

Kim Phillips-Fein. 2009. *Invisible Hands: The Businessmen's Crusade Against the New Deal*. New York, New York: W.W. Norton. pp. 360. \$16.95. ISBN-978-0-393-33766-2.

Barry Goldwater's failed candidacy for president in 1964 is often marked as the beginning point for the onward march to free-market conservatism. However, New York University professor Kim Phillips-Fein writes that the conservative movement born from the 1964 Goldwater campaign was actually conceived thirty years earlier. According to Phillips-Fein's *Invisible Hands: The Businessmen's Crusade Against the New Deal*, the thirty-year pushback from big business against government expansion started to bear fruit in the 1960s, even before Goldwater's watershed defeat. From that failed campaign emerged the political organization machinery that spawned multi-million member conservative donor lists which shifted the Republican Party rightward in the late seventies and early eighties. The Civil Rights movements of the early sixties, culminating with the Civil Rights Act of 1964, caused the demographic shift, as highlighted by Kevin Philips' *The Emerging Republican Majority* in 1969, which converted the South from a Democratic to Republican stronghold.

As in a biblical chronology, 1964 appears to be the beginning point of modern conservatism: Goldwater conservatism begat Reagan conservatism, which begat George W. Bush and the conservative, pro-

business era we live in today. How can we know that we are currently in a conservative, pro-business era? One way is to compare where the country has been politically and economically. The highest tax rate on earned income in 1953 was 92%, while the highest tax rate on earned income today is 35%. The ratio of CEO pay to worker pay was 41:1 in 1960 and by 2007 had expanded to 344:1. Since the 1970s the gap between the middle class and upper class has grown dramatically to the point that the top 1% now has a tremendous financial advantage in the political arena. This expansion of power is continuing during the presidency of a liberal Democrat, but perhaps party no longer matters. Political scientist Larry Bartels concluded from his studies of Republicans and Democrats in the Senate that members of both parties neglected the demands from citizens of modest means. The senators may respond simply to where the money is. In the current financial analysis of wealth in America today, the bottom eighty percent in the financial pyramid lose over seven hundred billion dollars a year, whereas the top one percent gain over six hundred billion. Only the 1890s or in the 1920s did big business control government with as firm a grip as today. In the dark days of the 1930s, business elites began planning for a return to a time like the 1890s or 1920s—a time that they believed was a golden era of unfettered business authority.

Phillips-Fein writes that the Great Depression was not only an economic disaster for the country but also a political disaster for business elites. Leaders of major corporations, such as the du Pont brothers, believed Roosevelt's National Recovery Administration and other government programs were putting the country on the road to socialism. Preventing socialism would only be accomplished, in the words of DuPont Chemical executive Jasper Crane, by using "men who know the truth and won't compromise with evil." Paradoxically, the way to slow down, stop, and eventually reverse the power of government was to adopt a new form of conservatism.

American conservatism has been a unique mixture of Burkean conservatism which emphasizes preserving tradition and classical liberalism that supports an unfettered marketplace. But, by the 1940s Burkean conservatism would become overshadowed by free-market conservatism. Phillips-Fein writes how the Austrian economists Friedrich von Hayek and Ludwig von Mises used the language of freedom and revolutionary change in defending the free market. Thus business groups in America such as the National Association of

Manufacturers and the Chamber of Commerce did not argue in their defense of the marketplace that they wanted to restore a moral order with the rich in charge, but instead that the free market would transcend social class and liberate all. This in turn would eliminate any need for workers to align with unions.

In her introduction, Phillips-Fein states that she is not writing a conspiratorial tale. Instead she is chronicling a political movement that has had setbacks along the way but has had its eyes on the prize to bring business back to the place of preeminence in the American political system. This has been accomplished through the methodical drumbeat of support for volunteerism, private property, and limited government, the triumvirate of marketplace conservatism. Dating back to the 1950s business has used the media to tout marketplace conservatism, as in the case of General Electric spokesman Ronald Reagan who hosted a weekly television series sponsored by the company. In the 1970s the Business Roundtable sponsored television programs and newsletters advocating business. Marketplace conservatism also has had advocates in other prominent areas of the American political system and culture: the courts, the churches, and interest groups. Throughout her narrative, Phillips-Fein notes the systematic preparation of the business elites from the 1930s who determined that if they wanted to succeed economically they must control politics.

*Invisible Hands* provides additional answers to questions asked in Thomas Frank's *What's the Matter With Kansas?* with respect to why so many working class Americans vote against their own economic interest. There have now been over seventy years of propaganda expounding a version of liberty that encourages individualism at the expense of the group, even though the creators of the propaganda have their group's protection as the top priority. Also, *Invisible Hands* can serve to refute the claims to American exceptionalism made in Seymour Lipset and Gary Marks' *It Didn't Happen Here: Why Socialism Failed in the United States*. While the American political culture has always had a commitment to individualism which inhibits a move toward socialism as Lipset and Marks propound, there has also been an orchestrated manipulation by the business elites to make socialism appear harmful to Americans of all classes. Phillips-Fein would argue that the culture may oppose socialism and support the free market, but this aspect of American culture was not organically grown but concocted in a

laboratory. *Invisible Hands* is a useful book to read as the 2012 presidential election evolves. As the liberal Democratic incumbent attempts to be reelected with the help of a war chest near a billion dollars, we can be reminded of the quote from President Calvin Coolidge: “The business of America is business.”

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