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AMERICA'S INVESTIGATIVE THINK TANK

## ***Philanthropy in The Rise and Fall of the Neoliberal Order***

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June 13<sup>th</sup>, 2022

Gary Gerstle's new *The Rise and Fall of the Neoliberal Order: America and the World in the Free Market Era* edifyingly recounts the ascent and dominance in American thought and public policy of neoliberalism, which downgraded the role of government and allowed a greater role for private market forces for almost 50 years before having to reckon with a newly ascendant populism on the right and progressivism on the left. Philanthropy plays a part in his account, or at least part of his account.

Gerstle is the Paul Mellon Professor of American History at the University of Cambridge and a fellow of Sidney Sussex College. Grossly oversimplifying, his book generally and well-describes Presidents Ronald Reagan as laying the post-New Deal and -Great Society neoliberal order's foundations and Bill Clinton as consolidating its gains.

Conservative grantmaking foundations helped along the way, by Gerstle's telling. While he doesn't promise anything more, almost all of his specific examples have also been noted by others in the past, prominently including researchers and activists who wanted liberal and progressive grantmakers to mimic the conservatives' successful giving strategies and tactics.

### **Powell, Olin, Coors, and the Kochs**

As have others—and, arguably, similarly too tidily and conveniently—Gerstle also specifically relies on the "Powell memo" for his narrative. Written in 1971 by soon-to-be-Supreme Court Justice Lewis Powell, the memo advised the U.S. Chamber of Commerce to undertake activities to better and more staunchly defend capitalism and the free-enterprise system against the then-increasing number and severity of attacks on it.

“[T]he public release of the Powell memo was a gift to the neoliberal movement,” according to Gerstle in *The Rise and Fall of the Neoliberal Order*, “for it served as a rallying point for many businesspeople, intellectuals, and would-be policymakers who wanted to restore free enterprise and free markets to the center of American life.”

Gerstle quotes successful businessman and John M. Olin Foundation founder John M. Olin as writing “The Powell memorandum gives reason for a well organized effort to reestablish the validity and importance of the American free enterprise system,” and the book says brewer Joseph Coors, Jr., “was also inspired by the Powell memo” in helping finance creation in 1973 of The Heritage Foundation—which quickly “established a reputation as the most politically aggressive think tank in the neoliberal firmament.”

Gerstle continues by citing the wealthy Koch family’s funding, beginning in 1974, of what became the Cato Institute, which “[n]o think tank would outdo ... in terms of its hostility to the New Deal order and the fierceness of its belief in libertarian principles.” Created in 1977, moreover, the Manhattan Institute supported George Gilder’s *Wealth and Poverty*, which “became one of the bibles of the Reagan administration and the emerging neoliberal order on its publication in 1981.

### **“Slow to Recognize”**

“Liberals and leftists were slow to recognize the size and coordinated nature of this counter-offensive,” Gerstle writes,

in part because it was taking shape outside the districts in which they lived and worked. These districts included universities (and the college towns surrounding them), Georgetown salons, labor unions, institutions such as Brookings and the Ford and Carnegie foundations, newspapers such as the *New York Times* and the three television networks—ABC, CBS, and NBC—that dominated national broadcast media. They constituted a kind of New Deal order establishment, now pushed to the left by radical student movements.

Gerstle goes on to note the Powell memo’s “call to arms was to build what the journalist Sydney Blumenthal long identified as a ‘counter establishment’” of conservative and market-oriented think tanks, newspapers, other forms of media, and vehicles of political mobilization.

Olin, Coors, the Kochs, and others “viewed their businesses as having been built with family blood, sweat, and tears,” according to *The Rise and Fall of the Neoliberal Order*. “They interpreted their economic success as a reflection of their gumption, talent, and forbearance, on the one hand, and of America’s commitment to free enterprise, on the other. The notion that great reward awaited those taking great risk was central to their understanding of the American dream.”

These courageous risk-takers, Gerstle correctly writes, saw unfair regulation-enforcing government officials as the leading edge of communist tyranny or, in Lewis Powell's words, of "state socialism."

The anger among these proprietary capitalists at government and the New Deal order gave the Reagan revolution its radical edge. Its members never ceased being inspired by Barry Goldwater's declaration in his 1964 acceptance speech that "extremism in defense of liberty is no vice." No expense was to be spared in mounting this defense, which is why the Kochs, the Coorses, and their ilk were investing large sums from their personal fortunes into foundations, PACs, and candidates that, in their eyes, might save their enterprises and the American system of freedom that had made them possible.

### **Adoption, and Elitism**

Gerstle later, also correctly, observes: "That a new generation of Democrats had begun adopting neoliberal principles as their own" for and in the post-Reagan period "was a sure sign of this ideology's ascent." In a first contrast—to that which the pre- and actual Reagan-era conservative and libertarian givers did—however, the book does not really devote as much space to that which liberal givers, including the large establishment philanthropic ones, did to promote the rise of neoliberalism leading up to and during either the Clinton or Obama eras.

Gerstle does passingly hint at the nature and degree of some of this support when referencing harsh critiques of Hillary Clinton by fellow 2016 Democratic presidential-primary candidate Bernie Sanders. Clinton

did not understand why the internationalist credentials she had acquired as a hard-working and world-traveling secretary of state were now seen by many as a liability. She did not seem to comprehend the conflict between the close relations she had developed with world leaders, on the one hand, and the donations these leaders were making to her family's Clinton Foundation, on the other.

It was "hard for her to understand how thoroughly she had come to be seen as encased in the world of a privileged and globe-trotting elite."

Beginning in 2017, seeking a strengthened progressivism, Gerstle goes on, some "left-leaning donors with ample reserves began to encourage and coordinate the kind of fundraising efforts that every movement in America aspiring to become a political order requires."

### **Slow to Recognize (II)**

In a second contrast—here, to that which Gerstle’s *The Rise and Fall of Neoliberalism* devotes to conservative givers’ promoting the rise of government-skeptical, market-minded neoliberalism—he does not devote much space to what they may have done to contribute to its fall. Such would have been difficult, of course; there’s actually not much to document or summarize.

Conservative philanthropy flat-footedly missed that which gave rise to the political, and cultural, ascendance of Donald Trump and “Trumpism,” whatever that might now end up meaning and becoming. It wasn’t doing, or even recognizing, anything different. Like the liberals and progressives of yesteryear, it sure seems to have been slow to recognize a serious counter-offensive. Unlike in the 1960s and ’70s, it didn’t seem, pre-2016, to be too forward-looking; in fact, it sure seems to have become too insular, too removed, too elite in and of itself.

For the most part, in further fact, it’s still trying to catch up, and either engage or just somehow deal with the creation and growth of what’s an aggressive new conservative “counter-establishment” of sorts. For future researchers and activists, there must be a conceptual, infrastructure-shaping equivalent to the “Powell memo” out there, if even only to again overhype. One senses both conservative “counter-establishments” could currently use a good one.