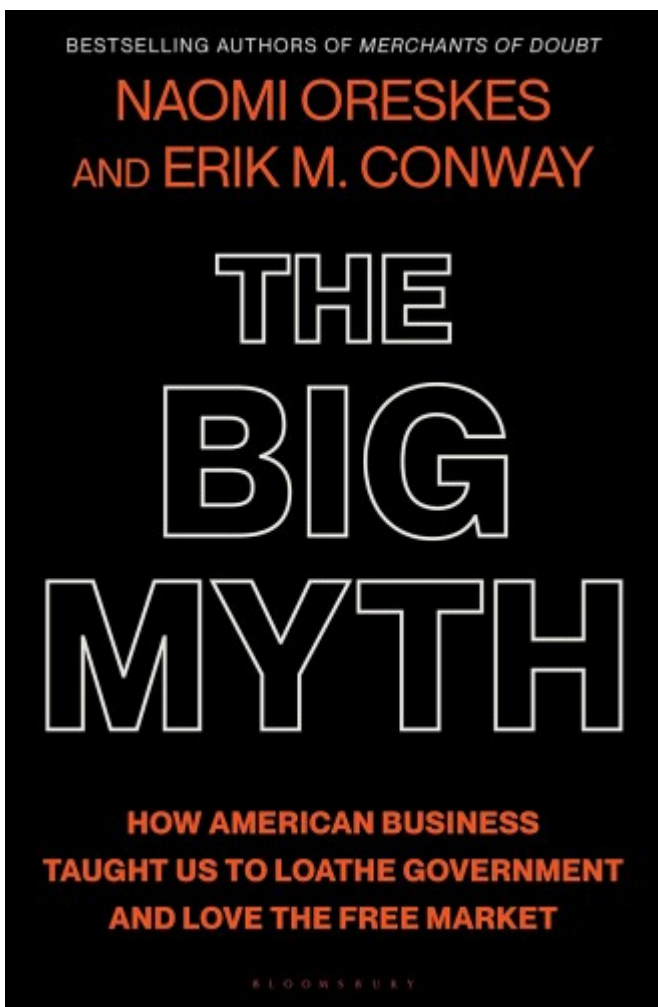


Taking aim at market fundamentalism

Naomi Oreskes and Erik Conway tell the story of US economic history in a way that obscures as much as it reveals.

by [Jesse Lava](#) in the [October 2023](#) issue

In Review



The Big Myth

How American Business Taught Us to Loathe Government and Love the Free Market

By Naomi Oreskes and Erik M. Conway

Bloomsbury

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The story of the long-standing fight between our nation's economic conservatives and progressives can be told at varying levels of outrage.

Here's a low-level version: in the 1800s, the federal government neglected Americans facing poverty and harsh working conditions, but the next century brought an explosion in federal interventions. Enacted over fierce corporate opposition, these initiatives gave assistance and protection to Americans who needed it—the poor, the elderly, workers, students, and more. Big business struck back around 1980, helping lead millions of people to unfairly demonize what came to be known as big government. But the previous advances in social welfare stayed largely intact due to persistent support from the majority of Americans. We're now in an era in which progress is continuing (if in fits and starts) on health care and other issues. The challenges we face today are immense and at times maddening, but history shows that hope isn't naive; it's reasonable.

That's decidedly not how the story is framed in *The Big Myth*. Historians Naomi Oreskes and Erik Conway present US economic history in brash, sometimes scornful terms. Although the book is information rich (clocking in at 565 pages with a small font and some 2,000 footnotes), it also reflects the social media and cable TV ethos of our era: it amplifies negatives and filters out positives, offering a snort of indignation to the ideologically predisposed but little to sustain readers who want to be part of the solution.

Not that it's a bad read. Using vigorous prose that makes a long book readable, Oreskes and Conway contend that government involvement in the economy was the norm in the early days of the republic, and Americans benefited from the progressive initiatives of the early to mid-20th century. These "prior generations understood that market values are different from society's values." But things have gone downhill since then. Americans have come to "ignore history" that shows government can be a force for good, instead adopting a "quasi-religious belief" in "unfettered markets" as the best (or only) way to meet our needs. The corollary of this belief is that "government cannot improve the functioning of markets; it can only interfere. Governments therefore need to stay out of the way, lest they 'distort' the market and prevent it from doing its 'magic.'" Indeed, Oreskes and Conway argue that market fundamentalists see even small public interventions as lunges

toward communist tyranny.

This notion of magical markets and toxic government is the myth at which *The Big Myth* takes aim. It's not just erroneous, the authors say; it was built on "dishonesty and denial of evidence." And according to Oreskes and Conway, it arose from an unholy alliance of business interests, conservative intellectuals, and evangelical leaders.

One pioneer was the National Association of Manufacturers, which engaged in public relations efforts in the 1920s to oppose child labor laws. NAM helped develop "a playbook of rhetorical fallacies that market fundamentalists would lean on for decades to come, including slippery slope arguments, ad hominem and straw man attacks, half-truths, misrepresentations . . . and outright lies." Then there's the National Electric Light Association, which fought government initiatives to electrify the countryside even though private utilities weren't doing it. NELA undertook a vast campaign to put the industry's economic views into newspaper editorials, high school textbooks, and academic publications.

President Franklin Roosevelt's New Deal roused wealthy elites to found the American Liberty League and other advocacy groups in the 1930s. These groups failed to prevent a dramatic expansion of the role of the federal government, but business leaders played the long game. They spent decades underwriting the work of conservative economists (such as Ludwig von Mises, Friedrich Hayek, and Milton Friedman) whose work laid the intellectual foundation for current think tanks including the Heritage Foundation and Cato Institute. Business leaders also elevated the voices of public persuaders such as libertarian giant Ayn Rand and screen actor Ronald Reagan. Together, these players brought money, intellectual respectability, and a polished pitch.

Reagan was especially successful. As his acting career flagged in the 1950s, business interests scooped him up to sell anti-government ideology to the masses. He hosted the TV and radio show *General Electric Theater*, decried Medicare as "socialized medicine" at the behest of the American Medical Association, and went on tireless speaking tours. This work was the launching pad from which he became governor of California and then president of the United States.

Corporate money also helped embed the market gospel in evangelical Christianity. Oil magnate J. Howard Pew and others funded books, magazines, and outreach

efforts that posited unconstrained capitalism as the will of God. Subsidized messengers included James Fifield Jr., who launched the spiritual mobilization movement in the 1930s, and Norman Vincent Peale, who, though most famous for writing *The Power of Positive Thinking*, also led the anti-New Deal Committee for Constitutional Government and the pro-market magazine *Guideposts*.

Pew brought us additional magazines including *Christian Economics*, *Faith and Freedom*, and—working closely with Billy Graham—*Christianity Today*, which was founded to rival the *Century*. Pew's activism was propelled in part by a NAM poll that said "ministers were by far the most important molders of public opinion of any American group." Oreskes and Conway write:

The captains of American industry had found a way to turn Protestant theology on its head, from embracing the poor to celebrating the rich. They channeled corporate profits to promote as benevolent an economic system that often had been anything but, and to vilify government efforts to address that system's failures. By embedding capitalist propaganda into American Christianity, they ensured that millions of Americans heard their message weekly, in church, from their ministers and lay leaders—which is to say, from people the parishioners thought they could trust.

Assembling these pieces of American history into one book is a useful contribution, not least because understanding the way the myth spread may help progressives effectively combat such efforts today.

Yet there's a foundational flaw in how the book frames this history: it exaggerates the myth's impact on public opinion and policy. To Oreskes and Conway, the rise of market fundamentalism didn't just create a strong and persistent pressure point in the national discourse. Rather, the myth "dominates American thinking" with a "tenacious hold," entrapping not just conservatives but also "many moderates and progressives." It's unclear which moderates and progressives believe small government interventions will lead to totalitarianism, but purportedly, this ideology has so shaped Americans that we think "our choices are . . . confined to oppressive communism or heartless capitalism," making it "hard for all of us to see the ranges of options that have worked in the past and could work again in the future."

The alternative offered in *The Big Myth* is a "well-regulated capitalism" that serves human needs. Oreskes and Conway say this balanced approach would enable us to

see “governments and markets as complementary, not opposing camps” and stop treating “politics and economics as separate spheres.” We would then be able to tackle problems such as “income inequality . . . the lack of affordable housing, retirees who can’t afford to retire, [and] the climate crisis.”

Cards on the table: I lean left and agree that our economic system must be designed to benefit society as a whole. I, too, believe that we need to do more than we’re doing now, especially when it comes to a potential catastrophe like climate change. I suspect I have substantial overlap with the authors on policy. Still, I can’t help but feel gaslit when told we must one day regain our belief in a mixed economy.

To state the obvious, we already have a mixed economy. The United States combines capitalism with social programs and regulation. The pendulum has swung both ways over the course of our history, but market absolutism hasn’t undone the gains made in the Progressive Era, the New Deal, and President Lyndon Johnson’s Great Society. We still have Social Security and Medicare. We still have Medicaid, which is far bigger now thanks to the 2010 Affordable Care Act. The Securities and Exchange Commission, the National Labor Relations Board, the National Endowment for the Arts, antitrust laws, the minimum wage, food stamps, Head Start, Pell Grants, the FDA, the EPA, the CDC: they’re all still here, as are countless other initiatives that emerged before the 1980s and countless more that came afterward. Although the market myth has surely done damage to public policy and human lives, the notion that it has conquered America is baffling.

What makes more sense is the less outraged version of our economic history, the one that gives both victories and defeats their due. It both is more accurate and avoids the gratuitous pessimism that saps us of the will to pursue political change.

Let’s start with accuracy. In addition to the reality of a mixed economy, market fundamentalism doesn’t dominate public opinion. A 2023 Pew Research Center survey shows that the public is split when asked whether government should be bigger (49 percent) or smaller (48 percent) and whether it should do more to solve problems (52 percent) or leave more things to individuals and businesses (46 percent). And Americans get decidedly pro-government when asked specific policy questions. A different Pew survey says US adults believe it’s the federal government’s job to ensure clean air and water (87 percent), high-quality K-12 education for all (79 percent), health insurance for all (64 percent), and adequate retirement income (58 percent). Moreover, 65 percent favor raising taxes on large

businesses and 61 percent on households making over \$400,000 a year.

Indeed, the 2020 Democratic Party platform is at least as aggressive as anything offered up by Oreskes and Conway. The platform says Republicans have “rigged the economy in favor of the wealthiest few and the biggest corporations.” Accordingly:

Democrats will forge a new social and economic contract . . . that creates millions of new jobs and promotes shared prosperity, closes racial gaps in income and wealth, guarantees the right to join or form a union, raises wages and ensures equal pay for women and paid family leave for all, and safeguards a secure and dignified retirement.

We must guarantee health care not as a privilege for some, but as a right for every single American. . . .

We must lead the world in taking on the climate crisis, not deny the science. . . .

We must provide a world-class education in every ZIP code, to every child, because education is a critical public good. Democrats believe in universal early childhood education, and affordable, high-quality child care.

One may argue that Democrats aren't doing enough to fulfill these promises. But what's relevant here is that the promises wouldn't be in the platform if they didn't poll well. Most Americans want this stuff. So when Oreskes and Conway seem to think they're unearthing forgotten wisdom by proposing “well-regulated capitalism,” they may want to check out the positions of the political party that has won the popular vote in every presidential election but one since 1992.

Oreskes and Conway do cite polling showing that “in many domains, Americans trust the private sector more than they trust ‘The Government.’” But this characterization of the data is misleading. The footnote there leads to an Axios/Harris poll referring specifically to the federal response to COVID-19. It says that in July 2020, 75 percent of respondents believed “companies were more reliable than the federal government in keeping America running” during the pandemic up to that point. Given the Trump administration's early pandemic response, that statement is pretty much objectively true.

To be sure, a paltry 20 percent of Americans say they trust the federal government in general to “do the right thing just about always” or “most of the time.” But do you? With a conservative Supreme Court and the prospect of another Trump presidency? Me neither.

When I read in *The Big Myth* that by the end of the 20th century, “free market principles reigned effectively unchallenged in American politics,” I reflexively made the Tucker Carlson dumbfounded face. President Bill Clinton, who oversaw the closing years of the 1990s, was not a market dogmatist. Although he did support deregulation in multiple areas and signed off on welfare cuts, his administration raised taxes on the rich, pushed for universal health insurance (albeit unsuccessfully), took Microsoft to court for antitrust violations, protected Social Security and Medicare from conservative attacks, and increased federal funding for education and child care.

Oddly, Oreskes and Conway acknowledge many of these points in subsequent pages, and they even occasionally acknowledge that most Americans want to keep their social programs. So why the over-the-top framing? Why a narrative of decline and mass delusion?

To the extent that market fundamentalists have made gains, the book fails to unpack why their beliefs and advocacy landed on fertile soil. In the 1970s, a pendulum swing was not surprising. Americans had reasons to be skeptical of the efficacy of the national government: Watergate, Vietnam, stagflation, increased crime, energy crises, and a globalizing world. The authors mention these issues briefly, but a book on why market ideology proliferated could have had a chapter or two on the conditions that made people receptive to the message.

Oreskes and Conway also engage in biased fact selection to distinguish good guys from bad guys. For example, the authors make sure readers know that Mises (the conservative economist) “sympathized with fascism,” that a NAM official espoused social Darwinism, and that Reagan spoke to racist and extremist groups. There is no mention, however, of how John Maynard Keynes—positioned heroically as the economist who showed that government spending could improve a bad economy—was vice president of the British Eugenics Society. He once wrote, “Almost any measures seem to me to be justified in order to protect our standard of life from injury at the hands of more prolific races. Some definite parceling out of the world may well become necessary; and I suppose that this may not improbably

provoke racial wars.” Yuck.

Do these horrid racial beliefs discredit Keynes’s economic views? Not at all. He’s a legend. But casting aspersions so selectively is the kind of thing that makes political opponents look like bogeymen.

More fundamentally, *The Big Myth* almost entirely avoids mentioning recent progressive advances. Oreskes and Conway do not discuss the Obama administration’s 2009 Keynesian stimulus that kept the nation afloat after the financial crash. Nor is there mention of the Affordable Care Act—a massive expansion of the federal role in health insurance—save a single footnote. Shortly before Oreskes and Conway wrote the book, the Biden administration responded to the COVID pandemic with a stimulus that was twice the size of Obama’s and (temporarily) cut poverty among Black children in half. *The Big Myth* doesn’t say so.

In theory, Oreskes and Conway shouldn’t be obligated to list progressive accomplishments in a book about the spread of market fundamentalism. But they are, because *The Big Myth* tells a before-and-after story of decline, as if we once could see but now are blind. Skipping over the good news leaves us with less hope than reality warrants.

The authors say intelligent people “manage to deny obvious facts” about the economy because “if a system is working for you, it is easy to see its successes and harder to discern its failures.” Very true. But by the same token, intelligent authors may have an easier time seeing failures than successes if that works for them. In our current media environment, outrage works to gain attention and plaudits. Cynicism works. Slanted framing works. But when they’re relentless, they dull our sense of scale, with each outrage soon forgotten as if it never existed, other than contributing to that subtle buzzing feeling we get from an increasingly corroded view of the world.

And that’s an unfortunate part of what *The Big Myth* offers. It places another paper cut on our spirit, adding to the thousands we’ve received from social media memes, viral videos, and ideological magazines and books. Although intellectual food is important, spiritual food is too—especially if we’re to take political action to improve our common life.

Oreskes and Conway want us to do just that. They write, “We intend for this book to recover a sense of possibility by examining how alternatives” to market

fundamentalism “were made to disappear.” But they didn’t disappear. They’re right here, right now. And it would sure help our sense of possibility to be reminded of that. The work of social change can feel overwhelming. Fortunately, we have victories and opportunities to celebrate and keep us going. But first we have to be willing to acknowledge their existence.

The Big Myth may fit our current moment, but it doesn’t serve it.