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## THE CRISIS OF AMERICAN CONSERVATISM: INHERENT CONTRADICTIONS AND THE END OF A ROAD

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It has long been understood that there is something peculiar, even paradoxical, about conservatism in America. American conservatism is different from conservatism in other countries, even those countries which were the original source of many other American ideas and ideals, i.e., the countries of Europe. Indeed, the very term "American conservatism" is something of an oxymoron. For most Europeans who came to America, the whole purpose of their difficult and disruptive journey to the New World was not to conserve European institutions but to leave them behind and to create something new, often an entirely new life and even a new identity, for themselves.

In this essay, we will examine how the paradoxes of American conservatism have unfolded and revealed themselves during the period of the last three or four decades. We begin our discussion by noting the three distinct dimensions that have always defined American conservatism. The original and traditional American conservatism of the nineteenth and early twentieth centuries collapsed in a great debacle during the Great Depression of the 1930s, but this was followed by a creative reinvention of American conservatism during the Great Stagflation of the 1970s. This reinvented conservatism experienced its own debacle during the current Great Recession, which began in 2007 and which continues into the 2010s. We conclude with a review of the current condition of what was once a reinvented, but now seems to be YET another collapsed conservatism, in the light of the elections of 2012. The decisive defeats of the Republican party, particularly in the Presidential and Senatorial elections, have demonstrated that American conservatism will once again have to be reinvented and the Republican party will have to appeal to new constituencies or they, like the Federalists, Whigs, and traditional conservatives before them, will disappear or be eclipsed.

## THE THREE DIMENSIONS OF AMERICAN CONSERVATISM

In recent decades, political analysts have found it useful to interpret American political movements by distinguishing between different policy dimensions or arenas. Thus, conservatives have been divided into (1) those who are most concerned about economic or fiscal issues, i.e., pro-business or “free-enterprise” conservatives; (2) those most concerned with religious or social issues, i.e., pro-church or “traditional-values” conservatives; and (3) those most concerned with national-security or defense issues, i.e., pro-military or “patriotic” conservatives.

These three arenas are not of equal weight and strength in the conservative movement, however. It is the business elite that, over the long run, has proven to be the most powerful component of the conservative coalition; it has gotten its way on more issues than either the religious or the security conservatives, and it has done so not only within the conservative coalition itself, but with actual government policies. Calvin Coolidge may have exaggerated somewhat when, in the 1920s, he said that “the business of America is business,” but it has been no exaggeration that the business of American conservatism has been business.

It was the achievement of Ronald Reagan that he was able in the late 1970s to unite these three different kinds of conservatism into one grand coalition. This was the culmination of a “fusionist strategy” that had been developing amongst American conservatives since the early 1960s.<sup>1</sup> For a while, especially during the 1980s, it could appear that these three kinds of conservatives were natural allies, that they had an “elective affinity” for each other, and that there was no significant contradiction between them. However, as we shall see, pro-business conservatism has always included a tendency toward the disruption and even dissolution of religious ideals and social practices. This is the famous “cultural contradictions of capitalism,” identified by social theorists as varied as Karl Marx, Joseph Schumpeter, and Daniel Bell.<sup>2</sup> And in recent decades, pro-business conservatism has also included a tendency toward the dismantling of national boundaries and even dissolution of national identities, and therefore the redefinition of national security. This is the famous “globalization” project of American multinational corporations and financial institutions.<sup>3</sup> It took about two decades for the fusionist strategy to put together the Reagan grand coalition, and then, about two decades after Reagan’s departure, that grand coalition largely fell apart.

## THE REINVENTION OF AMERICAN CONSERVATISM IN THE 1970s

Traditional American conservatism and its political vehicle, the Republican Party, largely dominated American society and politics after the Civil War down through the 1920s. However, they were unable to provide satisfactory responses to the challenges posed by the Great Depression during the 1930s and the Second World War during the 1940s. The result was a great debacle for this kind of American conservatism in each of the three policy arenas, and this in turn resulted in a long period when American progressivism and its political vehicle, the Democratic Party, largely dominated American society and politics.

However, by the 1970s the policies of the progressives and the Democrats in each of the three arenas were also failing to meet the challenges of the time, especially those posed by the Great Stagflation. The result was another great debacle, this time for American progressivism. The way then became clear for some kind of conservatism to reappear as a serious force in American history. However, this kind of conservatism was not really a revival of the traditional American version. Rather, it was something quite different, a reinvention of American conservatism altogether, one which stretched across all three policy arenas.

*The economic arena.* As it happened, by the 1970s there was a body of economic ideas which claimed that it could solve the problem of inflation (and, in doing so, also the problem of unemployment). This lay in the theories of Milton Friedman and more generally of what was known as the “monetarist school.” Whereas John Maynard Keynes and his followers focused upon government spending and fiscal policy as the balance wheel of the economy, Friedman and his followers focused upon the money supply and monetary policy as that balance wheel. And whereas Keynesianism called upon government (and elected officials) to intervene directly in the economy through

<sup>1</sup> Patrick Allitt, *The Conservatives: Ideas and Personalities Throughout American History* (New Haven: Yale University Press, 2009), chapters 8-10; Paul Edward Gottfried, *Conservatism in America: Making Sense of the American Right* (New York: Palgrave Macmillan, 2007).

<sup>2</sup> Daniel Bell, *The Cultural Contradictions of Capitalism* (New York: Basic Books, 1976).

<sup>3</sup> Bruce Mazlish, Nayan Chanda, and Kenneth Weisbrode, editors, *The Paradox of a Global USA* (Stanford, CA: Stanford University Press, 2007).

expenditures and taxes, Friedmanism called upon the central bank—which in the United States is the Federal Reserve System (and appointed officials who are largely independent of elected ones but actually quite dependent upon the executives of major banks)—merely to intervene indirectly in the economy through interest rates and the overall money supply. Friedmanism thus advocated a radical shift in the location of the economy’s balance wheel and therefore in the power of those who would run it.

Although Friedman and his followers were always talking about the virtues of the free market and of conservatism in economic affairs, their approach was not truly a free-market or traditional-conservative one at all. Instead, they advocated a *controlled* market in matters of money, credit and finance, while advocating a free market with respect to almost everything else. And the market in money, credit, and finance was to be controlled by an oligopoly of the major banks, implemented through the Federal Reserve System (whose name made it sound like some kind of government agency, but whose reality made it more a cartel of profit-making banks).

A truly free-market and traditional-conservative set of ideas about the money supply, and about the general economy, also existed in the late 1970s, and this was found in the theories of Friedrich Hayek, Ludwig von Mises, and what was called the “Austrian school.” They argued that the economy, including its interest rates and money supply, should operate without any organized intervention at all, be it either by government agencies or by a banker’s cartel.<sup>4</sup>

During the era of Keynesian hegemony in economic affairs, both the monetarist school and the Austrian school had been marginalized in academic economics departments and among economic-policy advisors. But the failure and incapacity of Keynesianism meant that these two marginalized alternatives now had an opportunity to supersede it. A main reason why Friedmanism became the alternative that did so, rather than the ideas of Hayek and von Mises, was that the former had a large complex of economic interests (the major banks, e.g., “Wall Street”) supporting it, while the latter had no such support (the only substantial interests likely to support it were small banks and small businesses, e.g., “Main Street”).

The monetarist approach was adopted by the Federal Reserve System in 1979 and implemented by its Chairman, Paul Volcker, in 1979-1982. Volcker’s actions were indeed highly effective (although of course temporarily very painful) in bringing inflation to an end, and in 1983 the U.S. economy began a period of impressive growth which was largely sustained for almost two decades, until 2000. This success in solving the problem on inflation, while also providing for growing employment—i.e., for bringing an end to the Great Stagflation—gave Friedmanism an enormous boost in credibility and prestige. It now became hegemonic in academic economic departments and among economic-policy advisors, and it has held this dominant position for almost thirty years (1980s-2010s) after the Great Stagflation, just as Keynesianism had been hegemonic for about thirty years (1940s-1970s) after the Great Depression. Of course, the Friedman school has been just as insistent and effective in keeping the Austrian school marginalized (and indeed virtually unknown) as the Keynesian school had been before.

Since Friedmanism is not truly a free-market approach (despite its rhetorical claims to be so), what is its relation to American conservatism as this applies to the economic arena? It is mostly accurately seen as a kind of *pseudo-conservatism*, not as a kind of traditional conservatism. This means that when the “conservative movement” and the Reagan Revolution brought about a “revival” of American conservatism, it was actually bringing about its reinvention on the economic dimension. Consequently, this most central and weighty dimension of American conservatism would not be truly conservative at all, in any real sense of the word (e.g., in either its traditional European or its traditional American meaning).

Nevertheless, the pseudo-conservatism of Friedmanism had a very good run at managing the American economy for a very long time (almost thirty years), just like the progressivism or pseudo-liberalism of Keynesianism had had previously (also thirty years). However, as we shall see, the hegemony of the major banks within the hegemony of Friedmanism was a birth defect and fatal flaw that would eventually work its way out and bring about the next great economic crisis, i.e., the Great Recession that began in 2007 and that continues until today.

*The religious and social arena.* During the long era of “the liberal consensus”—which included both progressives and moderate conservatives, both Democratic and Republican elites—Bible-believing Protestants had largely

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<sup>4</sup> Thomas E. Woods, *Meltdown* (Washington, D.C.: Regnery Publishing, 2009), chapter 4.

remained a component of the traditional-conservative minority within the Republican Party. However, they did not have any reliable and effective political vehicle, and they were marginalized in electoral policies and in public policy. Then, a number of developments in the 1970s brought about a rise in their potential influence.

First, after several decades of political inactivity, Bible-believing Protestants were awakened and energized by particular progressive advances with regard to moral issues. The most central of these was the issue of abortion, for which a monumental milestone was the Supreme Court decision in *Roe vs. Wade* in 1973. Just as Prohibition had been “the Great Crusade” of conservative Protestants for three generations from the 1870s to the 1920s, so Pro-Life became their great crusade for the three decades from the 1970s to the 2000s.

Second, shifts in the social bases of the two political parties and their associated ideological movements, which were produced by progressive policies and which occurred in the 1970s, brought Southern whites and ethnic Catholics into the Republican Party. As it happened, each of these groups had something important in common with the Bible-believing Protestants who were already in the party. For Southern whites, this was the Protestant part (and indeed, when Southern whites had been Democrats, many had also been among the most Bible-believing people in America). For ethnic Catholics, this was the Pro-Life part. Thus, the shifts in social bases brought about a new traditional-conservative grand alliance with respect to religious and social issues and around commonly-shared “traditional moral values.”

Of course, traditional conservatives had long been bereft of any credible national political leader (after the death of Robert Taft, Barry Goldwater had briefly been the closest approximation to one, and he was much more a social libertarian than a traditional moral conservative). By itself, religious or traditional moral conservatism was not going to produce a credible national political figure. However, the fusionist project of the conservative movement had laid the intellectual groundwork for uniting social conservatives with economic and security conservatives. And Ronald Reagan, “the Great Communicator,” certainly had the gift of being able to speak to the different arenas of traditional conservatism, in words and concepts that they not only understood, but that they loved. It was Reagan who appeared to traditional religious and social conservatives to be, at long last, their authentic political representative and effective political vehicle. And it was he who brought them into the grand alliance of conservatives that provide the electoral base for “the Reagan Revolution.”

We have observed, however, that in regard to economic policy, the Reagan era and the following years of Republican political power did not really produce traditional-conservative policies, but ones which were merely pseudo-conservative. Much the same thing can be said for the social policies of the Reagan era and later Republican rule. Reagan and some other Republican leaders were excellent in their public speeches and pronouncements with respect to traditional moral values. However, when it came to implementing these values in actual legislation and practical policies, the results—after a period lasting almost three decades—have been virtually negligible. The main benefit that traditional social conservatives have received from Republicans in the White House and in Congress have been four Supreme Court appointments—Antonin Scalia, Clarence Thomas, John Roberts, and Samuel Alito. And so, in a sense, the reinvention of American conservatism in the social arena actually produced another kind of pseudo-conservatism—or at best quasi-conservatism—one which was parallel and analogous to the pseudo-conservatism in the economic arena.

Moreover, while the Republicans were in power in the White House and in Congress, they facilitated a major change in the demographic composition of the U.S. population—and therefore in the social bases of the two political parties and their ideological movements. This was the great increase in immigration—including illegal immigration—from Latin America, and especially from Mexico. Of course, this increase in immigration had originated with the Immigration Act of 1965, which can be seen as one of the progressive policies of the time, and it had steadily increased in numbers during the 1970s. However, it was during the era when reinvented conservatism was in ascendancy and the Republicans were in power that the Hispanic immigration and the ensuing Hispanic births in the United States reached massive proportions. For example, in the 1980s, Hispanics accounted for 5 percent of the U.S. population; by the late 2000s, they accounted for 15 percent, surpassing the black population in numbers.

Progressives of course had their own ideological reasons for facilitating immigration, based first upon ideals of racial equality and human rights and then upon the ideology of multiculturalism. But why did the Republican Party—with its putative social conservatism—join the Democratic Party in facilitating this massive demographic

and therefore social change? The reason is that the grand alliance of reinvented conservatives were simply ordering their priorities and following the same script as the grand alliance of traditional conservatives had done in the nineteenth and early twentieth centuries, that other era of open immigration into the United States. That is, the economic interests of business and middle-class conservatives in cheap labor trumped the communal interests of the cultural and social conservatives.

Of course in the long run, since “demography is destiny,” this new and massive demographic sector could become a new and massive voting bloc. Given the voting behavior of most previous immigrant groups and racial minorities, it seemed most probable that this Hispanic voting bloc would largely vote for the Democratic Party. However, given the hegemony of business interests in the Republican Party, it is not surprising that the short-term profit-making interests of its business constituency trumped the long-term vote-getting interests of the party itself. And so, once again, re-invented conservatism was revealed to be merely pseudo-conservatism. Indeed, given the massive changes that a new Hispanic bloc could produce in American society and politics in the future, reinvented conservatism was, at least with respect to the social arena, even a kind of anti-conservatism.

*The security arena.* In the 1970s, a number of policy intellectuals came together to develop a systematic critique not only of the security policies of the progressive Carter administration, but also those of the preceding moderate-conservative Nixon and Ford administrations. They called themselves “neo-conservatives.” These thinkers had already developed a systematic critique of progressive and moderate-conservative social policies, but by the late 1970s their principal focus was on the security arena. They were particularly alarmed about the resurgent Soviet and Communist threat and the new Iranian and Islamist threat.<sup>5</sup>

The neo-conservatives proposed a comprehensive program to revitalize U.S. security policy and to strengthen America’s leadership in the world. In particular, they advocated (1) major increases in U.S. military spending and expansion of U.S. military forces; (2) enhanced military assistance to friendly foreign governments which were threatened by Marxist or Islamist movements; (3) enhanced military assistance to insurgent movements which sought to overthrow Marxist regimes (this was the most innovative of the neo-conservative proposals; it would eventually be formulated as the Reagan Doctrine); and (4) renewed willingness to undertake full military interventions, i.e., to employ U.S. military forces to overthrow unfriendly governments and to protect friendly ones.

With the exception of (3), these proposals merely called for a revival of previous U.S. policies and practices in the security arena. Indeed, some version of them had earlier been carried out by moderate-conservative administrations (Eisenhower and Nixon) and even by progressive ones (Truman, Kennedy, and Johnson). In fact, even the traditional-conservative Republican administrations of the 1920s used such methods in dealing with countries in the Caribbean basin and Central America. However, in the era of “the Vietnam syndrome” and the unusually passive security policies of the Ford and Carter administrations, the neo-conservative proposals seemed new, fresh, and vigorous.

The neo-conservative security program was largely adopted by the Reagan administration when it came into office in 1981. As it turned out, that administration and its successor, the George H.W. Bush administration, did achieve a series of extraordinary successes in first reducing and then eliminating the Soviet threat (e.g., the Soviet withdrawal from Afghanistan in early 1989, the collapse of East European Communist regimes in late 1989, the reunification of Germany on Western terms in 1990, and finally the dissolution of the Soviet Union itself in 1991). Although the actual causes of the Soviet debacle are complex and disputed, the neo-conservatives naturally claimed the credit for this historic achievement of the Reagan and Bush administrations.

There was still, however, the threat from Iran and from Islamism more generally and this threat continued to grow at the very time that the Soviet threat was disappearing. And here, the record of the neo-conservatives and the Reagan and Bush administrations is marked by significant failures (e.g., the U.S. military intervention in Lebanon in 1964, the growing threat from Islamist terrorists in the 1980s and early 1990s). Even the apparent successes would later turn into major security problems (e.g., the U.S. assistance to Islamist insurgents against the Soviets in Afghanistan in the late 1980s, the U.S. victory over Saddam Hussein in Iraq in 1991). And as we shall see in a

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<sup>5</sup> Stefan Halper and Jonathan Clarke, *America Alone: The Neo-Conservatives and the Global Order* (New York: Cambridge University Press, 2004); Murray Friedman, *The Neoconservative Revolution: Jewish Intellectuals and the Shaping of Public Policy* (New York: Cambridge University Press, 2005); James Kurth, “The Neoconservatives Are History,” *Orbis*, Fall 2006, pp. 756-769.

concluding section of this essay, the failure of the neo-conservatives would become even more manifest when they became one of the two core groups (the other being the oil industry) shaping the security policy of the George W. Bush administration with respect to Islamism and the Middle East.

What explains the difference between the success of the neo-conservative policies toward the Soviet Union and Communism and the problems with their policies toward Iran and Islamism? One obvious factor is the different regions where these policies were directed. The policies toward the Soviets and Communism were directed primarily toward Europe (e.g., the Soviet military threat toward Western Europe, the weakening Communist regimes in Eastern Europe, and the internal decay within the Soviet Union itself). Europe was a region where the United States had been actively and continuously engaged since the Second World War. It can be said that U.S. officials and Americans in general understand this region very well. The traditional conservatives had not wanted the United States to be so engaged in Europe, but once America was there, it (and the progressives and moderate conservatives who shaped U.S. policy there) constructed security policies which were grounded in the local realities, indeed which, overall, were “realist” policies.

The contrast with the policies toward Iran and Islamism is substantial. These policies were directed primarily toward the Middle East (e.g., first the Iranian and then the Iraqi threat in the Persian Gulf, the Islamist terrorist threat to U.S. interests in the region, and, a long-standing dilemma for U.S. policy, the intractable Arab-Israeli conflict). The traditional conservatives had hardly ever thought about the Middle East at all, and the few heirs to their views in the 1980s-1990s were usually convinced that U.S. military involvement in the Middle East was very much not in America’s national interest.

Of course, successive U.S. administrations had been actively involved in the Middle East ever since the beginning of the Cold War. The Truman Doctrine, after all, was primarily directed at supporting Greece and Turkey (part of the “Near East,” as the language of foreign offices once put it). The Eisenhower Doctrine was directed against Communist alliances with Arab nationalists. And the Carter Doctrine was directed against possible Soviet military moves into states around the Persian Gulf. But each of these “doctrines” were really directed at the Soviet Union and Communism, and they took little account of the local realities of the Middle East, especially realities about Islamism; they were hardly examples of “realist” security policies, and that is why the Eisenhower and Carter Doctrines were largely still-born and soon forgotten. Overall, the record of earlier administrations in the Middle East—be they Democratic or Republican, progressive or moderate conservative—was bereft of any obvious and enduring successes. In a way, this record confirmed the traditional—conservative view that this was yet another region where the United States should not be militarily or politically involved.

When the neo-conservatives turned their own attention to the Middle East and Islamism, they also largely overlooked the relevant local realities and instead imposed concepts drawn from abstract ideologies which had been developed for other regions, especially for Europe. Thus, they spoke a great deal about “Islamofascism” and Saddam Hussein’s “Stalinism” and, conversely, about the U.S. success in occupying and democratizing West Germany and Japan after the Second World War.

In what sense, then, can it be said that neo-conservatism is an authentic kind of conservatism with respect to U.S. security policies with respect to the Middle East and Islamism? It argues for extensive U.S. military involvement, and even U.S. wars, in a region where U.S. national interests are unclear and greatly disputed, and there is little conservative about this. It is more accurately described as a kind of pseudo-conservatism. And it argues for intensive U.S. political involvement to remake Middle-Eastern states and Muslim societies, and there is little conservative about this. It is more accurately described as a kind of anti-conservatism. Overall, then, neo-conservatism is not really conservatism at all.

#### **THE GREAT DEBACLE OF REINVENTED AMERICAN CONSERVATISM IN THE 2000s**

And so, in the fullness of time, reinvented American conservatism brought about its own great debacle, again a debacle great enough to encompass all three policy arenas.

*The economic arena.* The three decades when Friedmanism and the monetarist school dominated economic theory and the Federal Reserve System dominated economic policy were largely an era of impressive economic growth and prosperity. There were occasional stock-market panics or business recessions (1987-1988, 1991-1992, 2000-2002), but

overall the U.S. economy seemed to be operating so smoothly that Alan Greenspan and Ben Bernanke—successive chairmen of the Federal Reserve Board and archetypal exponents of the monetarist worldview—could call the era (and their own management of the economy) “the Great Moderation.”

However, near the end of this era and in the aftermath of the recession of 2000-2002, some ominous developments and unhealthy distortions appeared. The economic boom that began in 2003 was based not upon new technologies and investments in productive assets (such as the information-technology boom of 1993-2000), but upon the real-estate, especially the housing, sector. And soon, the housing boom became a speculative bubble, which burst in 2007 and then turned into a bust. Since banks had very heavily invested in over-valued real estate and complex securitized mortgages, the housing crisis soon metastasized into a full-blown financial crisis, and since credit and finance is the lifeblood (and in an era of monetarist and Federal Reserve hegemony, the balance wheel) of the economy as a whole, the financial crisis in turn soon metastasized into a full-blown economic crisis. Indeed, this crisis was in many ways—particularly with respect to high and prolonged unemployment—the greatest economic crisis since the Great Depression almost eighty years before, and it was soon given its own name—the Great Recession.<sup>6</sup> It was the major factor causing the Republican Party to decisively lose the presidential and Congressional elections of 2008.

It was no accident that “The Great Moderation” ended with a speculative bubble in housing and complicated securities. For at the center of this era were the major profit-making banks. Throughout this period, they had relentlessly and successively lobbied government officials to reduce and remove restrictions upon banking activities which had existed ever since the New Deal and Depression-era financial legislation of the 1930s (most importantly, the Glass-Steagale Act of 1933, which limited the risk-taking activities of commercial banks). By 2000, the financial sector had succeeded in abolishing most of the New Deal legislation, and that which remained was very lightly enforced by the anti-regulation appointees of the George W. Bush administration. Then, when there were left virtually no government restrictions upon their profit-making activities, the major banks decided that they could make the most profit by investing in familiar and apparently-solid (“real” estate) assets, rather than in innovative and apparently-risky (but ultimately more productive) enterprises. This kind of decision to invest in the familiar rather than the innovative has long been characteristic behavior for very large and established banks, and it was natural that the major American banks took this path as soon as they could.<sup>7</sup>

And so it was the very ideas, interests, and institutions which brought Friedmanism into power and which presided over its long era of success which then, through their excesses, caused an economic crisis that brought their era to an end. And since these ideas, interests, and institutions have caused so much economic disruption and destruction, they can truly be said to be pseudo-conservative, rather than authentically conservative.

Of course, when Friedmanism and pseudo-conservatism were confronted with the challenges of the Great Recession, they were incapable of offering any convincing and effective solutions. In this regard, they were like their predecessors, first the free-market advocates and traditional conservatives when they were confronted with the challenges of the Great Depression and then the Keynesians and progressives when they were confronted with the challenges of the Great Stagflation. But just like these previous great economic crises were eventually addressed and solved with new economic theories and policies, so too we might hope that the current crisis will be also. But just like it took about a decade of crisis before those earlier new theories and policies at last became ascendant, we will probably be waiting for our new solutions to the current crisis for quite some time. In the meantime, despite the disruption and destruction which they have wrought, the major banks and the monetarist school continue to prevail in the making of U.S. economic policy.

*The religious and social arena.* Since the political representatives of reinvented conservatism produced a good deal of religious and social conservative rhetoric but negligible policy results, there were not any policy failures of reinvented conservatism in the religious and social arena comparable to those in the economic arena and contributing to its contemporary great debacle. However, the choices which reinvented conservatives made with respect to immigration policy from the 1980s to the 2000s finally matured into political consequences in 2008. In that year, Hispanics overwhelmingly (about 70 percent) voted for the Democratic Party, and they provided the margin for victory for many Democratic elected officials. The prospects are that this strong Hispanic identification with the

<sup>6</sup> James Kurth, “A Tale of Four Crises: The Politics of Great Depressions and Recessions,” *Orbis*, Summer 2011, pp. 500-523.

<sup>7</sup> James Kurth, “The Foreign Policy of Plutocracies,” *The American Interest*, November/December 2011, pp. 5-17.

Democratic Party will continue into the future, adding another large voting bloc to the Democratic base, parallel to the one which blacks have long provided to the party. (Together, these two voting blocks of the Democratic Party will greatly outweigh the only comparable voting bloc in the Republic Party, that of white Evangelicals—or, more accurately, white Bible-believing Protestants). The recent coming into maturity of this great transformation in U.S. electoral politics has contributed a good deal to the great debacle of reinvented conservatism.

*The security arena.* By the late 2000s, another failure of reinvented conservatism—and particularly of neo-conservatism—was becoming manifest. This was, of course, the Iraq War, joined increasingly by a parallel failure in the Afghan War. The U.S. war in Iraq, which the George W. Bush administration had begun in 2003, was certainly an expression of neo-conservative policies such as a willingness, even eagerness, to employ U.S. military forces to overthrow unfriendly governments and to impose democracy-promotion and nation-building on foreign countries. The same had become true of the way the Bush administration conducted its war in Afghanistan, after its initially successful overthrow of the Taliban regime in late 2001.

By 2006, the Iraq War was clearly going very badly, and for this pressing problem the Bush administration and neo-conservatives deservedly got the blame. This was a major factor in causing the Republicans to lose control of Congress to the Democrats in 2006. Although the new counterinsurgency strategy of General David Petraeus and the military “surge” authorized by President Bush in 2007 seemed to turn the Iraq debacle around dramatically by 2008, the grueling and growing war in Afghanistan threatened a new debacle. The major cause of the Republican defeat in the 2008 presidential and Congressional elections was of course the onset of the Great Recession, but the Afghan War was an additional and substantial contributing factor.

#### AMERICAN CONSERVATISM IN THE CURRENT GREAT RECESSION

The depth, scope, and length of the current global economic crisis—greater than any economic crisis since the Great Depression—has meant that economic and fiscal issues now dominate American politics. Although issues in the religious/social and security arenas are still intensely debated, most of the focus and energy of what now passes for American conservatism is devoted to the economic arena. As we have seen, this has always been the most important arena in American conservatism, and it is now even more central and determinative than before.

*The economic arena.* The policy response of the George W. Bush administration to the financial crisis of 2008 was completely in keeping with the economic priorities of the reinvented, pseudo, conservatism which had brought about the crisis in the first place, i.e., massive government bailouts of large financial institutions (“Wall Street”). These bailouts were so massive that they provoked opposition from long-dormant elements within the Republican Party which represented small banks and small businesses (“Main Street”), but when directed at a Republican administration, this opposition was only brief and ineffective (e.g., Congress’s initial rejection of the administration’s TARP plan).

However, the succeeding Obama Administration also pursued economic policies which privileged large financial institutions, while not doing much that actually improved the condition of other sectors of the economy (e.g., unemployed workers). Moreover, the budgets of the Obama Administration and the Democratic Congress resulted in a massive expansion of Federal deficits and debt (an expansion that had actually begun under the preceding Bush Administration and Republican Congresses). Now the small bank and small business elements in the Republican Party had Democratic targets to oppose, and their opposition could be more sustained and more effective. The result was the beginning of the Tea Party movement in the summer of 2009, which was able to achieve significant successes in the Congressional elections of 2010.<sup>8</sup>

The economic and fiscal thinking of the Tea Party movement had much in common with that of *traditional* American conservatism, and with theorists such as Friedrich Hayek and Ludwig von Mises. It had much less in common with the economic and fiscal thinking of reinvented conservatism, and with theorists such as Friedman and the monetarists. Indeed, the thinking of the Tea Party movement was largely the same as that of the libertarian movement, which had long been a marginal element within the Republican Party.

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<sup>8</sup> Theda Skocpol and Vanessa Williamson, *The Tea Party and the Remaking of Republican Conservatism* (Oxford University Press, 2011).

Consequently, with respect to the economic arena, American conservatism is now split between two tendencies: (1) a partially-discredited reinvented conservatism, which nevertheless continues to dominate the leadership or “establishment” of the Republican Party because it corresponds to the economic interests of the party’s elites and big donors, and (2) a partially-revived traditional conservatism, which is a significant insurgent force within the Republican Party, because it corresponds to the economic interests of much of the party’s base and many of its core voters.

This split was played out in the 2012 primary elections to nominate the Republican candidate for President. From the beginning, indeed as early as 2009, the preferred candidate of the Republican leadership and elite was Mitt Romney. In the early Republican primaries (those with several candidates competing, representing the several different tendencies within the Party), Mitt Romney consistently led with respect to campaign funding and the support of most big donors, but he usually received less than 30 percent of the votes. Conversely, the Tea Party voters often preferred Ron Paul, but they recognized that he could never win the nomination; consequently, their votes were split among several different candidates other than Romney. The party leadership had early determined that their best strategy to achieve a Romney nomination was to split the anti-Romney vote among several different candidates, no one of which could achieve a majority, or perhaps even a plurality and this strategy proved successful. The insurgent or anti-Romney candidates cancelled out each other. Romney may not have achieved majorities, but he did achieve more pluralities than anyone else, and therefore the nomination.

The Republican Party leadership also calculated that any disaffected Tea Party voters could be corralled into voting for Romney against President Obama in the general election. By that time, the Tea Party resentment against Romney would be only a memory, and what would count in the minds of Tea Party voters would be the immediate and immense threat to their interests of a second Obama administration. And, to consolidate the Tea Party vote, Romney selected Congressman Paul Ryan, a prominent and respected economic and fiscal conservative in the traditional sense, to be his vice-presidential running mate.<sup>9</sup>

*The religious and social arena.* In contrast to the even greater dominance of economic and fiscal issues within American conservatism since 2008, religious and social issues have been pushed even further to the margins. Both the Republican Party establishment and the Tea Party movement consider religious and social issues to be at best a distraction from the central arena of economic and fiscal issues, and at worst causing an actual subtraction of votes of independents from Republican candidates; consequently, both agreed to marginalize these issues in the 2012 elections. Even such a fundamental and immediate concern to religious conservatives as homosexual marriage was given very little attention in the Republican presidential primaries. The religious conservatives did have a preferred candidate, Rick Santorum (who is a Roman Catholic, not an Evangelical Protestant), and he did score a couple of primary victories, but like the other anti-Romney candidates, he was soon overwhelmed by the Romney strategy and money. And, in the end, the marginalization of Evangelical Protestants even within the Republican Party culminated in the Romney-Ryan nomination, the first major-party president/vice-president ticket in American history which did not include a Protestant.

Meanwhile, the Hispanic percentage of the electorate continued to increase, and their votes continued to go overwhelmingly to the Democratic Party. With all of its focus upon economic and fiscal issues, the Republican Party was not able to develop a coherent and effective strategy to win over Hispanic voters in the 2012 elections.<sup>10</sup> Indeed, many traditional conservatives were opposed to Hispanic immigration, and they found some voice in the Tea Party movement. This drove Hispanic voters even further away from the Republican Party. Some Republican leaders, alarmed by this development, hoped to attract Hispanic voters by having some prominent Hispanic elected official be Romney’s running mate (e.g. Senator Marco Rubio of Florida). But the selection of Paul Ryan brought an end to even these fitful efforts to attract Hispanics.

*The security arena.* The security arena provides another contrast in the development of American conservatism in the 2010s. In the midst of the continuing global economic crisis, it is not surprising that security and defense issues have been less prominent than before 2008, although they have certainly remained more prominent than religious and social ones. What is perhaps surprising, however, is the continuing articulation of neo-conservative priorities and policies among most Republican leaders, including Mitt Romney. One might have thought that neo-

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<sup>9</sup> Peter Nicholas, “Tea Party and GOP Are Now In Sync,” *The Wall Street Journal*, August 27, 2012, p. A5.

<sup>10</sup> “Election May Hinge on Latino Turnout,” *The Wall Street Journal*, November 1, 2012, pp. A1, A12.

conservatism would have been discredited by its debacle in the Iraq and Afghan wars, but in the election year of 2012, it was just as prominent among Republican candidates for president as it had been in the George W. Bush Administration, which put the United States into those wars.

The explanation for the continuing prominence of neo-conservatism in the Republican Party does not lie in the base of Republican voters. Most of these have become critical or skeptical of U.S. military interventions abroad, especially for such remote goals as nation-building and democracy-promotion. In particular, the Tea Party movement has largely avoided discussion of security and defense issues, and many of its members take positions similar to those of the anti-interventionist (and anti-defense-spending) libertarian movement. Rather, the explanation lies in the Republican elite, and particularly with some of the Republican Party's big donors. These are found in both older sources of funding, such as the defense industry, and in newer sources of funding, such as hedge funds, and they continue to support neo-conservative priorities and policies, particularly with respect to the Middle East.

In the early Republican primaries of 2012, the neo-conservatives' preferred presidential candidate was Newt Gingrich. Indeed, it was funding (in the amount of \$20 million) from just one big donor, Sheldon Adelson, a casino magnate, that accounted for there being a Gingrich campaign at all and for its few and brief successes.<sup>11</sup> When it became clear that Romney was going to win the nomination, the neo-conservative donors, including Sheldon Adelson, then threw their support to him. Romney reciprocated by appointing a large panel of advisors on security and defense issues, most of whom were prominent neo-conservatives, and by making a series of well-publicized speeches, which advocated just about every neo-conservative priority and policy.

There is an obvious contradiction between the fiscal conservatism of a substantial majority of the Republican Party's big donors and the security neo-conservatism of a significant minority of its big donors. Such contradictions have to be resolved, or at least negotiated, within a presidential administration when it actually has to make and implement decisions about security issues which entail large fiscal costs. Within a mere presidential campaign, however, candidates can now promise almost anything and everything to particular audiences in different arenas, even things that are contradictory, and this entails almost no political cost at all. This is exactly what Romney did in 2012 with respect to the economic and the security arenas.

What, then, is the character of American conservatism in 2012, four years after the debacle of the reinvented version, brought about by the Great Recession and the ongoing global economic crisis and in the immediate aftermath of the Republicans' defeats in the Presidential and Senatorial elections? In this regard, we will sum up the current condition of the conservative coalition in its three component arenas.

In the economic arena, conservatism continues to be dominated and defined by the same kind of big-business, especially big-bank, priorities and policies which have been dominant for many decades. This domination has even been strengthened in recent years by the greatly increased weight in the Republican Party of big donors to its candidates for public office.<sup>12</sup> But the Party also continues to articulate the rhetoric of traditional, free-market, conservatism, and this has been enough to retain its traditional small-business and independent-proprietor base among voters. Indeed, this base has even been strengthened in recent years by the energy and activism of the Tea Party movement, which on economic issues adheres to traditional-conservative values. In short, in regard to the economic arena, American conservatism is now characterized in its rhetoric by the values of traditional conservatism—supported by a steady or even strengthened mass base of voters—and in its reality by the priorities and policies of what we have called reinvented conservatism—supported by a steady or even strengthened elite source of donors.

In the religious and social arena, however, the picture is very different. This kind of conservatism is today much weaker and more marginalized than it was four years ago. First, there are now very few big donors supporting the electoral campaigns of religious and social conservatives (the only prominent exception in the 2012 elections was a billionaire investor, Foster Friese, who provided the principal financial backing for Rick Santorum). And there has also been a substantial decrease in the number of voters who put religious and social issues as their chief concern

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<sup>11</sup> Adam Clancy, "What Newt Means," *The American Interest*, September/October 2012, pp. 59-63.

<sup>12</sup> Thomas E. Mann and Norman J. Ornstein, *It's Even Worse than It Looks: How the American Constitutional System Collided with the New Politics of Extremism* (New York: Basic Books, 2012), pp. 67-80.

when deciding for whom to vote. Moreover, the Republican Party can always be confident that this shrinking—but still essential—part of its electoral base will continue to cast its votes, however unenthusiastically, for Republican candidates and not for Democratic ones. With a very small donor elite and a shrinking and subordinate voter base, it is not surprising that religious and social conservatives are now only a weak and subordinated component within today's American conservatism.

Finally, in the security arena, the picture is again different, a kind of mixture of the contrasting situations in the other two arenas. First, although the number of big donors who prioritize security issues is much smaller than those who prioritize economic ones, their donations are still sufficient to essentially buy the security priorities of Republican candidates. These priorities are those of neo-conservatism, not traditional (“realist” in current terminology) conservatism; in fact, today, there are virtually no big donors who support traditional security conservatives to be candidates for public office. When we turn from the donor elite to the voter base, however, the situation is reversed. There are very few voters who actually put neo-conservative security priorities and policies (e.g., U.S. military interventions and democracy-promotion abroad) as their chief concern when deciding for whom to vote. Although there are a small number of voters who do make security issues their top concern, the large majority of these actually adhere to traditional-conservative security priorities and policies (e.g., a strong military to defend America itself). With a substantial donor elite promoting neo-conservative security positions and a small voter base adhering to traditional-conservative security positions, it is not surprising that the security arena was an important but secondary one for Republican candidates during the 2012 primary and general elections. But within this secondary area, neo-conservatism has dominated.

#### PROSPECTS FOR THE FUTURE: WHITHER AMERICAN CONSERVATISM?

By itself, this review of the various components of the contemporary conservative coalition would suggest that the electoral prospects for the Republican Party in the future are rather poor. Its defeats in the 2012 elections are likely to be repeated in succeeding elections. There is a well-funded and well-mobilized base for economic and fiscal conservatism, but although this base is strong, it is narrow. Probably no more than 30 percent of the national electorate now votes the way they do because they hold conservative economic and fiscal values, and this is at a time of pronounced economic and fiscal crisis. Of course, within particular Congressional districts and particular states, this percentage will be higher, and this will enable economic and fiscal conservatives—when they can make alliances with large numbers of religious/social or security/patriotic conservatives—to win elections to the U.S. House of Representatives (and even to win a majority) or to the U.S. Senate (but where they are unlikely to win a majority). But in general the prospects for conservatives to win *presidential* elections are doubtful.

It is possible, then, that the great debacle of reinvented conservatism in the 2010s will have consequences for American conservatism and the Republican Party similar to those that followed the original great debacle of traditional conservatism in the 1930s. That is, American conservatism already will have entered into an era where it will mostly be a political minority, while some new version of American progressivism will be in political ascendancy.

Of course, some Republican politicians are well-aware of these prospects, and they cannot be expected to just passively accept the implications. Rather, we would expect that they will seek to bring about yet another reinvention of American conservatism, one which would provide a broader and stronger base for the Republican Party than the current narrow, incoherent, and withered version. What might this new version of American conservatism look like, given the electoral realities (which are based upon political, economic, social, but also demographic realities) of the 2010s and beyond? And here, through a glass darkly, we may glimpse the increasing significance of race.

*The potential role of racial identity.* Racial issues, in the form of slavery and the Civil War, were obviously at the origin of the Republican Party and in its ascendancy during its first 70 years. However, the Party never was seen as the white party. On the contrary, where blacks were able to vote, they generally voted Republican. It was the Democratic Party in the South (in the once-Confederate states) that was seen, and seen accurately, as the white party. More broadly, after the Civil War, traditional American conservatism, while neglectful of the interests of black people, did not include white racial identity as an important component, even in its social or cultural dimensions.

However, the coming of the civil rights movement of the 1950s-1960s—and especially the Civil Rights Act of 1964 and the Voting Rights Act of 1965—brought about a new racial reality in American partisan politics and a reversal of

the racial identities of the Republican and Democratic parties. By the late 1960s, blacks were overwhelmingly voting for the Democratic Party, and whites in the South were largely voting for the Republican Party. Indeed, with their “Southern strategy,” Republican leaders made it a major objective to have Southern whites see the Republican Party as the white party. In the South, this new racial and partisan reality has only become more pronounced during the ensuing half-century.

In the rest of America, however, Republican leaders have generally tried to avoid a racial identity being attached to the Party. Rather, as we have seen, they have emphasized economic/fiscal, religious/social, and security/patriotic issues and identities. And what has been true of the Republican Party has been even more true of the reinvented conservative movement. None of the major components of reinvented conservatism has provided any acceptance or even acknowledgement of racial issues and identity as being legitimate. The only exception is in the social arena, where many social and cultural conservatives have criticized affirmative-action policies which have explicitly and directly given preferences to blacks and Hispanics.

Such policies seemed to many to be in obvious contradiction to all the language and legislation of the civil rights movement about prohibiting discrimination based upon race and about equal rights for all, and it provoked a good deal of resentment—and even delegitimization of the Federal government—among many whites. In recent years, therefore, progressives have developed an alternative way of constructing public policies in order to give substantial assistance to blacks and Hispanics. Since a much larger proportion of these two groups is poor, in comparison with whites (and also with Asian-Americans), policies which give substantial assistance to poor people will implicitly and indirectly also give such assistance to blacks and Hispanics. There have been three major areas where such policies have been implemented in recent years: (1) housing ownership; (2) economic stimulus; and (3) medical care.

(1) Several major Federal housing programs promoted giving sub-prime and “alternative” (i.e., higher risk) mortgages to poor people, and probably a majority of such mortgages were sold to blacks and Hispanics. In a sense, then, this program put blacks and Hispanics at the center of the housing and financial crisis that began in 2007. Although these housing policies had been devised to advance progressive ideals and interests, and were therefore supported by Democratic presidential administrations and Congressional legislators, they were also supported by the Republican administration of George W. Bush and by the Republican Congresses from 1994 to 2006.

(2) The economic stimulus program which the Obama Administration and the Democratic Congress adopted in early 2009 directed most of its assistance to maintaining or increasing employment among public-service workers, state and municipal as well as Federal. In many localities, however, a large number of these workers are black and Hispanic. (They are also members of public-service unions, which regularly and overwhelmingly gave campaign contributions to Democratic candidates. In fact, public-service workers do not actually comprise the poorer parts of the black and Hispanic populations. An economic-stimulus program truly focused upon poorer blacks and Hispanics would have emphasized infrastructure projects, which would have hired large numbers of black and Hispanic construction workers.)

(3) The Health Care Act which the Obama Administration and the Democratic Congress passed in 2010 greatly expanded Federal spending on the Medicaid program, in which a large number of the recipients are blacks and Hispanics. The Act provided that a good part of this expansion of Medicaid would be funded by shifting money from Medicare, in which most recipients are white. Whereas the disproportionate assistance given to blacks and Hispanics by the housing-ownership and economic-stimulus programs was largely unnoticed by whites, this aspect of the Health Care Act soon became a topic of private conversations, an underground discourse beneath the public discourse, among many older white conservatives.

There is therefore a growing consciousness among whites, especially among older ones, that Democratic programs not only benefit the poor at the expense of the middle class, but that they benefit blacks and Hispanics at the expense of whites. This consciousness is heightened by current economic realities, because government policies to bring about redistribution of monies from a stagnant or shrinking economic pie impose obvious and painful costs upon the middle class. It is also heightened by changing demographic realities, because the black and Hispanic proportion of the American population is steadily increasing, with these two groups already accounting for a majority of births in the United States each year.

Since the conventional identities of Republican voters—be they the identities of either traditional conservatism or reinvented conservatism—now issue in a voting base that is too narrow and withered to win most presidential and senatorial elections, the Republican Party leadership has to think about how to expand that base and that probably means adding groups with new identities or ones that are redefined. In particular, the Republican establishment will try to somehow persuade many more Hispanics (73 percent of whom voted for Obama in the 2012 presidential election) to vote Republican in the future.<sup>13</sup> However, there are formidable sociological and political obstacles standing in the way of this establishment Hispanic project.

An obvious alternative path for the Republican Party in expanding its electoral base leads from the South to the rest of America, i.e. from the Republicans being the white party in the South to the Republicans being the white party in America as a whole. In the 2012 presidential election Romney got 60 percent of the white vote, while Obama received only 38 percent. Of course the Republican establishment knows how dangerous and destructive it would be to have an American party system defined and divided along racial lines, even if not explicitly or overtly so. However, if the Party grows more desperate to gather voters in hard times, its younger political entrepreneurs might calculate that a racial path for the Party might well be the best path to advance their own ambitions, and themselves.

These speculations lead to a prospective realignment—or rather a sharpening of the current alignment—of the American party system along the following lines: The core voting groups for the progressive coalition and the Democratic Party are (1) blacks, (2) Hispanics, and (3) workers in the public sector. Conversely, the core voting groups for the conservative coalition and the Republican Party are (1) economic and fiscal conservatives; (2) Evangelical or Bible-believing Protestants; and (3) white male workers in the private sector.<sup>14</sup>

*The potential role of gender identity.* Of course, in this alignment there remains one immense independent or swing group, and that is white women. A substantial majority of these now vote for Democratic candidates, with economic issues being primary for working-class women and social issues being primary for middle-class women. If these women continue to vote for the Democratic Party in the future, the prospects for the Republican Party to win most presidential and senatorial elections will remain bleak.

In our long review of the history of American conservatism, we have seen it appeal over the decades and in successive versions to a wide array of different groups and interests. But neither traditional conservatism or reinvented conservatism ever had much to appeal to women, if they saw their principal identity to be as women. The same is true of the weakened movement that now passes for American conservatism and of the Republican Party that is its institutional expression. It will only be if the conservatives and the Republicans can convince large numbers of American women that their principal concern must be about conserving something important to them that American conservatism will have a future.

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<sup>13</sup> “Tough Loss Leaves GOP at a Crossroads,” *The Wall Street Journal*, November 7, 2012, pp. A1, A6.

<sup>14</sup> Michael Barone, “The Evolution of the Republican Party Voter,” *The Wall Street Journal*, August 27, 2012, p. A15.