators, and others. Some presidents such as Roosevelt were, of course, critical, as were certain elections. But not all elections and presidents mattered to the same degree. Also, our conception of the political extended well beyond the electoral process itself to encompass economic structures and interests on the one hand and configurations of moral life on the other. Fundamental changes in political life we saw as issuing from profound crises in the nation’s economy, social structure, and political culture. And those crises did not happen often. Between those crises, it made sense to focus less on individual politicians and more on the economic and political structures, the ideologies and moralities, on which American politics rested.

This argument for stasis and stability did not mean that we expunged conflict or change from our history of the fifty-year period extending from the Great Depression to the election of Ronald Reagan. To the contrary, our history was full of conflict. The New Deal Order itself did not emerge fully blown—plucked, as it were from a Sears Roebuck catalogue—but in fits and starts. Certain issues such as race it could highlight but not resolve. The emphasis on individual expressiveness that it endorsed accelerated a series of changes in cultural life that it could not contain. It proved vulnerable to a war gone horribly wrong in Vietnam and then to major reorientations in the world economy that undermined the international American hegemony on which the New Deal Order had come to rest. But the order that the New Deal had birthed in the 1930s was still recognizable in the 1970s. And, then, by the 1980s and the 1990s, it was gone.

That which now draws my attention back to questions of a political order—how one forms, how it exercises political power, and how it breaks up—is that another one may be in the process of passing away before our very eyes. This political order is a neoliberal one—not a perfect name for this order but the best one we have. We don’t yet know whether this order will actually fall, or find ways to repair itself. But regardless of whether or not its time is up, I believe it would be useful to take the measure of its life, using the framework that Fraser and I developed to understand the New Deal Order: what have been its core constituencies? What have been its key ideological principles, and when, exactly did they achieve hegemony over American politics? What has been this order’s moral perspective? And what have been its vulnerabilities, inconsistencies, and contradictions?

I start with a naming exercise, a more difficult enterprise than what confronted Fraser and me when naming the New Deal Order. Franklin Roosevelt made the phrase the “New Deal” his calling card, and it worked. No slogan of equivalent influence has emerged to describe the order that arose out of the New Deal Order’s fall. Not even the great architect of this order and its chief phrasemaker, Ronald Reagan, came up with one.

The most logical move might be to label this order with the word preferred by its creators: “conservative.” But the word “conservative” is not a good descriptor of the commitment to laissez faire capitalism that lies at the heart of this order’s political economy. Laissez-faire capitalism connotes dynamism, creative destruction, irreverence towards institutions and to the complex web of relations that imbed individuals in those institutions. Laissez-faire capitalism, in other words, is the enemy of what conservatives in the classical sense value: order, hierarchy, tradition, imbeddedness, continuity. Indeed, in America, the supporters of laissez-faire capitalism only took the name conservative because Roosevelt and the New Dealers stole the name “liberalism” from them. How New Deal liberals pulled off that heist is a story for another time and place.

The word “neoliberal” itself is not a perfect term to describe this order either.[[6]](#endnote-6) On the left, it too often becomes an epithet hurled at America when the nation is thought to have exercised its power illegitimately. By these terms, an American strike on North Korea might be described as an exercise in neoliberalism. This is a form of silliness that ought to be resisted. But we should not thereby refrain from using the word “neoliberalism,” for it focuses our attention on modern efforts to infuse political economy with the principles of classical liberalism. Classical liberalism discerned in markets extraordinary dynamism and possibilities for generating trade, wealth, and a rising standard of living. It sought to liberate the market from encumbrances: monarchy, mercantilism, bureaucracy, artificial borders and tariffs. It sought, in other words, to release the economy from the heavy hand of the state, in its various guises. It wanted to allow people to move around in pursuit of self-interest and fortune; to truck, barter, and trade as they saw fit. Classical liberalism wanted to let individual talent rise (or fall) to its natural level. It carried within it emancipatory, even utopian, hopes of people freed and a world transformed.

All these elements of liberalism, including the emancipatory yearnings, are present in the great liberal manifesto of the late eighteenth century, *The Wealth of Nations*, by Adam Smith.[[7]](#endnote-7) In nineteenth century Europe, liberals relinquished much of this emancipatory spirit, which increasingly became the property of the left. In the middle decades of that century, European liberals were expending as much energy guarding their ideas against the revolutionaries of 1848 and the Communards of 1870 as they were attacking monarchical states. They had come to fear the left, the alleged carrier of anarchy, as much as the right. They wanted to distinguish themselves from the left by delineating orderly and constitutional paths of political development.[[8]](#endnote-8) Something of this liberal reorientation appeared in America at this time. One can discern in the late nineteenth century writing of Theodore Roosevelt and Woodrow Wilson, for example, a concern for the destructive effects of the left and an insistence that liberalism would succeed only if it prized order, constitutional and social.[[9]](#endnote-9) Nevertheless, liberalism in America retained its hopeful, even emancipatory cast. It had, after all, been born in revolution and in such utopian declarations that “all men are created equal.” Woodrow Wilson was nothing if not a liberal utopianist, especially in regard to world affairs, where he expressed a desire to fight a “war to end all wars,” to achieve a “peace without a victory,” and to establish an international parliament (a “League of Nations”) that would govern the world according to liberal principles.[[10]](#endnote-10)

The emancipatory spirit is very much present in the thinking of those in America whom I am labelling neoliberals. In fact, the presence of this spirit helps to explain the power of the neoliberal appeal, not just on the right but in some portions of an erstwhile left, especially an erstwhile New Left. The freedom of movement, the freedom to don different identities, the ability to live as a cosmopolitan, the ability to think outside the box, as the hippie capitalist Steve Jobs did so brilliantly: these spring from a certain kind of liberal imagination. Which is why the term “conservative” is really a poor description of this disposition.[[11]](#endnote-11)

Much good work has been done by scholars in reconstructing the history of neoliberal thought, beginning with Friedrich von Hayek and Ludwig von Mises in 1930s Austria, and continuing with the emergence of new centers of neoliberal thought in America and Britain during the postwar.[[12]](#endnote-12) I have learned a lot from this work, and it informs what I am doing here. But I am not primarily interested in tracking the genealogies of neoliberal thought itself. I am interested instead in when this thought became dominant in America, when it developed the capacity to sustain a political order. This story unfolds in three acts: the first is the rise in the 1970s and 1980s of Ronald Reagan and the laissez faire Republican party he forced into being; the second is the fall of the Soviet Union and, more broadly, of communism in the late 1980s and early 1990s; and the third is the emergence in the mid-1990s of Bill Clinton as the Democratic Eisenhower, the man who arranged his party’s acquiescence to neoliberalism.

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By far the most important figure in the rise of the neoliberal order was Ronald Reagan, president from 1981 to 1989. He had once been a New Dealer himself, the only chief executive in American history who had apprenticed for that high office as president of a labor union, in this case the Screen Actors Guild in 1940s. In the course of his union presidency, Reagan encountered communists up close and personal. They were then a powerful force in Hollywood. He developed a profound distaste for them personally, for their tactics, which he considered underhanded, and, most of all for their political principles, which he saw as collectivizing and socializing all property in the hands of a totalitarian state. I doubt he was reading Hayek in the 1940s but, by the end of that decade, he shared Hayek’s belief that communism was threatening the world with a new form of serfdom. If communism were to succeed, it would surely crush the West’s, and America’s, greatest gift to the world: freedom, and personal liberty.[[13]](#endnote-13)

By the 1950s, Reagan had come to share Hayek’s belief that the comprehensive regulatory apparatus established by the New Deal had opened the door to Soviet-style collectivism in America. Thus, to protect liberty, the New Deal had to be taken down. Reagan believed that America was “the last best hope of man” in a world threatened everywhere by Communist tyranny. But it would only be able to deliver on its promise if it first put its own house in order, which meant dismantling the New Deal. If Americans failed in this essential task, Reagan averred, they would be sentencing future generations to what he called “a thousand years of darkness.”[[14]](#endnote-14)

Few people took Reagan or Hayek seriously in the 1950s or 1960s. The New Deal Order was riding high. But by the 1970s, things had changed. Indeed, the economic decline of the 1970s forms the critical backdrop to neoliberalism’s rise. The steady economic growth on which the New Deal Order had depended for its support stalled during these years. The combination of rising inflation and rising unemployment confounded Keynesian policymakers. The war in Vietnam, concluding with America’s defeat in 1975, had unsettled US society at home and diminished the nation’s prestige abroad. Suddenly the international stage was populated with rivals to and antagonists of America beyond the communists themselves. The cartelization of oil producers in the Middle East profoundly changed the terms of the international petroleum economy, to the disadvantage of the United States and other industrialized nations. The resurgence of manufacturing in Germany and Japan also challenged American international dominance. President Richard Nixon’s decision in 1971 to abandon the Bretton Woods agreement that had underpinned America’s reconstruction of world markets, trade, and finance since 1945 deepened doubts about the future of America’s global preeminence.[[15]](#endnote-15)

Racial turmoil further unsettled the New Deal Order’s politics. In response to the civil rights protests of the 1960s, the federal government had embarked on a vast program of racial remediation to put blacks and whites on the same plane. The reach of the federal state expanded dramatically, as it sought to dismantle not just apartheid regimes in the ex-Confederate states but also informal practices of racial inequality that had long shaped corporate hiring, real estate practices, and university admissions everywhere in the country. This vast expansion of the federal state did little, in the short term, to improve either the performance of the economy or to reconcile the black and white races. Enlarging government authority without a corresponding improvement in social conditions was an explosive mix, especially in a society traditionally hostile to the exercise of power by the national state. These were the circumstances under which key Democratic Party constituencies, including white southerners and northern white ethnics (most of them descendants of early twentieth-century immigrants from eastern and southern Europe), began to look to the Republican Party for solutions to America’s vexing problems.[[16]](#endnote-16)

Reagan entered politics in the 1960s as an early tribune of disaffected white Americans. His surprise election to the governorship of California in 1966—and reelection in 1970—were early signs of a populist force rising in the Republican Party. Reagan took a strong stand both against the black insurrections that were convulsing America’s cities and the student rebellions that were upending the country’s most prestigious universities. America would descend into anarchy, he warned, if law and order were not restored. He condemned the expanding welfare state for offering handouts to the ‘undeserving poor’. He wanted to force government to abandon all efforts at ‘social engineering’, a goal that could be most effectively accomplished by denying the state its flow of tax revenue. He wanted to release America’s capitalist energies from the straitjacket that the New Deal Order had imposed on them. He presented himself as the implacable foe of those whom he had identified as America’s enemies: black nationalists and criminals; pampered university students deluded by dreams of liberation; pot-smoking hippies; tax-and-spend liberals; and, the masterminds, in the Soviet Union and elsewhere, of international communist revolution.[[17]](#endnote-17)

Despite his success in California, the national news media and party organizations did not take Reagan’s rise seriously. Thus, his election to the presidency in 1980 came as a shock, almost as great as that generated by the election of Donald Trump 36 years later. Millions in America believed that Reagan’s temperament and background as an actor (and a B-list actor at that) rendered him unfit for office. He was widely disparaged as an intellectual lightweight. He had trouble identifying a book he had read. He appeared to compensate for his ignorance with an extraordinary capacity to make things up: seeing the world as he imagined it should be rather than as it was. He encouraged what looked like a reckless, nuclear brinkmanship with the Soviets. He could not stop himself from name-calling, even when those names insulted powerful nations. People ran for their fall-out shelters whenever Reagan hurled the epithet “evil empire” at the Soviet Union or talked about arming NATO forces in Germany with tactical nuclear weapons. Did Reagan have any idea what he was doing? Or was he just playing out the narrative of Star Wars—Luke Skywalker vs Darth Vader—in real life? When he was not stirring up trouble in world affairs, he indulged his love for old world ceremony, much of it directed toward re-styling the White House to resemble the court of Marie Antoinette. And where did he get his idea of what the court of Marie Antoinette ought to look like? From the movie, *Singing in the Rain*, of course. Reagan, not Trump, was the first fabulist to sit in the White House.[[18]](#endnote-18)

But Reagan was a more serious man than Trump is. Reagan really did want to bring the Soviet Union down, and believed he could. He really did believe that the New Deal was a form of collectivist tyranny, and thought he could bring that order down too. He imposed his will on the Republican party, rendering it a far more radical organization—in its commitment to laissez faire capitalism—than it had been. He brought into government advisors and cabinet members well connected to the intellectual circles where neoliberalism had been percolating in the 1970s. The University of Chicago had been a crucial site of neoliberalism’s incubation. Hayek and Mises had both spent substantial time there in the 1950s. Milton Friedman worked in Hyde Park his entire career, becoming the foremost advocate of neoliberal thinking in the 1970s. James M. Buchanan had trained at Chicago in the 1950s, before taking his brand of neoliberalism to Virginia (first the University of Virginia and then George Mason University) where he had become famous for founding a second school associated with neoliberal economics and public policy.[[19]](#endnote-19)

These intellectual circles intersected with groups of Republican Party financial backers whose encounter with collectivism was less intellectual than visceral. These wealthy Americans had come to loathe the labor unions with whom they were forced to deal, and well as government agencies that were compelling them to transform HR practices radically in the pursuit of racial equity. Believing that they were engaged in massive war for position about the direction of politics in America, these wealthy Americans allocated a significant portion of their fortunes to support foundations, think tanks, and media outlets where the right kind of ideas could be developed and then disseminated. The list of conservative think tanks founded in the 1970s is impressive, among them the Cato Institute, supported by the Midwest industrial titan, Charles Koch; the Heritage Foundation, funded by beer magnate, Joseph Coors and Mellon heir, Richard Mellon Scaife; and the Manhattan Foundation. Older think tanks, such as American Enterprise Institute, took on new life. William Simon, Secretary of the Treasury under Nixon and an Ayn Rand devotee, formed an Executive Advisory Committee of prominent businessmen who were convinced that Reagan was their man. Simon had published *A Time of Truth* in 1978 calling for “’a massive and unprecedented mobilization of the moral, intellectual and financial resources’ of business to ‘aid the intellectuals and writers’ who were fighting on the side of capitalism.” This pro-capitalist Counter-Establishment was in place by 1980. And its leaders were ready to serve as consiglieres to the Reagan administration. [[20]](#endnote-20)

Reagan quickly deployed neoliberal policies long marinading in this counter-Establishment’s think tanks. One core policy was what Reagan and others called deregulation: removing government from the business of overseeing private industry. Reagan’s predecessor as president, Jimmy Carter, had already taken the first steps in this direction, rolling back the government’s regulation of telecommunications, the airlines, and trucking. Reagan advanced this policy by deregulating the savings and loan thrift associations, which handled home mortgages, traditionally the most regulated sector of the financial industry. He also moved quickly on two other policy fronts, closely related to deregulation; first, crushing the power of organized labor, an ambition that became clear when, soon after assuming office, he fired 10,000 unionized air traffic controllers; and second, eliminating the progressive tax regime that the New Deal had put in place, slashing the tax rates on America’s highest income earners by a remarkable sixty percent. Reagan believed that unions and a government bent on using tax revenues for purposes of redistribution harmed the operation of a free market, the productive use of capital, and thus the generation of growth and wealth. The American economy would flourish only when unions and a tax-rich government were brought to heel and, if possible, eliminated. A more direct assault on the principles of the New Deal Order could scarcely be imagined.[[21]](#endnote-21)

Whether Reagan would succeed to the point not only of damaging the New Deal Order but also of establishing a neoliberal one—a political formation able not only to win elections but to compel the opposition to accede to its world view—was unclear for much of the 1980s. Democrats held power in at least one of the houses of Congress across the 1980s. Many in their ranks were drawn to aspects of deregulation, but they fought tooth and nail the diminution of organized labor and Reagan’s efforts to roll back the welfare state and racial remediation.[[22]](#endnote-22) Meanwhile, Republican ranks were themselves divided, between traditional Republicans (including Reagan’s vice president, George H. W. Bush) who preached fiscal discipline, and ‘supply-siders’ such as Congressman Jack Kemp, whose major concern was to release the animal spirits of the capitalist economy without worrying too about balanced budgets or other aspects of the bottom line. For much of the 1980s, it was not clear who would win these battles.[[23]](#endnote-23) But then an event of world historical importance fundamentally altered both international and domestic politics: that was the fall between 1989 and 1991 of the Soviet Union. More broadly what fell, of course, was communism, and more consequentially, the communist century.

I once heard former Trotskyist and then anticommunist historian and writer Theodore Draper label the twentieth century the “communist century.”[[24]](#endnote-24) He was right to do so. Arguably, there was no more important event of the twentieth century than the Russian Revolution, in terms of its influence on world affairs. In the fifty years after their rise to power in Russia, communists walled off large parts of the world—the vast Soviet Union itself, then half of Europe, and then China—from capitalist economics. For the first third of the Cold War era, communism was a serious threat in western Europe; for the first two thirds of the Cold War it posed a similar threat across innumerable nations emerging in Africa and Asia, and across Latin America. Fascism, and Nazism, can be understood as radical right responses to communism’s rise. Meanwhile, in the United States, from the 1920s forward, communism was regarded as a mortal threat to the American way of life. The Great Depression and the Second World War moderated America’s anticommunism, but only temporarily. No other force had a comparable influence on world or American politics across the twentieth century.[[25]](#endnote-25)

And then this force was gone. There is not enough space here to dwell on the reasons for and timing of its decline, except to say this: Communism had produced a new and pernicious form of tyranny that undermined its claims to emancipation and enlightenment. Meanwhile, the centralized command structure of communist economies proved increasingly dysfunctional, especially once the information technology revolution took hold in the 1980s. By the late 1980s, communism had lost legitimacy as a political and economic system. The consequences of communism’s fall were huge. One consequence is obvious: it opened a large part of the world—Russia, eastern Europe, China—to capitalist penetration.[[26]](#endnote-26) Capitalism thus became global in the 1990s in a way it had not been since prior to the First World War. The globalized world that dominated international affairs in the 1990s and 2000s is unimaginable apart from communism’s collapse.

Another consequence of communism’s fall may be less obvious, but is of equal importance: it removed what had been an imperative in America (and in Europe and elsewhere) for class compromise. I have already suggested that class compromise between capital and labor was foundational to the New Deal Order. Labor had gained through this compromise progressive taxation, social security, unemployment insurance, the right to organize, and limits on the inequality between rich and poor. Capital had gained assurances that government would act to smooth out the business cycle, maintain a fiscal and monetary environment that would assure reasonable profits, and contain labor’s power.

One could argue, and I will, that without the threat of communism, this compromise might never have emerged. The fear of communism was great in 1930s America. The Soviet state was then perceived as a success, both in its ability to extract itself from capitalist social relations and its apparent achievement of rates of economic growth in the 1930s that surpassed those that capitalist countries of the West were then mustering. The Soviet state’s supporters were powerful throughout the West: in Germany, of course, prior to Hitler’s seizure of power, but also in France, Italy, Spain, and Greece.[[27]](#endnote-27) They were a force in America, too, and integral to the American labor movement, then the country’s most important insurgent political movement. No communist had a chance of winning an election in America in 1936, but a left-leaning populist such as Huey Long did. In 1935 and 1936, Roosevelt felt the threat from the left acutely, which is why he and the Democratic Party agreed to the class compromise that lay at the heart of the New Deal Order.[[28]](#endnote-28) If we deploy this frame of analysis to the rest of the West, we begin to notice a parallel story: namely, that the years in which social democratic regimes flourished in Europe the most were those in which the threat of a communist alternative was greatest. In my 2015 book, *Liberty and Coercion*, I argued that, absent the Cold War, the New Deal might well have been rolled back during the late 1940s. There would have been no New Deal Order and no story of a Republican president acquiescing to Democratic Party ideology to write about.[[29]](#endnote-29)

What were the consequences for international and domestic politics of nations once the possibility of a communist alternative was extinguished? Surprisingly, the literature on the rise of neoliberalism, which is now substantial, seems rather indifferent to this question.[[30]](#endnote-30) In looking for illumination, I have found myself driven to an unexpected treatise, one much belittled in the academy, or at least in the stretches of it that I inhabit: Francis Fukuyama’s *The End of History and the Last Man*. Fukuyama is wrong about the end of history, of course; but he is right about how stunning, unexpected, and consequential the fall of communism was. And that with its fall, the last universal alternative to liberal democracy as a way of organizing economic and political life passed from the world.[[31]](#endnote-31)

In the United States, the collapse of communism emboldened capitalists and their neoliberal supporters. Internationally, the world had been cleared of capitalism’s most ardent opponent. Vast new territories and peoples could now be brought into a single capitalist marketplace. The possibilities for growth and profits seemed boundless. The United States would benefit from this growth, of course. And perhaps the class compromise that had formed the basis of the New Deal Order could now be jettisoned. There was no longer a hard left to fear.

The most discerning members of the neoliberal movement saw something else in what remained of the left: that communism had poisoned the dream of socialist emancipation long before it fell. That socialism, in any form, was no longer an ideal capable of moving masses, of inspiring them with a dream of secular emancipation. In a post-communist world, those in America who insisted on calling themselves leftists turned more and more to identity politics. The resulting battles over race, gender, and sexuality generated considerable conflict, but they did not threaten regimes of capital accumulation as communism had done. Multiculturalism and cosmopolitanism could thrive under conditions of neoliberalism, and they did. The pressure on capitalist elites and their supporters to compromise with the working class had vanished. This is the moment when neoliberalism, in the United States, went from being a political movement to a political order.[[32]](#endnote-32)

This transition from movement to order can best be grasped via a glance at the presidency of Bill Clinton. The true test of a political order, I have been suggesting, is when the opposition acquiesces to the order’s ideological and policy imperatives. Clinton facilitated that acquiescence. He was the Democratic Eisenhower.

The extent to which Clinton’s administration implemented neoliberal principles is rather stunning. In 1993, Clinton signed the North American Free Trade Act (NAFTA), legislation that turned all of North America into a single common market. In 1994, he established the World Trade Organization to implement neoliberal principles internationally, a plan that became known as the “Washington Consensus.” In 1996, Clinton deregulated the exploding telecommunication industry, now including not just phones and television but the cable and satellite sub-industries that had become so important to the new information economy. Soon after, he did the same with electrical generation industry that fueled (literally) the new economy. And then, in 1999, he repealed the Glass Steagall Act, the New Deal law that had done more than any over to end speculation, corruption, and the boom-bust cycle in the financial industry.[[33]](#endnote-33)

Across his two terms, Clinton may have done more to advance deregulation than Reagan himself had done. The Department of the Treasury, headed by Robert Rubin, formerly head of Goldman Sachs, one of Wall Street’s leaving investment banks, masterminded this liberalization of the economy. One of his lieutenants, Lawrence Summers, who would later reemerge as a key player in the early Obama administration, had this to say about the journey of ostensibly Democratic Party economists: “Not so long ago, we were all Keynesians….Equally, any honest Democrat will admit that we are now all Friedmanites.”[[34]](#endnote-34)

Exactly how this reorientation among Democratic Party economists occurred is a story that has not been fully told. Part of it dated back to the 1960s, when Great Society and New Deal activists alike had tilted against the statism of the New Deal Order. The Community Action Program’s attack on big city machines and the New Left’s antipathy to bureaucracy had both encouraged Democratic Party interest in market-based social policies.[[35]](#endnote-35) Another part of the reorientation of the Democrats emerged slowly out of a series of painful political calculations, as the conviction grew among Democrats that they would not win the presidency again unless they embraced Republican Party market fundamentalism.[[36]](#endnote-36) A third part emerged not from pain but from the giddiness that accompanied the information technology revolution. By the early 1990s, market evangelists were sermonizing that governments may once have been needed to manage the business cycle and to minimize risk (or to turn unmeasurable uncertainty into manageable risk). But they no longer were. New information technology made it possible to shrink and even to eliminate risk, and to smooth out the highs and lows of the business cycle. The fullness and instantaneity of information that computers had made possible had put market perfection within human grasp. Much existing state regulation was therefore superfluous—or worse, an actual impediment to economic growth and development. Hence, it would be best, market evangelists argued, if governments would just get out of the way. Clinton himself had drunk from this pitcher of kool-aid, as he contemplated how best to build what he liked to call his bridge to tomorrow. After one such sip in 1996, he happily declared that, “The era of big government is over.”[[37]](#endnote-37)

Joseph Stiglitz, the Nobel Prize winning economist and prolific author, has written revealingly about how he and other likeminded progressives themselves drank too much from the same jug of high tech kool-aid. As a member and then chair of the Council of Economic Advisers, he played an important role in the Clinton administration. Democrats like him, he would observe, “had always provided a check on the mindless pursuit of deregulation. Now, we joined the fray—sometimes pushing things even further than the Reagan Administration…. ‘We are all Berliners’ was the sentiment of President Kennedy’s declaration” when he visited Berlin in 1961. “Thirty years later,” Stiglitz declared, “we were all deregulators…. By adopting deregulation language [ourselves], we had in fact conceded the battle.”[[38]](#endnote-38) This concession, this participation on the part of Democrats in the market intoxication of the 1990s, is yet another sign that neoliberalism had become hegemonic, its advocates compelling all political players to work within its ideological matrix.

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Did this order also carry with it a moral perspective, as the New Order had? Yes, I think it did, although one that was far more contested (and conflicted) than its economic ideology. This moral perspective can be usefully called “neo-Victorian.” Its principles were laid out by a group of Reagan supporters who labelled themselves, just to confuse terminology some more, “neo-conservatives.” Prominent in their ranks were figures such as the historian Gertrude Himmelfarb, and her journalist husband, Irving Kristol; the sociologist Charles Murray and Reagan’s Secretary of Education, William Bennett; editor of *Commentary* magazine, Norman Podhoretz, and senator from New York, Daniel Patrick Moynihan; the writer and pundit, George Gilder, whose book *Wealth and Poverty* became a manifesto of the Reagan Administration. Social scientists Daniel Bell and Nathan Glazer hovered around its fringes, as did the historian and social critic Christopher Lasch. So did Fukuyama and his mentor, Allan Bloom.[[39]](#endnote-39)

This neoconservative group believed that a complete embrace of the market could be corrosive, meaning that an individual’s encounter with it had to be regulated in some way. If the state was not going to provide that regulation, then who would? To which the neo-conservatives increasingly responded: the individual must regulate himself. They had in mind not Margaret Thatcher’s individual, allegedly alone in society, but one appropriately nestled in congeries of institutions—family and church, of course, but also in the vast archipelago of voluntary organizations that Tocqueville had identified as America’s most hopeful characteristic. Thus nestled, an individual would acquire the character necessary to engage profitably and responsibly with the market. He (and I am using the male pronoun deliberately) would acquire self-discipline and self-control, and thus self-respect, “a pre-condition for the respect and approbation of others,” Himmelfarb wrote.[[40]](#endnote-40) Such an individual would not consume mindlessly, or beyond his means; nor indulge in an excess of alcohol, drugs, or sex. He would live by the golden rule; he would infuse his own life and the world beyond with “moral and civic virtue.”[[41]](#endnote-41) This is what the British Victorians had done so successfully, according to Himmelfarb. And it is what Americans of the late twentieth century needed to do themselves, if their society was going to flourish. [[42]](#endnote-42)

Himmelfarb and her band of ‘neo-Victorians’ were small in number; they were secular, East Coast urban, and disproportionately Jewish. And yet they articulated a set of beliefs that resonated with millions of Americans from other regions and religions. These mostly Protestant and Catholic Americans shared with neo-conservatives a sentiment that the liberation movements of the sixties and seventies---civil rights, feminism, and gay rights—had turned their country, and its moral codes, upside down. Husbands and fathers had lost authority in their families. Excessively generous welfare schemes were rewarding idleness and indulgence. Criminals were being coddled, relieved of responsibility for their actions. Permissiveness had permeated all corners of civil society, rendering every lifestyle, including those of single parent families, or raising children out-of-wedlock, and or living openly as homosexuals, the equal of every other. Americans had to fight to get their traditional culture back. Indeed, “culture wars” erupted everywhere in 1990s America.[[43]](#endnote-43)

To contain this slide into the worst form of moral relativism, the neo-conservatives and the evangelical movement to which it was linked counterposed a moral traditionalism. They wanted to restore the authority of the father and husband (In her social circles, Gertrude Himmelfarb preferred to be known not as Gertrude Himmelfarb but as Mrs. Irving Kristol.); end welfare; punish criminals; suppress homosexuality; rehabilitate families, and restore their capacity to nurture self-reliant, disciplined, and virtuous individuals. Could all Americans benefit from this program? Sometimes the conservative cultural warriors said yes: they were, by and large, religious men and women who had accepted the Bible’s teaching that all human beings were God’s children. But lurking in their perspective was the suspicion that some races and genders were better equipped to handle the rigors of independent selfhood than others. Nineteenth-century Victorianism had rested on a set of hierarchies, gender and racial; so did its late twentieth-century neo-Victorian counterpart. Opening up America to all races, religions, and cultures, and putting them on the same footing, could spell disaster.[[44]](#endnote-44)

This neo-Victorian moral perspective was both fundamental to the neoliberal order, and a source of perpetual conflict and contradiction. It provided assurance that America could handle the rigors of a free market economy. It bound together the white poor with white Republican party elites, articulating an ideal of strenuous self-improvement that flowed powerfully across class lines.[[45]](#endnote-45) And its influence extended far into the Democratic Party. Consider again, the case of Bill Clinton. In many respects, he was the poster child of 1960s liberation. In the 1960s, he had grown his hair long, dodged the draft, and smoked weed. He had married a fiery feminist, allowed her to keep her last name and nurture career ambitions as grand as his. When Bill and Hillary entered the White House in 1993 they had every intention of making it a co-presidency, full partners in power as they had been in all aspects of their previous life. Bill had embraced fully the cause of racial equality, so much that Toni Morrison once exclaimed that he was the first black president. A version of the 1960s ideal of sexual liberation—that which declared (in Stephen Stills’ immortal words) “love the one you’re with”—still burned brightly in him. Conservatives saw this side of him and loathed him for it; indeed they bent every muscle toward removing this man from office and, in 1998 and 1999, almost succeeded. And yet this sixties veteran set out as president to burnish his moral traditionalist credentials. He sought “to end welfare as we know it;” to lock away as many criminals as necessary to restore law and order to America’s cities; to discipline black nationalists whom he perceived as contravening moral norms. In his mind, as in the mind of many Americans, this kind of discipline was necessary if America were to flourish.[[46]](#endnote-46)

This sort of neo-Victorian moralism clashed at points with the spirit of freedom promised by the neoliberal order. The market didn’t care about morality or lifestyle. It simply wanted participants, and lots of them. And it wanted each participant to curtail saving and thrift in favor of spending, debt, and excess. Market experts, moreover, had become wizards at market segmentation—developing products for particular social groups defined by age, class, gender, sexual preference, and national origin. The market, as a consequence, encouraged rather than suppressed a pluralism of identities and lifestyles, underwriting precisely the sort of cultural relativism that the neo-Victorians ardently sought to suppress.[[47]](#endnote-47) Thus, the consensus that the neoliberal order had established around economics did not extend to culture. The neo-Victorianism that was so powerful a force in politics coexisted uneasily with market fundamentalism, so much so that its advocates felt perpetually under siege. Yet the power of this neo-Victorianism, and its significance in politics, were undeniable, endowing the neoliberal order not just with a constellation of stable constituencies and interest groups and a set of hegemonic ideological principles, but with a moral perspective, and perhaps with moral authority.

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The promise of neoliberalism was that it could make markets work to their full potential and thereby rekindle the kind of economic growth that managed capitalism had failed to deliver in the long 1970s. For a time, policies emanating from the neoliberal order did just that, both domestically and internationally. The United States enjoyed a marked increase both in the rate of the growth and in job creation in the 1990s. At the same time, free trade was laying a foundation for rapid growth in what had been Third World economies: China, South Korea, India, and Brazil, to take only the most obvious examples.

But there were problems. Market deregulation had magnified economic instability. A stock market bust hit the US in 2001 and 2002. Recovery did seem to come in subsequent years but the price was high, in the form of creating a bubble in the housing industry. The neoliberal economy was suffering from a fundamental problem: insufficiency of demand. Consumers, in the aggregate, did not have enough income to support what a globalized capitalist economy could now produce.

Expanding home ownership beyond its real limits was a way to close this gap between supply and demand. All kinds of borrowers who, in the past, would have been denied mortgages were now given generous loans to buy homes. The banking industry frankly acknowledged the risk involved in such lending, labelling these loans as “sub-prime.” But bankers had convinced themselves that they could manage such lending by bundling together large numbers of subprime mortgages and then selling small slices of each bundle to a very large base of investors. The risk would thus be spread so wide and in such miniscule tranches that it would effectively disappear. The bankers, meanwhile, would make money from fees charged for each round of transactions, and by building into the mortgages high, though frequently hidden, interest rates.

The millions of Americans who were given the opportunity for the first time to own a home rushed to do so, causing housing prices to shoot up. Flush with equity, homeowners began to use their homes as if they were ATM machines, a constant source of cash for all sorts of big purchases: cars, HD Televisions, home remodeling, college tuition for their children, and expensive vacations to exotic locales. The economy hummed, Hummers clogged the roads, and the stock market soared. This optimism spread to many other parts of the world. But much of it depended on a belief in unending growth in the value of real estate, a belief that justified individuals taking on huge amounts of debt. The fever broke in 2008. Banks failed, except for those too big to fail, in which case they had to be bailed out at enormous expense by governments. These bank failures plunged the US and much of the rest of the world into the worst economic crisis since the Great Depression. [[48]](#endnote-48)

We know the rest: years of economic distress; an uneven and painfully slow recovery, which sharpened both the reality and experience of economic inequality, both within and between nations. Democratic governments, by and large, showed themselves to be ineffective in response. President Barack Obama led an administration that did better than most. He implemented a modest Keynesian stimulus. He undertook a serious effort to re-regulate Wall Street. His Affordable Care Act was a reassertion of the government’s responsibility to manage the marketplace in the public’s interest, even as the legislation did as much to affirm as to repudiate the principles of neoliberalism.[[49]](#endnote-49)

Still, even Obama’s relative success was not enough to quell growing anger at market fundamentalism and its perceived handmaidens: free trade, free movements of people, globalization, deregulation, cosmopolitanism. As the hegemony of neoliberalism cracked, its opponents acquired a visibility and prominence they had long been denied. This development became clear in the 2016 elections, when Donald Trump roared to victory with rhetoric that struck at the heart of neoliberal and Republican orthodoxy: free trade was a chimera that had done nothing for the American working-man; America’s borders had to be re-established, walls built, globalization reversed. Then, and only then, would domestic manufacturing be revived, good jobs generated, and America’s greatness restored. Trump did not think for a moment that markets were perfect; his own experience as a real estate trickster had taught him how easy it was for clever operators, both private and public, to manipulate them.

The same arguments were made by the surprise Democratic candidate of the left, Bernie Sanders, who made socialism a credible position in American politics for the first time in seventy years. Caught in the middle was that pillar of neoliberal orthodoxy, Hillary Clinton, her husband’s loyal mate, never quite comprehending across a long campaign why her 1990s package of policies was so out of step with the post-2008 mood. Why all the fuss about accepting $300,000 fees for giving speeches to Goldman Sachs?

The election of Donald Trump is a symptom of the crisis in the neoliberal order, not its cause. Eighteen months into his presidency we still don’t know what sort of stamp he’s going to put on American political economy. During his first six months in office, Trump listened to right-wing populists such as Steve Bannon, who really did want to end neoliberalism as we know it. The second six months was marked by the ascendancy of financial advisors such as Gary Cohn, formerly of Goldman Sachs, who were confident that the world of neoliberalism could be restored. Cohn masterminded the 2017 tax reform package, which featured a massive cut in the corporate tax rate, a measure long sought by neoliberals as a way of removing the government from the business of redistributing corporate profits. At the same time, vice-president Mike Pence engineered a rapprochement between Trump and the neoliberal (and multi-billionaire) Koch brothers, who began lending Trump political support in exchange for Trump’s willingness to hollow out government agencies charged with regulating industry and the environment.[[50]](#endnote-50)

In early 2018, however, Trump reversed field again, inaugurating a regime of tariffs on goods from countries deemed by the US to be engaged in unfair trading practices. This turn toward protectionism, which made good on one of Trump’s key campaign pledges, struck at the heart of neoliberal orthodoxy. So did Trump’s decision to step up his attacks on central American migrants and to militarise America’s southern border by deploying thousands of National Guard troops to protect it. Gary Cohn quit the White House in March 2018, as did other top advisers who had come from the Goldman Sachs bastion of neoliberalism.

Yet, we still don’t know what lies ahead. There is no doubt that the political order that made neoliberalism the dominant ideology in America for thirty years cracked in the decade following the financial crash of 2008. The next ten years (2018-2028) will be decisive in revealing whether that order can be repaired, or whether it will fall. Neoliberalism’s future will be determined not just by elites, of course, but by social movements of the right and left that are seeking to influence the body politic. A political order restored or an America—and a world—transformed? By the late 2020s, we shall have an answer.

I wish to thank the Royal Historical Society, and its past and current presidents, Peter Mandler and Margot Finn, for persuading me to go public with my thoughts on American neoliberalism. I also wish to thank Sven Beckert, Art Goldhammer, Joel Isaac, Alex Jacobs, Ira Katznelson, Russ Kazal, Michael Kazin, Desmond King, Nelson Lichtenstein, Liz Lunbeck, Lisa McGirr, Jim Sparrow, and an anonymous reader for the *TRHS* for their invaluable feedback on earlier drafts of this essay. Thanks, finally, to Andrew Spicer for expertly guiding this work from lecture to published essay.

Notes

1. Steve Fraser and Gary Gerstle, *The Rise and Fall of the New Deal Order, 1930-1980* (Princeton, NJ: Princeton University Press, 1989), xi. [↑](#endnote-ref-1)
2. Gary Gerstle, *Liberty and Coercion: The Paradox of American Government from the Founding to the Present* (Princeton, NJ: Princeton University Press, 1989), chapters 7 and 8; Thomas Piketty, *Capital in the in the Twenty-First Century* (Cambridge, Ma: The Belknap Press of Harvard University Press, 2014)**.** [↑](#endnote-ref-2)
3. Eisenhower to Edgar Newton Eisenhower, 8 November 1954, *The Papers of Dwight D. Eisenhower*, volume XV, *The Presidency: The Middle Way* (Baltimore: Johns Hopkins University Press, 1970-19xx), page number. [↑](#endnote-ref-3)
4. Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of a Neoliberal Politics* (Princeton, New Jersey: Princeton University Press), 221. [↑](#endnote-ref-4)
5. My interpretation of Eisenhower dissents from the argument offered in Kevin Kruse’s recent book, which places Eisenhower at the center of America’s postwar religious revival. Eisenhower did bring new forms of religious observance into government but did not partake of the fervor—or singlemindedness—that characterized the evangelical movement. See Kevin M. Kruse, *One Nation Under God: How Corporate America Invented Christian America* (New York: Basic Books, 2015). My own view of religion and the public sphere in 1950s America is closer to that of Kevin Schultz, *Tri-Faith America: How Postwar Catholics and Jews Held America to its Protestant Promise* (New York: Oxford University Press, 2011). [↑](#endnote-ref-5)
6. See Daniel Rodgers, “The Uses and Abuses of ‘Neoliberalism,’” *Dissent* (Winter 2018), <https://www.dissentmagazine.org/article/uses-and-abuses-neoliberalism-debate>; and the very interesting forum that appeared in response to Rodgers’s essay: “Debating the Uses and Abuses of ‘Neoliberalism’: A Forum,” with comments by Julia Ott, Nathan Connolly, Mike Konczal, and Timothy Shenk, and a reply by Daniel Rodgers, Dissent, 22 January 2018. <https://www.dissentmagazine.org/online_articles/debating-uses-abuses-neoliberalism-forum>, Both accessed on 31 May 2018. [↑](#endnote-ref-6)
7. Adam Smith, *An Inquiry into The Nature and Causes of The Wealth of Nations* (1776; New York: The Modern Library, 1965). [↑](#endnote-ref-7)
8. See, for example, Stephen W. Sawyer, “An American Model for French Liberalism: The State of Exception in Edouard Laboulaye’s Constitutional Thought,” *The Journal of Modern History* 4 (2013), 739-771; Stephen W. Sawyer, *Demos Assembled: Democracy and the International Origins of the Modern State, 1840–1880* (University of Chicago Press, 2018), chapter 4. [↑](#endnote-ref-8)
9. See, Gary Gerstle, *American Crucible: Race and Nation in the Twentieth Century* (Princeton: Princeton University Press, expanded edition, 2017), Chapters 1 and 2; Gary Gerstle, “Race and Nation in the Thought and Politics of Woodrow Wilson,” in John Milton Cooper, Jr., ed., *Reconsidering Woodrow Wilson: Progressivism, Internationalism, War, and Peace*

   (Washington, DC, and Baltimore, MD: Woodrow Wilson Center Press and Johns Hopkins University Press, 2008), 93-124. [↑](#endnote-ref-9)
10. # Thomas Knock, *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (Princeton, NJ: Princeton University Press, 1995); Erez Manela, *The Wilsonian Moment: Self-Determination and the International Origins of Anticolonial Nationalism* (New York: Oxford University Press, 2007).

    [↑](#endnote-ref-10)
11. On Jobs, see Walter Isaacson, *Steve Jobs* (New York: Simon and Schuster, 2013). [↑](#endnote-ref-11)
12. See, for example, Angus Burgin, *The Great Persuasion: Reinventing Free Markets Since the Depression* (Cambridge, MA: Harvard University Press, 2015); Stedman Jones, *Masters of the Universe*; Philip Morowski and Dieter Plehwe, eds., *The Road From Mont Pelerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2009); William Davies, “The New Neoliberalism,” *New Left Review* 101 (September-October 2016), <https://libsta28.lib.cam.ac.uk:2742/II/101/william-davies-the-new-neoliberalism>; Quinn Slobodian, *The Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard University Press, 2018); and Wendy Brown, *Undoing the Demos: Neoliberalism’s Stealth Revolution* (New York: Zone Books, 2015). [↑](#endnote-ref-12)
13. On Reagan’s early years in politics, see Lou Cannon, *Reagan* (New York: Putnam, 1982), and Iwan Morgan, *Reagan: American Icon* (London: I. B. Taurus, 2016). [↑](#endnote-ref-13)
14. Ronald Reagan, “A Time for Choosing,” (speech at 1964 Republican Convention, October 27, 1964), in Ronald Reagan, *A Time for Choosing: The Speeches of Ronald Reagan, 1961-1982* (Chicago: Regnery Gateway, 1983), 43, 57. [↑](#endnote-ref-14)
15. Judith Stein, *How the United States Traded Factories for Finance in the 1970s* (New Haven: Yale University Press, 2010); Jefferson R. Cowie, *Stayin’ Alive: The 1970s and the Last Days of the Working Class* (New York: The New Press, 2010); Meg Jacobs, *Panic at the Pump: The Economic Crisis and the Transformation of American Politics in the 1970s* (New York: Hill and Wang, 2016); Bruce J. Schulman and Julian E. Zelizer, *Rightward Bound: Making American Conservative in the 1970s* (Cambridge, MA: Harvard University Press, 2008). [↑](#endnote-ref-15)
16. Gerstle, *Liberty and Coercion*, chapter 10. [↑](#endnote-ref-16)
17. Morgan, *Reagan*, chapter 5. [↑](#endnote-ref-17)
18. # Garry Wills, *Reagan’s America: Innocents at Home* (New York: Penguin Books, 2000); Debora Silverman, *Selling Culture: Bloomingdale's, Diana Vreeland, and the New Aristocracy of Taste in Reagan's America* (New York: Pantheon Books, 1989); Michael Rogin, *Ronald Reagan The Movie, and Other Episodes in Political Demonology* (Los Angeles: University of California Press, 1988).

    [↑](#endnote-ref-18)
19. On James Buchanan, see Nancy MacLean, *Democracy in Chains: The Deep History of the Radical Right’s Stealth Plan for America* (New York: Penguin Random House, 2017). [↑](#endnote-ref-19)
20. Simon quoted in Phillips-Fein, *Invisible* Hands: The Making of the Conservative Movement from the New Deal to Reagan (New York: W. W. Norton, 2008), 245. For another neoliberal manifesto from the era, see George Gilder, *Wealth and Poverty* (New York: Basic Books, 1981). See, also, Jane Mayer, *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right* (New York: Anchor Books, 2016); MacLean, *Democracy in Chains*; and Sidney Blumenthal, *The Rise of the Counter-Establishment: The Conservative Ascent to Power* (New York: Times Books, 1986). [↑](#endnote-ref-20)
21. Joseph A. McCartin, *Collision Course: Ronald Reagan, Air Traffic Controllers, and the Strike that Changed America* (New York: Oxford University Press, 2011); Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton: Princeton University Press, 2013); Gerstle, *Liberty and Coercion*, chapter 10; Sean Wilentz, *The Age of Reagan: A History, 1974-2008* (New York: HarperCollins, 2008). [↑](#endnote-ref-21)
22. On persistence of Democratic Party power and politics, see the essays in Julian E. Zelizer, *The Revival of Political History* (Princeton: Princeton University Press, 2012). [↑](#endnote-ref-22)
23. Wilentz, *Age of Reagan*. [↑](#endnote-ref-23)
24. This was at a lecture he delivered in Princeton, NJ, in the 1990s. For an introduction to Draper’s thinking about communism, see his *The Roots of American Communism* (New York: Viking, 1957), and *American Communism and Soviet Russia: The Formative Period* (1960; New York: Vintage, 1986). [↑](#endnote-ref-24)
25. Eric Hobsbawn, *The Age of Extremes: A History of the World, 1914-1991* (New York: Pantheon Books, 1994); Odd Arne Westad, *The Cold War: A World History* (New York: Basic Books, 2017); Odd Arne Westad, *The Global Cold War* (Cambridge: Cambridge University Press, 2007). On communism in America, see Harvey Klehr, *The Heyday of American Communism: The Depression Decade* (New York: Basic Books, 1985); book on between labour and communism; Ellen Schrecker, *Many Are the Crimes: McCarthyism in America* (Boston: Little Brown and Company, 1998). [↑](#endnote-ref-25)
26. China had already opened itself to the West, a product of the rise of Deng Xiaoping in the 1970s, his repudiation of Maoism, and his tentative rapprochement with the US in the 1980s. But the history of China’s opening might have taken a different 1990s path were it not for the fall of the Soviet Union and, with it, of communist ideology, in 1989. On China’s opening to the West and its economic rise, see Thomas J. Christensen, *The China Challenge: Shaping the Choices of a Rising Power* (New York: W. W. Norton, 2015). [↑](#endnote-ref-26)
27. On Communism’s strength in Europe, see Hobsbawn, *Age of Extremes*; Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin Books, 2005). [↑](#endnote-ref-27)
28. Alan Brinkley, *Voices of Protest: Huey Long, Father Coughlin, and the Great Depression* (New York: Alfred A. Knopf, 1982); Gerstle, *Liberty and Coercion*, chapter 7. [↑](#endnote-ref-28)
29. Gerstle, *Liberty and Coercion*, chapter 8. [↑](#endnote-ref-29)
30. For important exceptions, see David Harvey, *Neoliberalism: A Brief History of Neoliberalism* (New York: Oxford University Press, 2005); and Wolfgang Streeck, *How Will Capitalism End? Essays on a Failing System* (London: Verson, 2016). [↑](#endnote-ref-30)
31. Francis Fukuyama, *The End of History and the Last Man* (New York: Simon and Schuster [The Free Press], 1992, 2006) [↑](#endnote-ref-31)
32. Thomas Frank, *The Conquest of Cool: Business Culture, Counterculture, and the Rise of Hip Consumerism* (Chicago: University of Chicago Press, 1998). [↑](#endnote-ref-32)
33. See Sean Wilentz, *The Age of Reagan: A History, 1974-2008* (New York: HarperCollins, 2008), and Joseph E. Stiglitz, *The Roaring Nineties: A New History of the World’s Most Prosperous Decade* (New York: W. W. Norton, 2003). [↑](#endnote-ref-33)
34. Lawrence H. Summers, “The Great Liberator,” *The New York Times*, November 19, 2006. [↑](#endnote-ref-34)
35. For the attack on big city machines by the Great Society’s Community Action Program, see Allen J. Matusow, *The Unraveling of America: A History of Liberalism in the 1960s*, 1st edition (New York: Harper and Row, 1984). On the New Left’s contribution to neoliberalism’s emergence, see Reuel Schiller, “Regulation and the Collapse of the New Deal Order or How I Learned to Stop Worrying and Love the Market,” and Paul Sabin, “Environmental Law and the End of the New Deal Order,” both in Gary Gerstle, Nelson Lichtenstein, and Alice O’Connor, eds., *Beyond the New Deal Order* (Philadelphia: University of Pennsylvania Press, forthcoming). [↑](#endnote-ref-35)
36. Lily Geismer, *Don’t Blame Us: Suburban Liberals and the Transformation of the Democratic Party* (Princeton, NJ: Princeton University Press, 2015). [↑](#endnote-ref-36)
37. Wilentz, *The Age of Reagan*, 323-407; George Gilder, whose 1981 book, *Wealth and Poverty*, had become a neoliberal bible, himself in the 1990s became ever more enamored in of the information technology revolution and the frontiers of market innovation it had put within human grasp. See, for example, Gary Rivlin, “The Madness of King George,” *Wired*, 1 July 2002, [www.wired.com/2002/07/gilder-6/](http://www.wired.com/2002/07/gilder-6/); accessed 1 June 2018. [↑](#endnote-ref-37)
38. Stiglitz, *The Roaring Nineties*,91. [↑](#endnote-ref-38)
39. Peter Steinfels, *The Neoconservatives: The Origins of a Movement; From Dissent to Political Power* (1979: Simon and Schuster, 2013); Murray Friedman, *The Neoconservative Revolution: Jewish Intellectuals and the Shaping of Public Policy* (Cambridge: Cambridge University Press, 2005); Christopher Demuth and William Kristol, eds., *The Neoconservative Imagination: Essays in Honor of Irving Kristol* (Washington, DC: AEI Press, 1995); Alexander Jacobs, “Pessimism and Progress: Left Conservatism in Modern American Political Thought” (PhD dissertation, Vanderbilt University, 2016). [↑](#endnote-ref-39)
40. Himmelfarb, *The De-Moralization of Society: From Victorian Virtues to Modern Values* (New York: Knopf, 1994), 256. [↑](#endnote-ref-40)
41. Ibid., 257. [↑](#endnote-ref-41)
42. Among US historians, the term ‘Victorianism’ is often used as a shorthand for the kind of moral traditionalism that Himmelfarb was espousing. The term is deployed much less in this way by British historians, who now see British society during the long reign of Queen Victoria as composed of cultural and moral tendencies too diverse to be compressed into a morally conservative frame. [↑](#endnote-ref-42)
43. Andrew Hartman, *A War for the Soul of America: Culture Wars: A History of the Culture Wars* (Chicago: University of Chicago, 2015); Robert Hughes, *The Culture of Complaint: The Fraying of America* (New York: Warner Books, 1993). On the evangelical movement itself, see Frances Fitzgerald, *The Evangelicals: The Struggle to Shape America* (New York: Simon and Schuster, 2017). [↑](#endnote-ref-43)
44. The suspicion of “lesser races” mostly ran underground (the Civil Rights Revolution of the 1960s and 1970s rendered the frank expression of such prejudice more problematic than it had previously been) but occasionally it surfaced. See, for example, Richard J. Herrnstein and Charles Murray, *The Bell Curve: Intelligence and Class Structure in American Life* (New York: The Free Press, 1994) and Niall Ferguson, *Empire: How Britain Made the Modern World* (London: Allen Lane, 2003). [↑](#endnote-ref-44)
45. This shared moral perspective may help solve the mystery of what bewildered Tom Franks about Kansas, i.e., why the poor of the state seemed so willing to subordinate their class interests to those of the rich. Frank, *What’s The Matter with Kansas? How Conservatives Won the Heart of America* (New York: Metropolitan Books, 2004). See, also, Melinda Cooper, *Family Values: Between Neoliberalism and the New Social Conservatism* (New York: Zone Books, 2017), and Bethany Moreton, *To Serve God and Wal-Mart: The Making of Christian Free Enterprise* (Cambridge, MA: Harvard University Press, 2009). [↑](#endnote-ref-45)
46. On Clinton, see William H. Chafe, *Bill and Hillary: The Politics of the Personal* (New York: Farrar, Strauss, and Giroux, 2012); David Maraniss, *First in His Class: A Biography of Bill Clinton* (New York: Touchstone, 1995); and Charlotte Jeffries, “The Politics of Teenage Female Sexuality in the United States, 1981-2008” (PhD dissertation, University of Cambridge, 2017). [↑](#endnote-ref-46)
47. Lizabeth Cohen, *A Consumers Republic: The Politics of Mass Consumption in Postwar America* (New York: Vintage Books, 2003; Frank, *The Conquest of Cool*. [↑](#endnote-ref-47)
48. For a sampling of writings on the crash of 2008, and the factors causing it, see Michael Lewis, ed., *Panic! The Story of Modern Financial Insanity* (New York: W. W. Norton, 2009). [↑](#endnote-ref-48)
49. For an early effort by historians to reckon with the Obama presidency, see Julian E. Zelizer, ed., *The Obama Presidency: A First Historical Assessment* (Princeton, NJ: Princeton University Press, 2017). [↑](#endnote-ref-49)
50. On the Koch connection, see Jane Mayer, *Dark Money*; and Jane Mayer, “The Danger of President Pence,” *The New Yorker*, October 23, 2017, <https://www.newyorker.com/magazine/2017/10/23/the-danger-of-president-pence>; accessed 1 June 2018. [↑](#endnote-ref-50)