important cultural shifts. But perhaps more power could have been built had organizing been conceived of in a different way. Certainly now, it is time to reflect on the shortcomings of these modes of organizing, and to move toward processes and forms that stand a better chance at winning us the world we want to see.

Easier said than done. But with the perspectives supplied by Kauffman's journalistic history, and Smucker's critiques and reflections, the readers of these books will be better prepared to face the formidable tasks ahead.

Author Biography

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Property Supremacy

Democracy in Chains:The Deep History of the Radical Right's Stealth Plan for America
By Nancy MacLean
Viking, 2017
ISBN: 9781101980996

One Percent Solution: How Corporations Are Remaking America One State at a Time
By Gordon Lafer
Cornell, 2017
ISBN: 1501703064

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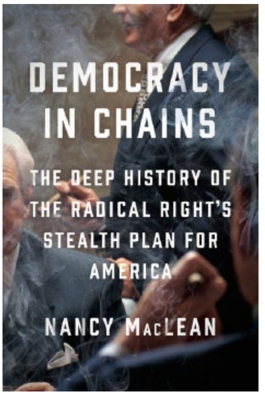

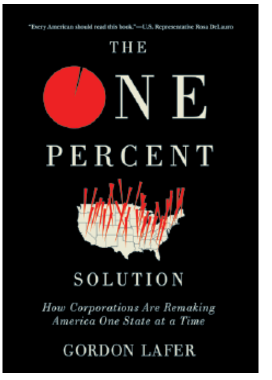

During a carefree afternoon at the racetracks in 1938, Harry Hopkins, one of President Roosevelt's closest confidants, frankly described the political program of the New Deal. "We will tax and tax, spend and spend, and elect and elect," he told a group of gambling journalists. Hopkins was the director of the Works Project Administration, responsible for distributing relief jobs into nearly every county in the United States. Although historians debate the veracity of the press account, the controversy it provoked revealed the contemporary ambivalence toward the unprecedented level of peacetime government spending. Was the administration exchanging jobs for votes—just a reiteration of Tammany Hall on a grand scale?

Conservatives massaged the argument into a now-familiar canard. Public services, they argued, "bought" votes; the public sector was marred by an endemic form of corruption. This transactional reading of the state had been intuitive to Hopkins, but by the time the New Dealers were old and Lyndon Johnson was president, it had become a crusading chant of reaction. That owes much to the Nobel-prize-winning Southern economist James Buchanan, who is the antagonist of Nancy MacLean's new book *Democracy in Chains: The Deep History of the Radical Right's Stealth Plan for America*.

Over the past decade, some of the sharpest minds of the American left have analyzed the sociological origins, the political ideology, and the sources of financing behind the ascendant libertarianism of late twentieth and early twenty-first-century America. Thomas Frank's 2008 *The Wrecking Crew*, for example, gave us a theory and history of government-by-lobbyist. From the Reagan Youth to the George W. Bush administration, he argued, conservative politics had operated on the belief that the best way to preserve business autonomy was by financing campaigns to sabotage public programs. In the wake of the stalled Obama agenda, Jane Mayer reevaluated this phalanx of free-market think tanks, freelance policy shops, and political consultancies as the privately financed “idea factory” and “political bank” of a coterie of fossil-fuel and financial-services executives centered around Charles and David Koch—those who had been waging a permanent political campaign since the 1970s to roll back government oversight of their familial enterprises, and to protect their inherited wealth from taxation. Thomas Frank, *The Wrecking Crew: How Conservatives Ruined Government, Enriched Themselves, and Beggared the Nation* (New York: Metropolitan Books, 2008). Jane Mayer, *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right* (New York: Doubleday, 2016).

MacLean, a historian of reactionary social movements, places James Buchanan—relatively unknown to casual readers of Mayer and Frank, but a towering figure in many economics departments—at the core of this otherwise-familiar story of political institution building. Buchanan’s scholarship, she argues, was shaped by his aversion to the social crisis of the civil rights movement. His body of thought, public choice theory, saw the public services to which African Americans had begun to successfully lay claim as wasteful violations of individual property rights. MacLean thus builds a historical bridge connecting old-school Southern racism to modern-day libertarian politics. This argument has provoked tremendous controversy among the generations of economists trained in Buchanan’s shadow, who have argued that MacLean has misunderstood or purposefully misrepresented Buchanan and his ideas. His work’s central concern, they say, was the *protection* of the rights of groups targeted by hostile electoral majorities. In this category, of course, they include property owners.

To understand the sensitivity of right-leaning economists to MacLean’s accusations, it is important to know the breadth and influence of the ideas in question and the man behind them. Buchanan, who died in 2013, was an arch-libertarian. He referred to the graduated income tax as “discriminatory,” opposed sovereign debt on principle, and over the past fifty years his scholarship helped to make these judgments into respectable opinions. Under these institutions, he argued, government by majority-rule was the first move toward an inexorable redistribution of resources away from more productive uses. Buchanan spent much of his career theorizing the political economy of different legal and constitutional arrangements: how does designing state institutions one way or the other enhance or disable the power of venal interest groups? The study of these outcomes has become a voluminous subfield—“public choice” theory. But his ideological partisanship emerged from a relatively neutral idea: that political votes have material rewards and that control of fiscal policy is often self-serving. Many New Dealers would not have disagreed.

MacLean . . . builds a historical bridge connecting old-school Southern racism to modern-day libertarian politics.

Public choice scholarship serves today as a major intellectual bulwark of the policy goals pushed by ALEC and the Chamber of Commerce, such as state-level balanced budget amendments, elimination of collective bargaining for government employees, and the privatization of public education—an agenda which has achieved startling progress, as labor economist Gordon Lafer analyzes assiduously in his recent *One Percent Solution: How Corporations Are Remaking America One State at a Time*. As Hopkins might have put it, a leading wing of American business today hopes to “cut and cut, donate and donate, and elect and elect.” MacLean’s harshest critics aim to distance this modern assault on the public sector, which carries broad intellectual support, from the defeated and discredited politics of Jim Crow Virginia, where Buchanan made his career.

Democracy in Chains begins with the 1950 Supreme Court case *Davis v. County School Board of Prince Edward County*, one of the five public-school desegregation lawsuits folded into *Brown v. Board of Education. Davis* emerged from a student-led strike at the all-black Moton High School, in Farmville, Virginia, organized in protest of the district's endemic underfunding, and it is in the telling of this community's self-organization that MacLean seems most comfortable. Within two weeks, the NAACP arrived and filed a lawsuit on behalf of nearly two hundred black parents and students in Prince Edward County. The *Brown* decision that followed re-balanced power relations in small communities throughout the South, and the Virginia piedmont was no exception. Yet it still took four years—after Eisenhower's decisive intervention in Little Rock, Arkansas—for any public schools in the state to announce their intention to follow the court's ruling to integrate their student bodies. Meanwhile, in 1956, the Virginia Democratic Party passed a raft of state laws to shutter any school pursuing integration. Led by Richmond newspaperman (and future nationally syndicated columnist) James Kilpatrick—who called the *Brown* decision "a rape of the Constitution"—the region's political establishment committed itself firmly against following the court's orders.

It was into this fight that James Buchanan arrived, a young professor bouncing around Southern universities, looking to establish an institution from which to build his career. Hired by the University of Virginia in 1956, he immediately pitched the university president the idea of establishing a center for political economy to combat the "collectivist ideology" he then considered hegemonic. For financing, they turned to the William Volker Fund, which had already financed American participation in the Mont Pelerin Society and underwrote the mass distribution of *The Road to Serfdom* and *The Sovereign States* (Kilpatrick's segregationist manifesto), and which was just beginning to finance the career of Milton Friedman.

Buchanan's first foray into policy analysis at Virginia was lobbying the state legislature to liquidate the public-school system to use the proceeds to fund a private-school voucher program. Thirteen thousand white children had been left without classrooms because the state government decided public education had to be segregated, but some districts had tried to integrate. These white families began to turn on local elites, and the voucher program offered them the private schools they could not otherwise afford—while keeping out the black students whose inclusion the federal government ruled mandatory in public classrooms. The voucher idea failed, though not, it turned out, for good.

Three years later, Buchanan published his career-making book, *The Calculus of Consent*, co-written with Gordon Tullock, a writer sent by the Volker Fund. As the title implied, they were concerned with the costs and benefits individuals can expect from participation in group activity in the polity. Buchanan's scholarship—of which MacLean could have quoted more—was influential because he showed that not all individuals would benefit equally to the degree they paid into public services. For example, in an early article prefiguring an argument in *Calculus*, Buchanan argued that the material "value of a political vote [to its holder] lies in its potential power to impose external costs on other members of the group"—the political system had "profits" and votes had "returns," and these unanticipated costs were borne by other members of the group. The wealthy might benefit very little privately from public services such as transportation, housing, or education, but the government would continue to provide them (at their expense) because the benefits were enjoyed by a majority of voters. There was a "spiral effect" to the growth of the public sector. Such redistribution is commonly understood as the cost of lawmaking in a democracy. But for Buchanan, such costs represented a "political externality"—a "distortion" of the "market solution" to satisfying individual desires.

It was a trenchant use of economic method to analyze politics, and it soon found an audience. Philanthropy plays a driving role in most histories of right-wing politics, and it is with the activities of the Volker Fund that MacLean has highlighted some important ligaments of the business coalition that succeeded in rolling back much of the New Deal. While historians such as Angus Burgin and Kim Phillips-Fein have traced the Fund's arc under the pivotal directorship of Harold Lunhow in the 1940s and 1950s, MacLean highlights his lesser known employee F. A. Harper. One of the final staffers of the fund, Harper continued financing anti-statist and anti-labor ideas as the founder of the Institute for Humane Studies (IHS), a libertarian initiative which began collecting checks from Charles G. Koch in 1965, and which is today housed at George Mason University with the Mercatus Center, the libertarian research institute.

Harper had been affiliated with the John Bircher Freedom School, the short-lived and farcical libertarian summer camp featured by Mayer and other Koch chroniclers. But unlike the Freedom School, the IHS survived into the 1970s to become a sapling institution of the modern libertarian movement. It trains academic cadre to this day. Its fellows have staffed the Heritage Foundation and the Cato Institute and proselytized the infamous Judge Lewis Powell memorandum urging the Chamber of Commerce to increase its political spending. Throughout the decade, Koch and Buchanan collaborated in building up the institute—financing research, holding conferences, and establishing sister institutions. In 1974, the Charles G. Koch Foundation was founded; Buchanan spoke at the philanthropy's celebratory opening.

In 1981, Richard Fink, executive vice president of Koch Industries and director of the Koch Foundation, was hired by George Mason University, then a small commuter school spun off of the University of Virginia system accumulating philanthropic donations for its conservative economics department and law school. Buchanan had been consulting at the Liberty Fund—a philanthropy singularly responsible for the spread of the "law and economics" style of legal education, the now-influential approach emphasizing market efficiency in the determination of justice. He joined Fink at George Mason the next year. Just as the Volker Fund had groomed Buchanan in the late 1950s, now Buchanan, directing the economics program at George Mason and selecting grantees for Liberty, would help to train the current generation of professional libertarian academics. And, from his office at George Mason, Fink would direct funding to an outfit devoted explicitly to electoral politics, Citizens for a Sound Economy, which offered corporate donors a field staff of political organizers to use against the Clinton administration, and which split in 2004 into two deeply influential non-profits at the core of the Tea Party, Americans for Prosperity and FreedomWorks.

In 1980, Buchanan was also invited by the Chilean dictator Augusto Pinochet to help write that country's post-coup constitution. Among the policies he proposed was to outlaw fiscal deficits, enshrine central bank independence, ban union leaders from political activity, restrict collective bargaining to wages and hours, and require a five-sixths supermajority for amendment. What was born in massive resistance, eventually found its way—through some detours—to state capitals across the country and the world.

Such attention to the rules of the policy game drives much right-wing strategy today, as Gordon Lafer shows in *The One Percent Solution*. Fifteen states have restricted public-sector collective bargaining rights since 2010; twenty-two restricted ballot access; four have attempted statutory limitations on future state spending. Deficits created by tax cuts and the business downturn following the financial crisis have spearheaded a massive acceleration of the Bush-era privatization campaign: state and local governments cut 230,000 jobs in 2011 alone, "more sharply than in any year since the government began keeping track in 1955," Lafer writes. For public services to have maintained their staffing at 2008 levels, state and local governments needed to hire 1.8 million more people in 2014.

These are just a few of the more salient policies business has pursued to, as Lafer puts it, "rewrite the rules of the nonunion economy." Reducing public-sector employment, with its stable schedules and secure retirement, is what unifies this campaign, Lafer argues. By its very existence, public-sector employment obstructs the "revolution of falling expectations among the public" critical to the long-run success of the program. Echoing Thomas Frank's Bush-era argument, Lafer contends that business policymakers, by poorly funding services, exacerbate dissatisfaction and fuel voters' resentment against government employees and the taxes that pay them. As "life expectations are ratcheted downwards," political opposition to business rule subsides.

. . . Lafer contends that business policymakers, by poorly funding services, . . . fuel voters' resentment against government employees . . .

Expansions in the public sector capable of reversing this trend appear increasingly impossible. For example, Americans for Prosperity, whose leaders were on staff at George Mason for many years, has succeeded in preventing nineteen states from accessing the Medicaid dollars appropriated by the Affordable Care Act in 2009. City budgets remain shrunken from post-recession state-level cuts. The raft of emergency-manager statutes removing city councils' budgetary authority remains on the books. Lafer argues this trend is much more than a continuation of Bush-era politics. It is a new attempt at "channeling . . . anger" over Wall Street's conduct during the financial crisis "in a direction that was benign for the donor class." Blaming poor economic performance on government exonerates business leaders, and reverses the cause of deficits created by the fall of tax receipts during the business cycle.

Lafer's book finely tabulates the lobbying efforts of these groups to shrink revenues, roll back public services, and lock in their changes. Public investment is increasingly unavailable; regulating private transactions is equally daunting. "Pre-emption" laws prohibiting municipal wage and hour laws have been at the forefront of the agenda advancing across the states since 2010. "Corporate power," he writes, "is greatest at the level of state legislatures." He might have mentioned the global echoes of the ALEC program. Brazil, its government sundered by judicial inquiry, last winter passed a Buchanan-style constitutional amendment capping the current level of social spending for twenty years.

When government programs are attacked, as in education, it is often the very lobbies contributing campaign donations that assume control of redirected revenues. Charter schools absorb public dollars; FedEx edges out the Post Office. "This agenda serves to lower corporate tax bills," Lafer writes, "and creates new markets for those hoping to profit from the privatization of public services." There are few new insights to this claim, but Lafer has compiled a mountain of evidence for anyone who still doubted the direction and import of the pervasive hostility to the public sector today. In 2011, for example, Americans for Prosperity organized the members of the state legislature of Arizona to cut corporate and personal property taxes earmarked to county preschools, handing business and real estate interests $538 million while kicking nearly 130,000 children out of school. (Governor Jan Brewer vetoed the law; governors, unlike many state representatives, face organized opposition.) MacLean sees the strategy pursued in 1950s Virginia against integration as motivated by a similar impulse to the business program moving throughout the states today: what she intriguingly describes as "property supremacy."

There is some irony, then, that a right-wing critique of self-serving fiscal policy has become a major thrust of left-wing denunciations of the business-led state. Buchanan had a name for this rhetorical move: he called it "politics without romance." As Frank complained nearly a decade ago, nearly all of the leading philanthropists funding free-market ideas have benefited from government—either the military contracts of the Olin Corporation and the Allen-Bradely Company, the education contracts of the DeVos Foundation and Jeb Bush's Foundation for Excellence in Education, or the favorable tax treatment and environmental rules for the oil companies behind the Scaife-Mellon and Koch Foundations.

This "de-romanticizing" of ideas reduces movements to their bare material terms, and many leading liberal politicians have absorbed the Buchanan critique in part. Today, much of the Democratic Party leadership continues to see the offer of public services and jobs in exchange for votes as something beneath them. Transactional politics remains campaign taboos. To be more preoccupied with one's reputation in capital markets than with the electorate is now the mark of a serious campaigner. This is because Buchanan's characterization of the public sector as a perverse use of resources succeeded in disarming statist liberalism of its greatest weapon.

But the de-romanticizing strategy has not worked in reverse. Regardless of however much exposing liberal journalists undertake, business continues to engage in transactional politics, often in pursuit of its own idiosyncratic and undemocratic goals. For all his simplification of electoral politics, Buchanan cherished his own romantic illusions of absolute individual liberty and the inviolability of property. How many modern American liberals can say the same about their ideals?

Author Biography

Andrew Elrod is a graduate student in the history department at the University of California, Santa Barbara. His writing has appeared in *Dissent* and *n+1*.

Our Bookshelf: Recent Publications by Members of *New Labor Forum*'s Editorial Board and Staff

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BEHEMOTH: A History of the Factory and the Making of the Modern World

By Joshua B. Freeman

W.W. Norton, 2018

In this far-ranging biography of the factory, spanning from its origins in England's industrial revolution to the modern realization of city-sized mega-factories in China, historian Joshua Freeman reveals how the multifaceted form of the factory drove globalism, remade capitalism and communism in its image, and permanently altered how we think about the value of human life and the meaning of work.

The factory is, Freeman argues in this major new book, the definitive sign of modernity. Equally at home in any continent, as much a part of the free market United States as in Stalin's USSR and modern China, the factory marked the beginning of the cultural and economic era we now live in. *Behemoth* gives readers a new perspective on the people, events, and decisions that created the factory and, by extension, the factory-made world we know.

Author Biography

Joshua B. Freeman is a Distinguished Professor of History at Queens College and the Graduate Center of CUNY. He is a consulting editor and frequent author for *New Labor Forum*.