

# Neoliberal reformers: Economics as class warfare

The Economic and
Labour Relations Review
2018, Vol. 29(2) 250–262
© The Author(s) 2018
Reprints and permissions.nav
DOI: 10.1177/1035304618764968
journals.sagepub.com/home/elrr



### **Braham Dabscheck**

The University of Melbourne, Australia

#### **Abstract**

This review article discusses MacLean's study of the ideas of a group of economists and their embracing by an oligarchy of business groups to implement a Neoliberal agenda and its implications for American democracy. It mainly focuses on the Nobel Prize winning economist James McGill Buchanan and the industrialist Charles Koch. Business groups provided funds to Buchanan and others to train right-minded people in the precepts of Neoliberalism, established think tanks and institutes to disseminate their views, and 'directed' and/or provided advice and draft legislation for Republican politicians at both the state and federal level. Inspiration for how to achieve this Neoliberal 'revolution' can be found in Lenin's 1902 What is to be Done?. The Neoliberal attack on government and statism is consistent with Orwell's notion of doublethink. It constitutes a weakening of those parts of the state which are inimical to the interests of a wealthy oligarchy, the federal government and agencies/government departments who are viewed as imposing costs (taxes) on and interfering with (regulating) the actions of the oligarchy, and strengthening other parts such as state governments, the judiciary, at both the state (especially) and federal level and police forces to protect and advance their interests.

JEL codes: B10, B22

### **Keywords**

Charles Koch, despotism, doublethink, freedom, government, James Buchanan, Neoliberalism, politics, slavery, the market, the state, think tanks, Vladimir Lenin

Nancy MacLean, *Democracy in Chains: The Deep History of the Radical Right's Stealth Plan for America*. Melbourne, VIC, Australia; Scribe Publication, 2017, pp.: xxxiv + 334, ISBN: 9781925322583 (Australian edition), AUD35.00 (paperback).

Freedom is slavery. (Orwell, 1969 [1949]: 7)

### Corresponding author:

Braham Dabscheck, Melbourne Law School, The University of Melbourne, Parkville, VIC 3010, Australia. Email: bdabsche@bigpond.net.au

Can a lump of geography which calls itself a nation, sovereign to itself, operate without state institutions to govern and determine its operation? Before answering this question, let us lower the barrier by allowing scope for state institutions to maintain law and order and national defence. Even allowing for this qualification, the answer would seem to be no. At a minimum, there would need to be a government (or governments, allowing for the existence of federations) and other state institutions to provide 'social oil' to enable a nation, this lump of geography, to navigate its way through time. The alternatives would be chaos, the 'law of the jungle' and being taken over by a 'force' not so squeamish about exerting power.

A more important question, however, is why do we need to consider such an issue in the first place? In answering this, let us assume that the lump of geography has within its midst numerous individuals and groups which are in competition with each other for resources, influence and power – what is described by scholars as pluralism. Individuals and groups may be wracked by fear that the state will be captured by 'others' who will use the state at the expense of those who 'let' such capture occur. For example, in the United States of America, those individuals and groups which have amassed fortunes and are wealthy are fearful that the less well-off will use political pressure to induce government(s) and various arms of the state to introduce legislation and create programmes which will take money away from them and spend it on things that they do not support and/or derive no benefit.

The underlying principle of those that hold this view is that politics is

a realm of exploitation and coercion' and 'the economy ... a realm of free exchange' ... Those who had amassed the greatest amounts of property often believed that they had made the largest contribution to developing the nation, which deepened their feeling of betrayal. (pp. 1, 76)

Why should they pay taxes to fund programmes and provide benefits for those who are less able? Their provision is funded by taxes on income obtained by 'successful' members of the community, which are 'given' to the less successful, who have done nothing, other than be adept political operatives in obtaining such benefits. Isn't this the equivalent of highway robbery? Moreover, the provision of such 'gifts' creates a disincentive to work and encourages potential parasites who deliberately exploit society's producers (p. 143). Paul Ryan, who at the time was the Budget Chairman of the US House of Representatives and is currently its Speaker, maintained that the nation's school lunch programme left poor children with 'a full stomach – and an empty soul' (p. 213).

In addition, the state could pass laws and create regulatory agencies and public service bureaucracies to interfere with the operations of the wealthy/better off in a variety of markets – whether it be minimum wage legislation, occupational health and safety, discrimination in employment and more generally, financial services, consumer law, the environment and so on. Why should the wealthy/better off have to put up with all these controls which limit their freedom when they have generated such wealth and benefits for the nation (though they don't want to share it!) in the first place?

For the wealthy/better off, there are three possible solutions to this problem. The first is the unanimity principle. Legislation should only be passed which is agreed to by everyone entitled to vote. One way to enhance the unanimity rule is to reduce those who are

entitled to vote, the poor and 'less deserving members' of society. But even with such exclusions there is no guarantee that the 'blessed rest' will all agree on any proposal. It only takes one individual to stop any possible change.

An example may help here. The US government has invested heavily in and devoted tax dollars to the Space Programme. Under the unanimity principle, anyone who thinks tax dollars could have been better spent elsewhere, or that the programme is simply a waste of time and a vehicle for channelling public money and providing a rent to corporations and scientists who should find themselves a 'real' job in the private sector, could torpedo this programme.

Even the 'sacred cows' of law and order and national defence would fall foul of the unanimity principle. How is a society to define what the limits are and the level of expenditure that should be devoted to these 'sacred cows'? African Americans, for example, might object to being taxed to pay for police forces which kill unarmed African Americans with seeming little risk of sanction (Johnston, 2017). It is not clear that the involvement of the US in wars overseas<sup>2</sup> is supported by all Americans. The Vietnam War was strenuously opposed resulting in civil disobedience and social discord. Boxing champion Muhammad Ali objected to being conscripted<sup>3</sup> stating that 'No Viet Cong ... never called me nigger' (YouTube, 2014). Vietnam and other wars provide rents to munitions companies and private contractors (the military industrial complex).

A second option, as posed in the opening sentence of this review, is to abolish government and state institutions altogether. In his inauguration speech, in 1980, Republican President Ronald Reagan said 'government is not the solution to our problems, government is the problem' (p. 175). Assuming that government/the state is the 'problem', can it be removed or overcome by destroying government/the state? Can a society operate without a government/state? Let us assume the government/state abolishes itself the vacuum created would be filled, either from within or from without. We would still have a government/state, even if it behaved differently from that which it replaced. Those who employ the rhetoric of attacking government/the state nonetheless perceive a need for the 'sacred cow' functions of law and order and national defence. Given this, there will always be government(s) and state institutions and the possibility of them being captured.

This leads us to the third option: capture and take over government/the state. Remember, the concern here is with overcoming the fears of the wealthy/better off. Under 'capture', they would want to ensure that politics is conducted according to the same principles that are assumed to operate in the economy – as a realm of free exchange. Politics will be employed to remove burdens on the wealthy/well off. Government/the state will stop providing support and largesse to less deserving individuals and organisations unable and disinclined to look after themselves; unable or unwilling to compete in the marketplace.

These issues provide a background to Nancy MacLean's recent book on the rise of Neoliberalism in America. In *Democracy In Chains: The Deep History Of The Radical Right's Stealth Plan For America*, she examines how a group of economists and businessmen have combined to entrench and extend the power of the wealthy/better off, to turn America into an oligarchy that benefits the wealthy few at the expense of the rest of society. MacLean is concerned with examining the evolution of Neoliberalism in America. While she identifies a number of economists who have been involved in this

project – such as Frank H Knight, Friedrich A Hayek,<sup>5</sup> Ludwig von Mises, Milton Friedman, G Warren Nutter, Gordon Tulloch and George Stigler – her major focus is James McGill Buchanan.

Buchanan obtained his economics PhD from The University of Chicago, specialising in public finance. Whereas many economists concerned themselves with 'market failure', his focus was on 'government failure'. He sought to understand the motivations of government/state actors and established the branch of economics known as Public Choice. He was awarded the Nobel Prize in Economics in 1986. For most of his career, Buchanan received funding from various business groups and individuals who supported his Neoliberal critiques. The most important of these was Charles Koch, who has invested a veritable fortune in the training of Neoliberal 'intellectuals' and the election of politicians and judges in support of his vision of an America marching to the drumbeat of a wealthy oligarchy.

MacLean maintains that the antecedents to the Neoliberal agenda lie with America's historic racism towards African Americans and the practice of slavery. She points out that by 1860, before the outbreak of the Civil War, 'two out of every three of the relatively few Americans whose wealth surpassed \$100,000 lived below the Mason-Dixon Line' (p. 2). This distortion of the market, this supreme example of discrimination, provided slave owners with a rent – a rent that did not disappear into the black hole of the 'invisible hand'. The champions of competition with their celebration (worship) of market forces ignore the impact of rents derived from monopoly and practices such as slavery, of how they complicate the self-correcting mechanism of market forces which is the bedrock of their theoretical musings. Would it be reasonable to posit that those who obtain such rents would use them, at a minimum to maintain, if not improve their privileged position?

MacLean points to John C Calhoun (1782–1850), a South Carolina politician and American Vice President from 1825 to 1832 as an exemplar of such a person. Calhoun maintained that nature decreed that those of different races 'cannot live together in peace, or harmony, or their mutual advantage unless one dominated the other, as whites did blacks in the South. Slavery was the proper condition for those not of European descent'. He also said, 'Slavery is an institution ordained by Providence, honoured by time, sanctioned by the Gospel, and especially favourable to personal and national liberty' (p. 9). Such precepts, according to MacLean, resulted in

Propertied southerners [taking] the lead in devising schemes to subdue democracy because of their determination to safeguard the distinctive race-based, hyperexploitative regional political economy ... one based first on chattel slavery and later on disenfranchised low-wage labor, racial segregation, and a starved public sector. (p. 11)

The Civil War put an end to slavery but not to racism and discrimination against African Americans and other socio-economic groups deemed inferior. In 1896, the Supreme Court provided legal backing to discrimination against African Americans in its 'separate but equal' decision in *Plessy v Ferguson* (1896). Following World War II, African Americans sought to challenge systemic discrimination and racism. The Civil Rights Movement experienced success in 1954 when the Supreme Court in *Brown v* 

Board of Education of Topeka (1954) found that separate public schools for Black and White children was unconstitutional, overturning *Plessy v Ferguson*.<sup>6</sup> In *Brown v Board of Education II* (1955), the Supreme Court ordered those schools which had failed to end segregation to integrate their schools with due speed.

These decisions angered James Buchanan. In 1956, he was appointed as chair of the economics department at the University of Virginia. He approached the University's President with a proposal to establish the Thomas Jefferson Centre for Studies in Political Economy. He maintained that the *Brown* decisions were an exercise in coercion and an attack on states' rights. The Supreme Court was abandoning the states, and Northern liberals would impose taxes on and direct how the states should manage their affairs. His centre would train 'new thinkers' to resist this 'increasing role of government in economic and social life' (pp. xiii-xiv).

MacLean devotes some time to the response of the Virginian oligarchy to *Brown*. Like many Southern states, Virginia operated a poll tax and a gerrymander to ensure an oligarchy stayed in power. Owners of the *Richmond News Leader* took it as given that society separated itself into 'those who ride and those who are the donkeys<sup>7</sup> to be ridden' (p. 19). *Brown* was viewed as an affront to Virginia's way of life. One way around *Brown* was for the Governor of Virginia to close down any White school prepared to admit Black students. This was opposed by White parents who would have had nowhere to send their children to be educated. In Prince Edward County in Virginia, the Board of Supervisors closed down the public school system altogether and opened private schools for Whites only, with Blacks being denied any education at all (pp. 61–73).

Buchanan's solution was to close down public schools and provide tax-funded private schools who could admit or reject students as they saw fit, free of government interference (p. 66). He was seemingly unaware that what he was proposing was what he was ostensibly opposed to – the provision of a rent to a particular cohort financed by others who are not asked as to whether they wish to contribute and derive no benefit from such a contribution. Moreover, the 'problem' was not government/the state per se. Rather, it was that a part of the state, the Supreme Court, had handed down a decision not to his liking, and an associated fear that this decision would be enforced by the Federal government, in contrast to the more palatable decisions of a state government and education bureaucrats.

In 1962, together with Gordon Tulloch, Buchanan published *The Calculus of Consent: Legal Foundations of Constitutional Democracy*. In it, they developed a critique of political processes and advocacy of the unanimity principle. Politicians were viewed as rational actors who served their own interests, with being re-elected their primary goal. They will kowtow to pressure groups that provide them with resources and votes in exchange for benefits at the expense of the public purse. This exploitation of man by man can be stopped by giving each individual veto power to stop such rent seeking (pp. 77–79).

Buchanan (2000 [1975]), in *The Limits of Liberty: Between Anarchy and Leviathan* moved beyond the unanimity principle. He recognised that state power was needed to determine rules for the resolution of competing claims. How was the dialectic between robust individual property rights and universal voting rights to be resolved? MacLean

draws attention to what she describes as Buchanan's 'predatory' view of humanity where he said,

each person seeks mastery over a world of slaves ... [and controls] on the behaviour of others so as to force adherence with his own desires. (p. 150, emphasis added)<sup>8</sup>

Buchanan maintained that America needed a 'new structure of cheques and balances ... changes that are sufficiently dramatic to warrant the label "revolutionary". MacLean also draws attention to Buchanan's statement that

Despotism may be the only organizational alternative to the political structure that we observe. (p. 151, emphasis added)

Mention has already been made of the financial support Buchanan received from business groups and individuals, such as Charles Koch. Koch (and his brother David) took over the running of his father's business empire and turned Koch Industries into one of the biggest companies in America. MacLean maintains that Koch believed his success 'confirmed the qualities of his intelligence and his fitness as a leader'. He saw entrepreneurs as 'the unsung geniuses of human history'. She also maintains that he lacked compassion for others, whether they be wage earners or 'businessmen who did not see things as he did'. He was contemptuous of those who worked in publicly traded companies as 'they were just hired hands, beholden to shareholders and lacking in appreciation of true liberty' (p. 134).

He endorsed the insights of Schumpeter (1965) that 'creative destruction' was essential for the health and survival of capitalism. And according to MacLean he believed that

empathy [for those destroyed] was an obstacle to acceptance of the world that must be brought into being ... A businessman who did not have the savvy to serve the customer 'should be a janitor or a worker'. In Koch's view of the world, that is what a lifelong wage earner was: the less able or the one sentenced to a form of serfdom by his or her own failures. (p. 135, emphasis added)

MacLean maintains that Koch was critical of the likes of Milton Friedman, the Chicago school, and Alan Greenspan, who served as Governor of The Federal Reserve Bank from 1987 to 2006, because they sought to make 'government work more efficiently when the true libertarian should be tearing it out at the root' (p. 135). In James Buchanan, he found a soul mate; someone else who was interested in changes dramatic enough 'to warrant the label revolutionary'.

It was suggested to Koch that he should examine Lenin's (1970 [1902]) famous polemic *What is to be Done?*, as a guide on how to achieve his revolution (p. 138). MacLean makes seven brief references to Lenin/Leninism and/or *What is to be Done?* (pp. xxvi, 84, 85, 138, 140–141, 180, 181, 182). She does not cite him in her bibliography (pp. 303–321) which may result from her decision to only include 'works cited, not all of those from which I have learned' (p. 301). Given the importance of *What is to be Done?* to her narrative, it is surprising that she has not provided a more extensive

examination of Leninism, let alone include a reference to him in her bibliography. Such an examination will be provided here.

In What is to be Done?, Lenin set himself the task of working out how to organise and achieve a revolution. The material which follows is couched in the politics and polemics of Russia at the beginning of the 20th century. Readers should 'translate' the 'specifics' of the material into 'general' precepts as it would have been presumably 'read' by Charles Koch and other Neoliberals.

Lenin noted the spontaneous activity of trade unions and (leftist) political groups who indulged in strikes and other forms of agitation to improve wages and working conditions. Lenin denounces such spontaneity as it overwhelms the political consciousness necessary to bring about revolutionary change. Spontaneity, which he equated with an attempt to 'transplant English trade-unionism', is attacked because it is 'carried away by arguments that a kopek added to a ruble was worth more than any socialism or politics, and ... "they are fighting ... not for the sake of some future generations, but for themselves and their children" (Lenin, 1970 [1902]: 76). Lenin maintained 'the *spontane-ous* development of the working-class movement leads to its subordination to bourgeois ideology'. Spontaneity needed to be combated and trade unions and the working class brought 'under the wing of revolutionary Social-Democracy' (p. 80, emphasis in original). 11

Lenin said, 'Class political consciousness can be brought to the workers *only from without*, that is, only from outside the economic struggle' (Lenin, 1970 [1902]: 111, emphasis in original). He pointed to the various discussion groups that had been formed about abuses experienced by workers. They were criticised as they never considered broader issues such as the history of the revolutionary movement. The ideal of such discussions, the ideal of Social-Democracy, should be 'the tribune of the people ... to react to every manifestation of tyranny and oppression' (Lenin, 1970 [1902]: 112, 113, emphasis in original).

The task of revolutionaries, whom Lenin described as intellectuals (Lenin, 1970 [1902]: 110), was 'to go among all classes of the population, as propagandists, as agitators, and as organisers' (p. 114). He added,

We must take upon ourselves the task of organising an all-round political struggle under the leadership of *our* Party in such a manner as to make it possible for all oppositional strata to render their fullest support ... [to] train our Social-Democratic practical workers to become political leaders able to guide all manifestations of this all-round struggle ... our task is to utilise every manifestation of discontent and to gather and turn to the best account every protest, however small. (Lenin, 1970 [1902]: 118–119, emphasis in original)

Lenin examined the problem of disseminating Social Democratic thought and the need for an underground press to distribute propaganda. He said, 'How much broader and deeper are now the sections of the people willing to read the illegal underground press'. Such exposure served 'as a powerful instrument for *disintegrating* the system we oppose, as a means for diverting from the enemy his casual and temporary allies, as a means for spreading hostility and distrust among the permanent partners of the autocracy'. For the revolution to be successful, there was a need for 'much persistent and

stubborn *work* ... *to raise* our own consciousness, initiative and energy' (Lenin, 1970 [1902]: 120–121, emphasis in original).

Lenin then turned his mind to how the revolution would be co-ordinated. Is it, he asked, easier to wipe out a dozen wise men than a foolish 100? He answered it is more difficult to unearth a dozen wise men than 100 fools. He added, 'by "wise men" ... I mean *professional revolutionaries* ... no revolutionary movement can endure without a stable organisation of leaders maintaining continuity ... such an organisation must consist chiefly of people who are professionally engaged in revolutionary activity' (Lenin, 1970 (1902): 139, emphasis in original).

Lenin maintained that 'it takes years to train oneself to be a professional revolutionary'. He rejected the proposition that centralisation of the secret functions of the *organisation* implied centralisation of all functions of the *movement*. He asserted,

Centralisation of the most secret functions in an organisation of revolutionaries will not diminish, but rather increase the extent and enhance the quality of the activity of a large number of other organisations ... We must have such ... organisations everywhere in *as large a number as possible* and with the widest variety of functions ... in order to 'serve' the mass movement we must have people who will devote themselves exclusively to Social-Democratic activities, and that such people must *train* themselves patiently and steadfastly to be professional revolutionaries. (Lenin, 1970 [1902]: 140–142, emphasis in original)

Vladimir Ilyich ended his polemic with the following flourish:

A person who is flabby and shaky on questions of theory ... a spokesman of the people, who is unable to conceive of a broad and bold plan that would command the respect of even his opponents, and who is inexperienced and clumsy in his own professional art – the art of combating the political police – such a man is not a revolutionary, but a wretched amateur!

He himself had once been in a circle of such amateurs and recalled the shame he had experienced and the bitterness he felt towards those 'pseudo-Social-Democrats whose preachings "bring disgrace on the calling of a revolutionary" ... our task is not to champion the degrading of the revolutionary to an amateur, but to *raise* the amateur to the level of revolutionaries' (Lenin, 1970 [1902]: 142, emphasis in original).

Charles Koch and, for that matter, James Buchanan did not see themselves as amateurs; they were the only professionals in town.

Business groups provided funds to numerous think tanks and institutes pursuing Neoliberal agendas opposing government and those parts of the state inimical to their interests, such as the Thomas Jefferson Centre for Political Economy and Social Philosophy at the University of Virginia established by James Buchanan. MacLean says that 'Buchanan worked tirelessly to make it a magnet for idealistic young men of the right' (p. 56). This was an approach he steadfastly followed at the various universities where he worked.

Henry G Manne utilised a similar approach when he established the Law and Economics Centre at the University of Miami in 1974. He wanted the law to be viewed as a vehicle to protect property interests. His technique was to invite law professors, 'luring them with luminaries and luxury accommodation' (p. 194), to a 2-week Summer

Economics Institute for Law Professors and to encourage attendees to appoint persons with a similar approach to their faculties. MacLean says that some 'entire law schools became bastions of Manne's approach to the law'. She also reports that both Buchanan and Manne used resources provided by business backers to pay 'right minded persons' to write articles in numerous outlets. She quotes a law academic who said, 'getting a thousand-dollar honorarium to write a paper was a lot, I drooled over it' (pp. 122–123). In 1974, Charles Koch and others established the Cato Institute, named after the Roman leader Cato the elder, who had once declared that 'Carthage must be destroyed' because of its notion of annihilation, which would be applied to statism in America (p. 140). Look at the quote more closely: it wants one state to destroy another state, nothing about the negation of state power. Or, am I missing the point?

With these and numerous other institutes and think tanks financed by those with views similar to those of Buchanan and Koch, the 'persistent and stubborn work' necessary for the implementation of this American version of Leninism could proceed. Intellectuals 'from without' could be correctly trained in 'questions of theory' and think tanks and other forums ('the underground press') could act as a 'tribune of the people' exposing 'every manifestation of tyranny and oppression' in 'all-round political struggle'. 'Trained cadres' made connections with and became advisors to Republican politicians, at both the state and federal level. Moderate politicians not sympathetic to such ideas would face challenges from well-funded opponents supportive of Neoliberalism. In 1973, the American Legislative Exchange Council was created to provide a forum for state governments to provide model legislation in pursuit of a Neoliberal agenda (p. 210).

Besides taking over the Republican Party, Neoliberalism has subordinated academic departments to its political project (p. 203), converting them from scholarship to places of worship and 'stacked' the judiciary. By 1990, more than 40% of sitting federal court judges had participated in Manne's summer schools (p. 195). MacLean reports that donor networks are pumping 'hitherto unheard-of sums into state judicial races'. She quotes a Neoliberal from North Carolina who said 'Lose the courts, lose the war' (p. 229).

As state governments have been taken over, they have introduced legislation in pursuit of Neoliberalism. In a return to the sentiments of poll taxes and the gerrymander, 41 state governments have introduced over 180 bills to restrict who can vote and how (p. 231), to counter what Buchanan once described as 'enfranchising the illiterate' (p. 197). They are also cutting back services, dismissing public servants and placing restrictions on public sector unions. State governments are legislating to restrict the functions of municipal governments and what they can do – something mainly directed at African American voters. An illustration of this is in Flint, Michigan where mainly African American residents were exposed to toxic water because the Governor would not sanction replacing lead-infected water pipes in responding to the demands of these 'takers' (pp. 214–215).

Corporations are including in the fine print of contracts with employees, suppliers and consumers 'arbitration' clauses for the resolution of disputes. Such 'arbitration' is conducted on terms and by persons appointed by corporations. The object of such clauses is to deny aggrieved parties access to statutory entitlements and the courts, in what has been referred to as 'Privatization of the Justice System' in cases of malpractice (p. 227; Silver-Greenberg and Corkery, 2015). <sup>13</sup> Finally, MacLean refers to a report by journalist

Kenneth Vogel (2015) who maintained that the Koch network had 'quietly built a secretive operation that conducts political surveillance and intelligence gathering on its liberal opponents, viewing it as a key strategic tool in its efforts to reshape American public life' (p. 232).

George Orwell (1969 [1949]) in his dystopia Nineteen Eighty-Four defined doublethink as

the power of holding two contradictory belief's in one's mind simultaneously, and accepting both of them ... The process has to be conscious, or it would not be carried out with sufficient precision, but it also has to be unconscious, or it would bring with it a feeling of falsity and hence guilt. (p. 171)

While MacLean makes no reference to Orwell, doublethink is the basis of her critique of James Buchanan, Charles Koch and others of the Neoliberal agenda. Neoliberalism does not constitute a widening back of government and the state. It constitutes a weakening of those parts which are inimical to the interests of a wealthy oligarchy, the federal government and agencies/government departments who are viewed as imposing costs (taxes) on and interfering with (regulating) the actions of the oligarchy, and strengthening other parts, such as state governments and the judiciary, at both the state (especially) and federal level who will protect and advance their interests. Economics as class warfare.

Because of fears of democratic political processes and basic assumptions of humanity of 'wise men' as expressed by Buchanan ('each person seeks mastery over a world of slaves', p. 150) and Koch (a lifelong wage earner was 'sentenced to a form of serfdom by his or her own failures', p. 135), Neoliberalism is seeking to capture the state and bend it to its will. MacLean 'predicts' that as Neoliberalism works its way across America, it will require 'greatly expanded police powers to control the popular will' (p. 228) – a 'prediction' consistent with Buchanan's endorsement of 'despotism', or what Lenin would have described as violence, if not terror, for a 'revolution' in the name of freedom (p. 151). More than 130 years ago the railway developer, Jay Gould, said 'he could hire one half of the working class to kill the other half' (Quoted in O'Hara, 2016: 11).

In her Introduction, Nancy MacLean says that serendipity led her to the work of Buchanan and the writing of this book. While researching material on Virginia's decision to provide state-subsidised education vouchers, she became aware that an archive of James Buchanan's work was held at George Mason University, where he worked from 1983 to 1998 (p. xvii). In working her way through this material, she decided to alter her focus to the Neoliberal agenda. In her Acknowledgements (pp. 235–239), she thanks those who helped her revise and sharpen the focus of her writing with a general, rather than an academic, audience in mind.

Democracy In Chains: The Deep History Of The Radical Right's Stealth Plan For America is really two books in one. The first is the text designed for her popular audience. The second is the extensive scholarship contained in footnotes. The latter material is 61 pages in length (pp. 241–301) and uses a small font and single spacing. It probably contains as many words as the main text. Mention was made above about her decision to

only provide references for sources she cited and note six points to her non-citation of cases. This, she says, was 'To keep the book inviting for general readers' (p. 303). This is probably a euphemism for reducing the size and cost of the book and reducing the time and tedium necessary to cite sources correctly. She may also have assumed that scholars and the more fastidious would go and dig them up themselves. This was a task I found myself doing too often.

There are two other problems with her presentation. First, the early chapters have a 'preachy' feel. Material speaks for itself, or it does not. Second, material pertaining to particular issues is scattered across different parts of her narrative, rather than 'neatly' contained in one place. In attempting to understand various issues, it is necessary to flip backwards and forwards across different parts of the book. This is an example of where a scholar has experienced problems with the balance between theme and chronology. In her defence, she set herself an enormous task in canvassing so much material about an intellectual movement and the implementation of its programme which has and will, presumably, continue to have fundamental implications for America, if not elsewhere.

In *Nineteen Eighty-Four*, O'Brien tells Winston Smith that 'always there will be the intoxication of power-constantly increasing and constantly growing subtler'. He added, 'If you want a picture of the future, imagine a boot stamping on a human face – for ever' (Orwell, 1969 [1949]: 215). This was not a view shared by Aldous Huxley (1964 [1932]), the author of *Brave New World*. In October 1949 after the publication of *Nineteen Eighty-Four*, Huxley wrote to Orwell and said,

Within the next generation I believe the world's rulers will discover that infant conditioning and macro-hypnosis are more efficient, as instruments of government, than clubs and prisons, and the lust for power can be just as completely satisfied by suggesting people into their servitude as by flogging and kicking them into obedience. (cited in Meyers, 2000: 288–289)

Nancy MacLean's *Democracy In Chains: The Deep History Of The Radical Right's Stealth Plan For America* is a work of the utmost importance and makes a unique and outstanding contribution in understanding America, in both historic and contemporary terms. It forces us to engage with and think deeply about the use and abuse of power.

## **Acknowledgements**

The author thanks three anonymous referees for their helpful comments.

### **Funding**

The author(s) received no financial support for the research, authorship and/or publication of this article.

#### **Notes**

- 1. This sentiment is expressed in Buchanan (1975: 74–75).
- 2. 'War is peace', see Orwell (1969 [1949]: 7).
- 3. Conscription per se is a denial of the freedom of those conscripted to not participate in war and is indicative of a more general lack of support for war.

 Americans, scholars, and others tend to conflate government and the state. The state constitutes the various institutions that oversee and regulate the activities of individuals, private organisations and interest groups.

- 5. Hayek (1944) first came to prominence with *The Road to Serfdom*, where he argued that any collective action by the state inevitably leads to socialism and tyranny and advocated a return to competition. George Orwell dismissed his work with the following quip, 'The trouble with competitions is that somebody wins them'. He also said Hayek,
  - does not see, or will not admit, that a return to 'free' competition means for the great mass of people a tyranny probably worse, because more irresponsible, than that of the state ... Professor Hayek denies that free capitalism necessarily leads to monopoly, but in practice that is where it has led. (Orwell and Angus, 1969, vol. III, 118)
- 6. MacLean does not provide citations of the various cases she examined.
- 7. The donkeys being akin to George Orwell's (1977 [1945]) Boxer in *Animal Farm*.
- 8. In Buchanan (1975), he said that people who fail to save for needs such as medical care 'are to be treated as subordinate members of the species, akin to ... animals who are dependent' (p. 212).
- 9. In college, he devoured Ayn Rand's (1957: 144) Atlas Shrugged.
- 10. The material in double quotations is from Vasily P Voronstsov, 1847–1918. Is it worth noting that children constitute the next generation?
- 11. The most famous riposte to this aspect of Leninism comes from the American labour movement theorist Selig Perlman. He maintained that Lenin's 'outsiders', whom he described as 'intellectuals are overcome by 'social mysticism', unable to accept 'labour's repeated refusals to reach out for its appointed destiny'. When unions do not behave in the expected way, intellectuals refuse to accept that there are problems with their understanding of unions, perceiving it as a temporary delay blaming it on reactionary trade union leaders. Perlman also saw unions as being involved in struggles with employers over job rights. He asked 'is not this sort of liberty the only one which reaches the workman directly and with certainty and that can never get lost *en route* like the "broader" liberty promised by socialism?' (Perlman, 1949 [1928]: 282, 275, emphasis in original).
- 12. 'Ignorance is strength' (Orwell, 1969 [1949]: 7).
- Getman (2016: 160–188) examines the Supreme Court's response to such clauses, mainly focusing on the labour market.

### References

Brown v Board of Education II 349 US 294 (1955).

Brown v Board of Education of Topeka 347 US 483 (1954).

Buchanan JM (1975) The Samaritan's dilemma. In: Phelps ES (ed.) *Altruism, Morality and Economic Theory*. New York: Russell Sage Foundation, pp. 71–86.

Buchanan JM (2000 [1975]). *The Limits of Liberty: Between Anarchy and Leviathan*. Indianapolis, IN: Liberty Fund.

Buchanan JM and Tulloch G (1962) *The Calculus of Consent: Legal Foundations of Constitutional Democracy*. Ann Arbor, MI: University of Michigan Press.

Getman GH (2016) *The Supreme Court on Unions: Why Labor Law Is Failing American Workers*. Ithaca, NY: Cornell University Press.

Hayek FA (1944) The Road to Serfdom. Chicago, IL: The University of Chicago Press.

Huxley A (1964 [1932]). Brave New World. Harmondsworth: Penguin Books.

Johnston I (2017) Black Americans shot dead by police are twice as likely to be unarmed as White counterparts. *Independent*, 8 February. Available at: http://www.independent.co.uk/news/ world/americas/black-americans-shot-dead-police-shooting-twice-likely-white-people-us-african-american-a7567471.html

Lenin VI (1970 [1902]) What is to be done? In: Lenin VI (ed.) *Lenin on Trade Unions*. Moscow, Russia: Progress Publishers, pp. 68–142.

Meyers J (2000) Orwell: Wintry Conscience of a Generation. New York: WW Norton & Company. O'Hara SP (2016) Inventing the Pinkertons or Spies, Sleuths, Mercenaries, and Thugs. Baltimore, MD: John Hopkins University Press.

Orwell G (1969 [1949]) Nineteen Eighty-four. Harmondsworth: Penguin Books.

Orwell G (1977 [1945]) Animal Farm. New York: Penguin Books.

Orwell S and Angus I (eds) (1969) The Collected Essays, Journalism and Letters of George Orwell, Volume III, as I Please, 1943–1945. London: Secker & Warburg.

Perlman S (1949 [1928]) A Theory of the Labor Movement. New York: Augustus and Kelly.

Plessy v Ferguson 163 US 537 (1896).

Rand A (1957) Atlas Shrugged. New York: Random House.

Schumpeter JA (1965 [1943]) Capitalism, Socialism and Democracy. London: Unwin University Books.

Silver-Greenberg J and Corkery M (2015) Is arbitration a 'privatization of the justice System'? *The New York Times*, 2 November. Available at: https://www.nytimes.com/2015/11/02/business/dealbook/in-arbitration-a-privatization-of-the-justice-system.html

Vogel KP (2015) The Koch intelligence agency. *Politics*, 18 November. Available at: https://www.politico.com/story/2015/11/the-koch-brothers-intelligence-agency-215943

YouTube (2014) No Viet cong. Called me Nigger. Available at: https://www.youtube.com/watch?v=vd9aIamXjQI (accessed 27 December 2017)

### **Author biography**

Braham Dabscheck taught Industrial Relations at the University of New South Wales from 1973 to 2006 and has produced an extensive body of work. His research interests are Australian industrial relations (system level issues), industrial relations theory and industrial relations in professional team sports. He was editor of *The Journal of Industrial Relations* from 1991 to 1999.