

**Southern Dominance in Borrowed Language:
The Regional Origins of American Neo-Liberalism**

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Over a hundred years ago, a new regional alliance led to a Civil War that ended slavery in the United States. The new math undermined the planter class's previous national power, as North plus West proved a combination hard to beat. This essay sketches out the broad lines of an analogous process of regional shifts in our own time, albeit one less propitious for humanity than its antebellum predecessor, for this one is eviscerating a welfare state long assumed in the North and in Europe to be synonymous with modernity. Paying attention to the new regional equation can help explain the massive shifts in American and global political economy and culture since the 1970s. But that requires going to places many liberal politicians and intellectuals avoid: the so-called "fly-over states" of the South and West. If we look there, what critics have called "neo-liberalism" turns out not to be so new at all in important ways, and not so liberal, either.⁰

It is stunning that even the best work on neo-liberalism evinces no recognition of its regional origins in the U.S. In his state-of-the-art treatment, *A Brief History of Neoliberalism*, David Harvey promises readers "the political-economic story of where neoliberalization came from and how it has proliferated so comprehensively on the world stage" (2005:4). The book offers a synthesis of developments since the 1970s that contains many important insights, yet its origins story fails to explore where winds of change that howled so fiercely in the 1970s originated. Although a geographer by trade, Harvey misses the extent to which place matters in this story. That neglect is surprising because nearly all the best-known American architects of what has come to be called "neoliberalism" were conservatives from the West and South, among them, Barry Goldwater and Ronald Reagan. Nor does it seem coincidental that the Democrats who have most advanced

the neo-liberal project are Southerners, from Jimmy Carter to Bill Clinton. The reasons go much deeper than individual biography. They are to be found in the economic and political rise of these regions since World War II and in the historic traditions which that rise has allowed their leaders to spread to other parts of the nation (Egerton 1974; Sale 1975; Applebome 1996; Schulman 1991). This, I submit, is the best answer to the question Harvey poses as “the crux of the problem we have to solve”: “how and why neoliberalism emerged victorious” as the answer to the crisis of capital accumulation in the 1970s (2005:13).

While the western roots of neo-liberalism deserve study, their influence is less surprising, and also less challenging, to the sunny self-packaging of neo-liberalism with its constant chatter about “choice” and “freedom” (White 1991:601-611; Goldberg 1995; McGirr 2001). It is more instructive and more revealing of the coercive drive at the core of this project, I believe, to concentrate on the South’s contribution, particularly the states of the former Confederacy, which long maintained the most anti-democratic political system in the country. As the South’s conservative elites have amassed power, they have succeeded in imposing more and more of their historic model of political economy on the nation as a whole—indeed, on the wider world. “If the southern border of the United States had run along the Mason-Dixon line rather than the Rio Grande,” as one observer notes, “then American history in the last decades of the old millennium would have been quite different” (Lind 2005:253; Stephan 1985).⁰ The main medium of transmission for the change has been the modern American conservative movement, whose adherents now dominate all three branches of government and use them to promote the so-called neo-liberal agenda.

From its official launching in 1955 with the founding of *National Review*, the conservative movement has revered the South in particular as a model of the good society, state, and culture. By its spokespersons' estimation, no region better embodied the right's ideals (MacLean 2006: 44-51). Defending the South's devotion to the "principle of exclusion" and an "aristocratic" social order, the leading conservative intellectual Richard Weaver equated the "heavy assault" on "the regime of the South," as he put it, "by Liberalism," with what he saw as the self-destruction of the larger society by the same forces (1959:587-589). Writing for the *National Review* in 1958, Anthony Harrigan summed up the movement's views when he praised this region of "essential conservatism" for its "built-in power brake" (1958:225-227). None of the right's founders and few of its key movement builders over the years have seen a contradiction between their core catechism of capitalist freedom and the South's traditions, and there are some intriguing reasons for the perceived affinity.

Odd as it may sound, nineteenth-century southern planters were America's original neo-liberals. True, they trafficked in human beings and disdained civil liberties. But today's so-called neo-liberals (and we have to remember this is a term few of them embrace), while more accepting than their predecessors of formal equal opportunity for all, can hardly be described as concerned about fair treatment of workers or respectful of human rights. Their practice demonstrates that what matters most to them is a very particular interpretation of freedom, which they take from nineteenth-century defenders of slavery such as John C. Calhoun. Its core is devotion to private property rights, hostility to a strong federal state for other than military purposes, faith in punitive governance as the key to social order, and enthusiasm for international trade. These are not new goals. Their centrality to southern political tradition helps explain how the Young Americans for

Freedom could have chosen Strom Thurmond for a “Freedom Award” in 1962, and why Ronald Reagan, the first Republican to sweep the entire South and West, employed the word “freedom” more frequently than any other president in U.S. history (Foner 1998:315,321). Trent Lott in his prime went so far as to assert that Reagan-era GOP goals “from tax policy to foreign policy, from individual rights to neighborhood security” were “all things Jefferson Davis and his people believed in” (1984:44-45). I would not conflate the two so crudely, but some kinship is undeniable.

The South’s white elite both before and after the Civil War wanted low labor costs, a weak state as far as the public welfare was concerned, and above all, open foreign markets in which to peddle their commodities. Southern leaders vehemently rejected the labor protections, quality public education, infrastructure investments, rehabilitative justice, and active federal government some Northerners sought, animated by economic changes and social movements like those that led European nations toward social democracy. No better tutors could be found than conservative southern elites for what David Harvey depicts as the core project of neoliberalism: the reassertion of class power in its rawest form so as to reduce everything to a commodity, especially labor, in the quest to free capital of social obligation and political constraint (2005:11,19,76,165). The mounting power of conservative Southerners and Westerners, in turn, is not only deepening class and racial inequality nationwide but also widening the breach between the U.S. and the rest of the industrialized world on social policy matters from abortion to gay rights and the teaching of evolution (Adam 2003:262-265). It’s time we paid closer attention to the spatial sources of all this.

To get at the regionally based conservative roots of neoliberalism, however, one must first clear away mental barriers to seeing clearly what has happened and why and how. One barrier

comes from the important observation, best articulated in the heyday of Black Power, that racism is not a southern problem but a national problem, perpetuated by national institutions. That is true, and no one said it better than Malcolm X. “America is Mississippi,” he said, challenging the liberal portrayal of the South as an anomaly. “There’s no such thing as the South—it’s America. If one room in your house is dirty, you’ve got a dirty house And the mistake that you and I make is letting these *Northern* crackers shift the weight to the Southern crackers” (1966:108-109).

Arguments like his helped draw attention to northern complicity in southern practices and make sense of the virulent racism of whites north of the Mason-Dixon line who bitterly fought fair housing, equal employment, and educational equity from the 1940s forward (Hirsch, 1983; Sugrue 1996).

But that once-radical intervention has since ossified into a moralistic dismissal among activists and some scholars alike of the proposition that different regions had varied political economies and cultures that might actually matter in determining national outcomes. Few historians, at least, would deny that the power of racism and xenophobia came from the particular historical circumstances that led elites of the South and West to develop thoroughly racialized class structures. Most scholars now concur that the labor force and land dynamics of those places proved pivotal in spawning and sustaining hatreds that went on to spread far and wide. The plantation South of the former Confederacy thus played the premier role in generating anti-black racism, the ranching Southwest in generating anti-Mexican racism, and the industrializing West Coast in generating anti-Asian racism. For generations after these systems developed, their beneficiaries continued to resist any national policies that might endanger their accumulated advantages (See, for example: Bloom 1987; White 1991; Montejano 1987; Glenn 2002). To

recognize that racial inequality and bigotry are national problems, then, should not rule out attempts to identify powerful regional sources of resistance to change, rooted not in some geographical essence but in historical processes that unfolded in specific places and times.

Another important obstacle to reckoning with the regional right's influence on neoliberalism is the intellectual inheritance of the New Left, which shaped thinking about political economy and class politics among two generations of progressive scholars. The core idea of the New Left analytical synthesis was "corporate liberalism": that notion that the driving force behind twentieth-century reform was far-sighted capitalists and their political-intellectual allies, who sought to rationalize government policy in the service of business interests (Kolko 1963; Weinstein 1968). Scholarship in this tradition yielded important insights, but its presuppositions have not worn well in the age of the Republican right's revolution in public power. New Left intellectuals were not so much wrong about the fact of corporate power in the U.S. as partial to the point of gross distortion about the varieties of corporate power.⁰ⁱ Showing a regional solipsism akin to that classic *New Yorker* cartoon that equates Manhattan with the nation, the New Left analysis simply assumed Northeastern capital could stand in for the whole. It can't.

Failing to include the South and the West in their calculations, such thinkers missed the most important development of their time: the regionally anchored rise of the right. Like the Kremlinologists who never anticipated the smash-up of the Soviet Union, they looked in the wrong places and thus missed the key variable in the emerging equation of national politics. The New Left historians, like the consensus historians against whom they pitted themselves, never took actual conservatism seriously (Ribuffo 1994). In their zeal to expose liberal reform as nothing but

conservatism in sophisticated packaging, they missed something far more ominous: the actual right wing gathering strength as they wrote. Obsessed with the simulacrum, New Left scholars ignored the real McCoy. They took as axiomatic the Port Huron Statement's pronouncement that "the Dixiecrat-GOP coalition is the weakest point in the dominating complex of corporate, military, and political power" (Bloom and Breines, 1995: 72). Most assumed that the only alternative to America's half-hearted liberalism and semi-welfare state was a participatory social democracy; few imagined that the South could win in the end. But in important ways, it has, and a reckoning with how it did so is overdue. This article will sketch out the broad contours of the regional power shift that put neoliberal ideas in their current commanding position. Without connecting all the dots, it suggests a research agenda that can.

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There was a time when it seemed that things would go the other way: conservatives would lose power as the South became more like the North in a transformation that would clear the prime obstacle to a European-style welfare state in the U.S. A desire to realize that regional re-calibration was at the heart of the civil rights unionism of the 1930s and 1940s. As a host of historians have recently exposed, southern workers, black and white, organized creatively and extensively in these years, with help from radicals of the left-led Popular Front. Black workers especially posed the democratization of Dixie as the guarantor of national progress as they turned unions into vehicles for racial as well as economic justice for the overwhelming majority of African Americans who were working people. As the North Carolina tobacco worker Ruby Jones put it, it was "like being reconstructed when the union came" (Korstad 2003:7; more generally, Hall 2005). Pulled left by the grassroots activism of the CIO in particular, even Franklin Roosevelt by 1937 came to realize

that the future hinged on bringing democracy to the South. By then, half of the South's representatives in the Senate constantly voted against his initiatives. That is why he tried, briefly and unsuccessfully, to tear up the crazy-quilt coalition of the Democratic Party and sew together in its stead a modern party system based on coherent class interests and ideology, which necessitated ending the racial dictatorship his southern opponents relied on to stay in power. Gearing up for the congressional elections of 1938, he told a Georgia audience: "When you come right down to it, there is little difference between the feudal system and the fascist system. If you believe in one, you lean to the other" (Sullivan 1996:62,104). The gambit failed, and his opponents stayed in power, but their rule was growing less secure.

During World War II and especially right after the war, African American activists and their allies internationalized the struggle as they looked to the new United Nations to help bring democracy to the South. With the NAACP in the lead and radicals working the grassroots, they built support for a human rights declaration with teeth. Only a human rights standard, they saw, could produce substantive equality in everyday life, above all the robust initiatives in employment, housing, education, and health care needed to end the deprivation that hit African Americans hardest but affected all working-class people in some way. Midwesterners such as Robert Taft also fought the human rights standard. But always the most determined opponents of the effort were southern Democrats in Congress such as Strom Thurmond; they understood that human rights standards would threaten Jim Crow, disfranchisement, and the low-wage southern labor system these practices buttressed. Eleanor Roosevelt and the U.S. State Department sought to appease the southern conservatives, who were backed by Republican unilateralists, by watering down the effort. Yet still it gathered momentum in the late forties (Anderson 2003).

The Cold War intervened, and in the end undermined the opportunity for realignment. The vision of a transformed South faded in the stark light of anti-communism, which already by 1938 was weakening the forces of reform nationally. As Republican successes in the mid-term elections of that year emboldened the right, Texas representative Martin Dies launched the House Committee to Investigate Un-American Activity. As conservative southern Democrats moved into the anti-New Deal coalition, the Dies Committee did all it could to undermine the CIO and its civil rights unionism and roll back the era's reforms (Sullivan 1996:104-105). The same alliance of conservative southern Democrats and pro-business Midwestern Republicans produced the Taft-Hartley Act, perhaps the single biggest blow to the project of using labor's power to democratize the South, and one which rolled out the carpet to capital flight from the North to a South that would now be nearly impossible to unionize (Lichtenstein 2003:114-118 and Cowie 1999).

Success emboldened the right, and nowhere more than in the South. After 1948, anticommunism became a veritable civil religion for southern white supremacists. Soon, Mississippi senator James Eastland added his Internal Security Subcommittee to the House's Dies committee. Both were joined by a plethora of state and local anti-red initiatives in the South, of which Mississippi's State Sovereignty Commission is only the most notorious. One recent scholar concludes that "the southern red scare was in many ways a byproduct of the region's massive resistance to integration." It was led by "a conservative white-power elite" from the plantation belt, the area that empowered anti-New Deal senators like Thurmond and Eastland (Woods 2004:5,6,37-38,42).

By 1953 the red scare had so decimated the NAACP along with the left and labor that the congressional conservative bloc of southern Democrats and northern right-wing Republicans was

able to defeat the human rights initiative with an ingenious device: the Bricker Amendment. It was a constitutional amendment that “would require all treaties and executive agreements first to be ratified by two-thirds of the U.S. Senate, *then* by both houses of Congress with enabling legislation, and finally, as the proposed amendment mutated, by *all* 48 state legislatures.” Bizarre as it sounds, the Bricker Amendment won the backing of every GOP senator but three, and 18 mostly southern Democrats. To preserve the president’s ability to carry out foreign policy, Eisenhower had to jettison the Human Rights Covenants and even the Genocide Convention, which had been the main spur to the right’s mobilization. The conservative bloc’s success created the first open breach between the U.S. and its European allies, arguably the roots of the split being widened by today’s heirs of the Bricker Amendment’s backers (Anderson 2003:220-228,238,255).

Its control thus preserved, the South’s elite managed to use the New Deal and the World War and Cold War that followed to augment its power by developing the regional economy without democratizing the polity. New Deal farm programs helped farm owners to rationalize production, not farm workers to better their life chances. Planters virtually designed the Agricultural Adjustment Administration (AAA) codes, which subsidized non-production and encouraged the laying off of farm labor. That was the first blow to the old sharecropping system and the isolated southern labor market that had staved off economic development and African American advance in the region. At the same time, New Deal industrial policies, partial though they were, raised factory conditions in the South and narrowed the regional wage differential. (Wright 1986) Yet the industrialization of the region, rather than empowering African Americans and other workers as long anticipated, instead fed the reactionary force Lyndon Johnson once called “the great beast,” such that it developed national reach (Clifford 1991:417). “The toppling of

Rooseveltian liberalism by Reaganite conservatism,” Michael Lind sagely notes, “involved the displacement of one set of elites by another, with a different group of economic, ethnic, and regional constituencies” (2005:285).

If the New Deal opened the region to change, the second World War and the Cold War brought it, but on terms shaped by that newly secure conservative elite. Huge new military contracts for southern firms, the building of naval shipyards along the coast, and the siting of military bases in the Sunbelt helped transform local economies. That new employment demand, combined with massive out-migration for the factories of the North and West, in turn raised labor costs. As millions of workers left rural areas for better opportunities elsewhere, planters turned to mechanization and drove out more sharecroppers, now treated as surplus, disposable labor whose work could be more cheaply done by mechanical pickers. In the 1950s, machines picked 5 percent of the cotton in the U.S.; twenty years later, they picked 98 percent. The regional economy was fundamentally transformed (Daniel 1985).

Where the South’s local and state governments once worked hard to insulate their labor market from outside influences, now they devoted themselves to boosterism. To attract outside investors, particularly low-wage employers for whom the South held comparative advantage, they promised low taxes, concessions on even those, subsidies for infrastructure, and a “friendly” business climate that included anti-union “right-to-work” laws. Government money augmented the corporate investment flowing southward. In 1952, only 17 percent of federal per capita spending flowed to the South; by 1970, it was almost 50 percent. As the South’s growth rates outpaced the North’s, the regional wage differential shrank, and a truly national economy emerged in place of the old insulated one. The economy was liberalized. The region’s politics weren’t (Wright 1985,

Cobb 1984, Cobb 1992).

Having accrued power through a “racial dictatorship” back at home, Southerners in Congress allied with northern business Republicans to block or eviscerate nearly all attempts to complete the New Deal and remedy its exclusions (Omi and Winant 1986, MacLean 2000:216-217). Although fewer than 1 in 4 Americans lived in the South, southern congressmen controlled key congressional committees such as the House Ways and Means and the Senate Finance committees, thanks to the unrivaled seniority they accrued in a one-party region with an artificially shrunken electorate. When Roosevelt became more pro-labor in the so-called second New Deal, the southern elites who had welcomed AAA subsidies turned hostile. “After 1937,” notes historian Harvard Sitkoff, “Roosevelt faced a shifting, informal, but highly effective conservative coalition resolved to block, or at least limit severely, all efforts to aid Negroes, labor unions, urban areas, and disadvantaged workers and farmers” (2000:111). The South’s representatives in Washington were at the forefront of that resistance, which continued into the postwar era. As the NAACP journal, *The Crisis*, editorialized, “the rest of the country has come to realize that Senators and Congressmen from poll tax states menace the democratic process everywhere because they enjoy a power in Washington which they would not wield if the elections were free” (Sullivan 1996: 106). They used that power to defeat multiple attempts after the war at a permanent federal Fair Employment Practice Committee, and to doom national health insurance despite widespread popular support for it (Reed 1991 and Gordon 2003:172-209).

By the time progressives again gained enough power to force substantial reform, thanks to the civil rights movement, the terrain had changed such that realignment came on the right’s terms, not the left’s. The AFL-CIO under George Meany was a far cry from the militant movement that

had pulled the whole nation left in the depression decade. Some pockets of progressivism notwithstanding, the labor movement had lost its broad social vision and allowed its organizing muscle to atrophy from disuse. Its member unions were deeply divided internally from so many years of capitulation to the conservative craft unions from whence Meany himself came, and to their own white members, whose solidarity was often with their race rather than the whole working class. In cities around the country, the New Deal coalition had begun to crack as early as the 1940s along the fault lines present at its creation, when white Democrats resisted pressure from African Americans to share equally in the benefits underwritten by liberal public policy in jobs, housing, and schooling (Hirsch 1983, Quadagno, 1994, Sugrue 1996, Self 2003).

Moreover, having lacked the power to win universal government programs in areas such as health care and pensions, unions constructed their own private semi-welfare state through collective bargaining agreements that created, as one scholar puts it, “islands of security, with high waters all around” (Klein 2003:257). That system was a product not of labor’s choice but of capital’s strength. Nevertheless, it proved an Achilles heel for progressive politics because it widened the political split between union members and the unorganized; white union members, especially, came to resent pressure to, in effect, pay twice, once for their own employer-provided benefits and then again in taxes for those, imagined as black, who were not so lucky. Thus paralyzed by its own contradictions, the labor movement proved unable to advance the reform momentum the civil rights movement created. Unions varied, and there were strong civil rights currents animating, for example, the growing public employee and health care unions. But the AFL-CIO as a whole proved grossly unequal to the historic opportunity the civil rights movement had created.

The right showed no such hesitation. As Lyndon Johnson rued to an aide on the night of

his landmark success in steering the Civil Rights Act through passage, “I think we just delivered the South to the Republican Party for my lifetime and yours” (Schulman 1994:76). From the clash over civil rights came future white GOP leaders committed to rolling back reform. The Goldwater-Johnson contest, the later Mississippi U.S. Senator and Senate majority leader Trent Lott said, was “the first time that we really started thinking, ‘Gee, maybe we are Republicans’” (Schulman 1994:79; Perlstein 2001). As Southerners linked up in the same party with new-style western conservatives and old-school business Republicans of the North, they re-made both conservatism and the nation. Never again after 1964 did a Democratic presidential candidate win a majority of the white vote, or carry the South (Goldberg 1995:223). By 1972, the shift became a surge: for the first time in American history, Republicans won every southern state.

Those GOP strategists found their prospects enhanced by the way economic growth built the population base, hence the congressional representation, of the Sunbelt, which was now attracting millions of new migrants away from the regions of the country more supportive of progressive public policies. From 1950 to 2000, following the shift of jobs, the proportion of Americans living in the Northeast and Midwest declined (from 29 to 23 percent and from 26 to 19 percent, respectively), while that of the South and West grew (from 31 to 36 percent, and from 14 to 22 percent). While Democratic strongholds such as New York and Massachusetts lost residents, the states that attracted the most newcomers were GOP-dominated, such as Arizona, Colorado, and Nevada and the suburban conurbations of the former Confederacy with metro Atlanta being the best example (Lind 2005:268-269; Lassiter, 2006; also Phillips 1969).

Thriving on their home ground, the elites of what was fast becoming the “Gunbelt,” thanks to lucrative military contracts, rendered vital assistance to the nascent conservative movement

(Markusen 1991). Beginning in 1948, southern textile corporations in particular joined with small manufacturers and with retailers like the Goldwater family of Arizona to organize for anti-union state right-to-work laws. By 1955, they had acquired enough momentum to fund the National Right-to-Work Committee (Perlstein 2001:22-34; Lichtenstein 2003:138). That was the year that the Montgomery bus boycott posed its historic challenge to Jim Crow, and that William F. Buckley, Jr., with a \$50,000 start-up investment from a Texas oilman, founded *National Review* declaring that the new cause “stands athwart history, yelling Stop” (*National Review*, Nov. 19, 1955, 5; Perlstein 2001:498; MacLean 2006: 44-51). Meanwhile, the South and West supplied a disproportionate share of the early mass base for the conservative movement’s rise, with thriving chapters of the John Birch Society and other anti-communist, free-enterprise groups and southern anti-desegregation groups that converted over time into all-purpose conservative organizations (McGirr 2001; Kruse 2005).

One telling sign of the growing weakness of the northern elite was its inability to maintain its once-tight grip on the Republican Party. Thanks to the ferment in the South and West, not only the liberal Rockefeller Republicans of the East Coast, but even the Taft-led conservative Republicans in the Midwest saw their power eclipsed. The most dramatic demonstration of their decline was the success of the regionally based right in making Barry Goldwater the party’s choice for president in 1964. Goldwater’s backers found the prevailing acceptance of the New Deal, civil rights, and multilateralism in foreign policy anathema, and the first politician they looked to for support was Arkansas governor Orval Faubus, newly famous from the Little Rock schools confrontation. They aimed well, because nowhere was Goldwater’s message more enthusiastically received than the South, where he baited Lyndon Johnson as a “counterfeit Confederate.” Won

over to the GOP, Strom Thurmond placed radio ads announcing, “A vote for Barry Goldwater is a vote to end judicial tyranny.” John Birch Society activists were blunter: “JOHNSON IS A NIGGER LOVER” read one South Carolina placard. Goldwater attracted his most avid following in the Deep South; in November, he won only six states, five there and the sixth his home state of Arizona (Goldberg 1995:146, 208; Perlstein 2001: 465). In Mississippi, he garnered 87 percent of the white vote. As a Goldwater biographer writes: “A power shift had occurred that signaled the rise of a western-southern coalition and the decline of the East in Republican Party politics. The new conservative elite rejected Modern Republicanism’s acceptance of New Deal social programs, the activist role of the federal government, and the importance of the black vote” (Goldberg 1995: 208; also Perlstein 2001).

Before the right could win nationwide elections, however, its members had to shed their heaviest regional baggage: the overt commitment to white supremacy. To cope in the new environment created by the very civil rights laws they had so vehemently resisted, conservatives learned new ways to protect old privileges and avoid sharing power, sometimes under the tutelage of Northerners determined to slow the pace of racial reform. The lessons took more easily than they might have years before because the Old South Black Belt plantation elites most loyal to white supremacy had been eclipsed in the regional power structure by the business leaders of the New South, whose power came not from cotton sharecropping but from manufacturing, extraction, retailing, and government contracts. The new leaders found it easier to appreciate the virtues of “color-blind” talk and race-neutral public policy. Particularly in the fast-multiplying suburbs whose moderate-voting residents were repelled by blatant racism but nonetheless determined to preserve racial homogeneity, politicians learned that inherited privileges could be best protected now in the

race-neutral language of “freedom of association” and earned class advantages. Inequality, they came to argue, came not from discrimination, but simply from the operation of market forces and meritocracy. In the North, whites who sought to defend the old order, especially by fighting affirmative action in employment, received tutoring in a new language of color-blindness from the neoconservatives who vastly augmented the intellectual firepower of the right in the 1970s and after. Giving up its last bastion of anti-market sentiment, the conservative movement emerged from the remodeling of the 1970s ready to wholeheartedly champion the new cause that came to be labeled (by others) neoliberalism. As that compound assumed near-hegemony in national politics and the market became enshrined as the arbiter of fairness, an ironic reversal occurred. Where once racism had eased the way to acceptance of class injustice, now class prerogatives could protect racial injustice from challenge (MacLean 2006; Kruse 2005; Lassiter 2006).

By 1980, the victory of Ronald Reagan, whose first exposure in national politics came from his ringing endorsement of Goldwater, crowned the victory of the rising southern and western conservatives over the older, more liberal Northeastern wing of the GOP (Rae 1989; Brennan 1995). With the regionally based right running the party, it would soon be hard to remember that as late as the mid-1970s, much of the Republican Party—including all of its black leadership—was more liberal on racial politics than many Democrats, or that the party as a whole was a longtime ally of the Equal Rights Amendment. Historical memory grew so faulty that observers would come to call the resulting conservative compound “neo-liberalism.”

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This is a highly compressed account of a vast drama that unfolded over decades, one which needs far more study. Yet for all its limitations and over-simplification of complex processes, this

back-story provides essential context for making sense of the vast changes in public policy and political culture in the United States over the last three decades. Of course, the rise of the South and West does not alone explain why neo-liberalism emerged as the answer to capital's troubles in the 1970s. Other factors contributed a great deal, among them the economic challenge that came from the resurgence of historic competitors in Germany and Japan and the growing popularity of theories in domains from economics to philosophy that legitimated reliance on market forces. There was also the popular disenchantment with government that mounted in the 1960s with Vietnam and grew with Watergate. The distrust has become self-reinforcing as eviscerated government offers less and less to win popular appreciation. "Through its power over the government it professes to hate, the right has put itself in a position to create a government that is ever more deserving of hatred," Barbara Ehrenreich has astutely observed. "The less government does for us, the easier it is to believe the right's antigovernment propaganda; and the more we believe it, the less likely we are to vote for anyone who might use government to actually improve our lives" (1997:11). Offering welfare that impoverishes, schools that extinguish the desire to learn, and starved bureaucracies that descend into chaos during crises instead of provide relief, neo-liberal government appears less and less appealing to millions of ordinary Americans in need. And so they look elsewhere—especially to the religious bodies that have filled needs in the face of the public void (Wuthnow 1990 and 1998).

But if the rise of the South and West and the growing influence of their elites in no way explains all of the shape change has taken, it does suggest new places to look for the origins of some of the distinctive features of the emerging order. This history reminds us, for one, that much of what we are seeing in the reign of neo-liberalism is not new. There are Americans with long

experience in packaging labor-repressive political economies in the garb of liberty. As the historian James Cobb once quipped, anti-unionism is “the South’s most respectable prejudice” (1982: 259; also Simon 1997). Walmart’s base in Arkansas is hardly insignificant: as political scientist Dorian Warren puts it, “Wal-Mart is a direct descendant of Southern political economy, ideology, and culture,” which is why Rev. Jesse Jackson has referred to it as a “Confederate Economic Trojan Horse” (Warren 2005:8-15, see also Moreton 2006).

Determined to hold down wages for their workers and deny them benefits so as to garner a greater share of profits in highly competitive world markets, southern leaders also grew expert in marking the victims of their policies as outsiders undeserving of full citizenship or cultural belonging. Treating the majority as dehumanized instruments for accruing wealth rather than as subject-citizens, they denied public responsibility for social needs such as education and health care. Providing bare minimums, they dragged down national standards by inviting capital flight from more generous states and localities (Cowie 1999). Such a system requires a firm hand to rule effectively, and the South’s leaders early on discovered ways to over-represent conservative interests and restrict popular voting power. The poll tax and the grandfather clauses used to suppress black and low-income white turnout are legendary, but as important was the county unit voting system maintained by many southern states that gave rural areas grossly disproportionate power and short shrifted cities with much larger populations. Southern elites also mastered the techniques of punitive governance, from the death penalty to measures to force the poor to work on terms freer citizens might resist, among them vagrancy laws and municipal ordinances used to coerce African Americans into picking cotton on planters’ terms, measures that might be viewed as

erie anticipations of today's work-or-starve "welfare reform."^{iv} Even signature practices of neo-liberalism such as the out-sourcing of once-public work can be read as updated versions of southern inventions like the convict lease system (Lichtenstein 1996; Kahn and Minnich 2005).

And, of course, there is the legal dimension of conservative strategy: the way the very rules of national life are being re-written in ways that would have pleased turn-of-the-century southern elites in all but their commitment to formal racial equality. The rightward turn in the judiciary, much of it by initiated by southern and western-based legal funds and sanctioned by conservative judges backed by them, is seeking to enshrine the kind of framework those elites once had and then lost at mid-century. With the misleading battle cry of "original intent" constitutionalism, they seek to restore a kind of pre-New Deal judiciary protective of property rights, inimical to the idea of shared public responsibility for social problems, and restrictive of the very ability of representative democracy to address inequality in resources and power (Wills, 1999: 57; Sunstein 2005; Breyer 2005).

The right has deep fault lines and contradictions of its own, and the trajectory of change might yet be altered. The regional alliance on which its power rests, for one, is unstable, because as pollster Celinda Lake notes, the West "is far more libertarian than the South." Born-again white Christians, the right's most avid voters, make up only one-third of the West's Christians as compared to two-thirds of the South's. Similarly, serious issues divide the neo-conservatives, centered in the Northeast, from the paleo-conservatives based in the South, and differences over immigration policy cause friction between business interests and cultural traditionalists. (Kuttner 2005:13; see also Murphy 2001). Indeed, perhaps the right's deepest vulnerability lies in the

curious class coalition undergirding its power, which unites working-class whites with those who are emptying their pensions, raising their premiums, de-funding their schools, and sending them off to multiple tours in disastrous wars (Frank 2004). On the other side, the left has some new sources of strength, among them the energy and internationalist vision that large numbers of immigrant worker activists are providing to the labor movement. Even with GOP dominance, moreover, some 3 in 10 southern whites still vote Democratic, a proportion that might grow if that party—or another—made itself more of a magnet (Lynd and Lynd 2000; Fine 2006; Teixeira and Rogers 2001).

But people who are alarmed about the direction of the country should not take comfort in happy tales of what might have happened with different tactics in this or that election. The cause of social justice has lost very significant ground thanks to the empowerment of the South's conservative elite. That ground will not be won back easily because its cession is in significant part due to seismic shifts in economic activity, demographic distribution, and ruling class strategies vis-à-vis both major parties. The Democratic Party's disinclination to break up the class coalition of its adversaries with bold initiatives to stem surging inequality flows not from simple thickheaded refusal to heed its most loyal supporters, but from the shrinking power of labor generally and the growing power of corporate money as elections have become ever-more expensive to wage (Reed 2005:1-15).

Even cultural ground earlier won by the left has been turned to the right's advantage in stunning jujitsu moves as the case of civil rights illustrates. It means something that the right has felt compelled to rob the grave of Martin Luther King, Jr. and cynically press him into service as a ventriloquist's dummy for an agenda that would have appalled him. At the least, this practice

suggests that anti-racist activists' success in changing the culture was more important than the left recognizes. It also indicates the right's self-perceived vulnerability to charges of bias and unfairness. King, after all, once called the neo-liberal standard-bearer Barry Goldwater "the most dangerous man in America" (Washington 1986:373). How, then, can the forces that Goldwater galvanized now claim King's mantle? The right's greatest cultural feat may be its success in inducing widespread public amnesia about the true sources of its ideas and policies. Few Americans have any idea that the seductive promises of neo-liberalism came first from business leaders who fought the New Deal and from white supremacists who aimed to defeat the civil rights movement.

One reason the right gets away with its dishonest packaging is the regional solipsism that keeps its adversaries from coming to terms with the southern anchor of neo-liberalism. Even conservative sympathizers have noted that "the dominance of the Southern wing prevents the GOP from presenting itself as a big-tent national party," and warned that "the greatest danger" to the Republican Party today is "the prospect of seeming intolerant" (Micklethwait 2004:262,264). It is past time to focus more attention on the deep roots of these vulnerabilities. Scholars of the modern U.S. need to think more about the spatial dimension of the power shift the right has engineered, and so come to terms with how historic processes which played out in the South have affected the nation and, indeed, the world. That those remaking the world in the name of freedom have authoritarian tendencies turns out not to be such a puzzle after all. Critics of them ought not to be misled by our own neologism; the prime neo-liberals have always been conservatives.

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