

Revisiting the Liberal Consensus

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Forty years ago, in my book *America in Our Time*, I suggested that for a certain period after the coming of the Cold War and the domestic anticommunism of the immediate postwar years, the prevailing public philosophy in the United States was what I called the “liberal consensus.” Other writers had used this phrase before.¹ I used it to describe what I conceived as a gigantic, unspoken deal between liberals and conservatives. Liberals, in part because of “McCarthyism” and because of a genuine fear of international communism, accepted an essentially conservative anticommunist foreign policy. Conservatives, in part because of the general perception that conservative Republicans in general and Herbert Hoover in particular bore much of the responsibility for the Depression, accepted, albeit grudgingly, important elements of the “liberal” New Deal domestic philosophy.

Even in the mid-1970s, of course, I was well aware that this was a schematic and oversimplified idea. Forty years’ experience and reflection have taught me how much more complicated the historical process was. Still, I believe the idea helps us to understand important aspects of American history in that critical period. I think it will be useful, first, to restate the original thesis, and then to ask two questions: Why did the idea of a liberal consensus fade away? And does it matter today that the liberal consensus is no more?

Two qualifications. First, the word *liberal* is notoriously treacherous. Its use has been confused by the fact that it originally described ideas and individuals that rejected traditional monarchical, aristocratic, and hierarchical values and institutions. So, in Europe liberals were those (many of them members of a new class of capitalist entrepreneurs and their admirers) who emphasized freedom from these traditional constraints.² In the United

States, where monarchy had been abolished, aristocrats had no political privileges, and religion was specifically excluded from political discourse by the Constitution, liberalism of that kind had no place. So in Europe liberalism lived in a middle position, between traditional Tory conservatism and the evolving forms of socialism. It was natural for it to be nicknamed “Manchester liberalism,” after the nineteenth-century British politicians who opposed Toryism but feared socialism. To this day, of course, in every Western European language, the equivalent of “liberal” describes a position distinctly to the right of the left. In America, that kind of liberalism was not so necessary. So the word came to be used as a kind of euphemism for “left,” or as a less alarming synonym for social democracy.³ In the early twentieth century the word *progressive* was used by many people who would later have been called liberals. The Liberal Party of New York was founded in 1944 as an explicitly anticommunist party by a group that included the religious philosopher Reinhold Niebuhr. For many years it endorsed liberal Republicans, such as John Lindsay (U.S. congressman and later mayor of New York) and Charles Goodell (U.S. congressman and, briefly, U.S. senator), as well as Democrats.

I should also dispose of a second misunderstanding. The liberal consensus was not in itself a “liberal” idea. Certainly numerous liberal intellectuals, most notably Arthur Schlesinger Jr. in *The Vital Center*, stressed that liberal domestic policies were by no means incompatible with anticommunism.⁴ In like fashion, Daniel Bell perceived an intellectual consensus in the 1950s whose dual foundations were the fear of the communist threat from abroad and the conviction that America’s problems at home were all capable of resolution without provoking the kind of animosities faced by previous reform movements.⁵ On the other side of the ideological divide, however, two archconservatives of that generation accepted consensus, if perhaps for tactical reasons. After Barry Goldwater’s landslide defeat in the 1964 presidential election, Frank Meyer, chief ideologist of William F. Buckley’s *National Review*, argued that conservatives could no longer openly seek to repeal the New Deal, as they had done since the 1930s. Most Americans, he wrote, would now interpret a move to abolish programs like Social Security as “a radical tearing down of established institutions . . . it has to be made very clear that conservatives by their nature proceed in all changes with caution.”⁶ And Richard Nixon’s conservative economic mentor, Arthur Burns, wrote, “It is no longer a matter of serious controversy whether the government shall play a positive role in helping to maintain a high level of economic activity.”⁷

In the mid-1950s it became fashionable to say that the age of ideology was over. I was by no means the only one to point out that this idea was in itself a new, American ideology, none other than the ideology of the liberal consensus. It was, I went on to say, “[c]onfident to the verge of complacency about the perfectibility of American society, anxious to the point of paranoia about the threat of communism.”⁸ I then promulgated six interrelated assumptions underlying the consensus, which can be summarized as follows (see the Introduction for the full text): postwar American capitalism can generate abundance for all; its capacity to do so derives from the endless potential for economic growth; this creates a natural harmony of interests by promoting a more equal society; it also furnishes the resources for government to resolve social problems; the main threat to this beneficent system comes from communism, against which America and its allies must engage in prolonged struggle; America’s destiny is to spread the message of the benefits of capitalism to the rest of the world.

“A state of sociological hygiene,” I wrote of the 1950s American consensus, “could be attained as directly, as *technologically*, as the U.S. Army public-health people, in war-time Naples, had abolished typhus and malaria. The poor could be sprayed with money, and the enemy sprayed with lead, it was assumed, just as efficiently as the Italians had been sprayed with DDT. . . . Poverty and communism would become extinct, like typhus.”⁹ Pushing the same analogy, I went on to point out that, just as DDT turned out to be a carcinogen, so over the next decade or so many of the assumptions of the liberal consensus turned out to be wrong, or superseded, or dangerous; they were challenged, and they disappeared, or at least went underground into a limbo of those popular delusions that influence politics, even after the elite that formulated them no longer believes in them.

Quite separately, at about the same time I was pursuing the idea of an American foreign-policy establishment. Its instinct, I wrote, was for the center, “steering the middle course between the ignorant yahoos of the Right and the impractical sentimentality of the Left.”¹⁰ Later I realized that, if the focus of the liberal consensus was wider than that of the foreign-policy establishment, their core membership overlapped, close to the point of identity. Both were disproportionately recruited from white people living in the Northeast, educated at Harvard, Yale, or Princeton; many were occupied as bankers, lawyers, academics, or foundation officials, or as politicians, journalists, or publicists of one sort or another.

Although one of the characteristics of the new free-enterprise society was supposed to be growing equality and the obsolescence of class

divisions, the liberal consensus does not seem to have grown spontaneously from popular emotions. It was in fact closely identified with an elite. Specifically, it was formulated and fostered by the new, or newly ambitious, foundations, themselves in the most important cases literally the heirs of the great industrial fortunes of the late nineteenth and early twentieth centuries, Rockefeller, Ford, and Carnegie.¹¹ With a generosity and a high-mindedness that put the attitudes of most of the European super-rich to shame, but also with a shrewd eye to their own higher self-interest, scions of these families and an elite recruited from their friends and peers promoted a public philosophy. They were disproportionately educated at the aforementioned Ivy League universities, and indeed at a handful of New England boarding schools. The foundations poured money into studies of the state of the nation and the world. Subsequently, the utility of such institutions for disseminating ideas was recognized by the antagonists of the liberal consensus. A different stamp of wealthy individuals founded conservative institutions like the Heritage Foundation or the American Enterprise Institute. But the early great foundations, in spite of their historical association with capitalism, were predominantly, if moderately, liberal.

Nelson Rockefeller was almost an embodiment of the liberal consensus.¹² He contributed to thinking about both foreign and domestic policy. He worked first for Franklin Roosevelt's New Deal, then for the Eisenhower administration, before becoming the philosopher-king of a kind as governor of the Empire State. He combined firm and unquestioning anticommunism with liberal attitudes to domestic policy. He presided over the Eisenhower administration's Special Studies Project, set up in 1956 and published as the *Prospect for America* in November 1960, the very month John Kennedy was elected president. Among those who labored in that vineyard were future Kennedy-Johnson secretary of state Dean Rusk, formerly head of the Rockefeller Foundation; Rockefeller protégé Henry Kissinger, later national security adviser to President Richard Nixon and secretary of state under both Nixon and Gerald R. Ford; Edward Teller, the father of the hydrogen bomb; Roswell Gilpatric, soon to become Robert McNamara's deputy at the Pentagon; not to mention Henry Luce, proprietor of *Time*, *Life*, and *Fortune*.¹³

Those with a taste for prosopography can have a field day tracing the interconnections among the philanthropic elite.¹⁴ Ben Whitaker, for example, pointed out that "over half of the trustees of the thirteen largest American foundations attended Harvard, Yale or Princeton. The most salient characteristics of this group were that they were white Episcopalian

or Presbyterian males, who were between 55 and 65 years of age and who served on the boards of several foundations concurrently.” They constituted, said Whitaker (a British Labour member of Parliament for Hampstead, a London suburb long associated with affluent radicalism), “a wholly unrepresentative influence and one which supports the established traditions of the power elite.”¹⁵

The philanthropic elite was intimately entwined with the political and business elites. Of the top officials of the Rockefeller Foundation, for example, John Foster Dulles, Dean Rusk, and Cyrus Vance became secretaries of state. John J. McCloy was assistant secretary of war in World War II, the first American high commissioner in Germany thereafter, president of the World Bank, chairman of the (Rockefeller-influenced) Chase Manhattan Bank, and a trustee of the Rockefeller Foundation. McGeorge Bundy was dean of Harvard College, national security adviser to Presidents Kennedy and Johnson, and president of the Ford Foundation. Robert S. McNamara, secretary of defense under Presidents Kennedy and Johnson, was president of the Ford Motor Company before going into government and president of the World Bank afterward. I could go on; indeed, many people have done so.

Nelson Rockefeller was not alone. His brother David Rockefeller, whose main career was as chair of the Chase Manhattan Bank, was also the president of the Carnegie Endowment for World Peace. The Rockefeller brothers (who had their own foundation, the Rockefeller Brothers Fund, one of the ten biggest) were only the wealthiest of a whole elite who sat on the boards of foundations.

The foundations were intimately bound up with a wide range of “citizen committees,” characteristic of the age of the liberal consensus, which studied and proposed remedies for various aspects of American society. They were especially concerned with the Cold War itself, and with aspects of the military contest with the Soviet Union, and only secondarily with how such matters as education, scientific research, and “leadership” (a favorite topic for a group who saw themselves as natural leaders) affected the competitive performance of the United States in the context of the Cold War. Indeed, it is striking how much the Kennedy administration, largely recruited from the establishment, at first saw the civil rights problem as a foreign-policy issue: it was embarrassing, and an opportunity for Soviet propaganda, if non-white diplomats of newly emergent nations could not stay at motels in Maryland en route from New York to Washington.

The influence of the foreign-policy establishment and of the interconnected elite of international bankers, international lawyers, relatively liberal business executives, and centrist academics was older than the liberal consensus. Its origins can be traced back to the progressive movement of the last years of the nineteenth century and the early years of the twentieth. Its influence was potent in the Inquiry, the collection of scholars brought together by Colonel House to advise Woodrow Wilson before the peace negotiations in Paris, and specifically in the origins of the Council on Foreign Relations, whose membership largely coincides with that of the foreign-policy establishment.¹⁶ Indeed, before World War II the foreign-policy elite saw its task as being to resist isolationism, and its victory in that dispute was sealed by the Japanese attack at Pearl Harbor. The foreign-policy elite was overwhelmingly recruited from the East, with the exception of a few mid-western industrialists like Paul Hoffman of Studebaker and the Marshall Plan, Charles Percy of Bell and Howell and later Illinois GOP senator, and J. Irwin Miller of Cummins Inc., makers of diesel engines.¹⁷

The earliest of these citizen committee reports was the “War-Peace Project,” funded from 1939 onward by a series of munificent grants to the Council on Foreign Relations to plan for the peace. The recommendations of this project were, first, that the United States must guarantee access to raw materials and markets to safeguard the expansion of the American economy and national security; second, that America’s prosperity depended on corporate expansion, which in turn depended on raising living standards in Europe and the rest of the world; and, third, that these goals could only be assured in a stable, non-communist world.¹⁸

This was followed by the Report of the Study for the Ford Foundation on Policy and Programs, chaired by H. Rowan Gaither, delivered to Henry Ford in November 1949; the Special Studies Project set up by Nelson Rockefeller and paid for by the Rockefeller Brothers Fund in 1956, in which the young Henry Kissinger played a key role; and the second “Gaither report,” on survival in the nuclear age, given to the Department of Defense in November 1957 and later published as *Deterrence and Survival*.

This was not the only way in which the big foundations influenced foreign policy. The Harvard seminar, for example, which made Henry Kissinger’s reputation, was founded under the influence of William Yancey Elliott and with the help of a grant of \$15,000 from the CIA. It became the forum at which a number of men who were to become influential foreign statesmen were recruited to follow the main lines of American policy. They