

Neo-Conservatism

Social Studies 30-1

Neo-Conservatism

An ideology that emerged in the United States during the 1950's and 1960's as a reaction against modern liberal principles.

Some aspects of neo-conservatism challenge modern liberal principles and favor a return to particular values of classical liberalism.

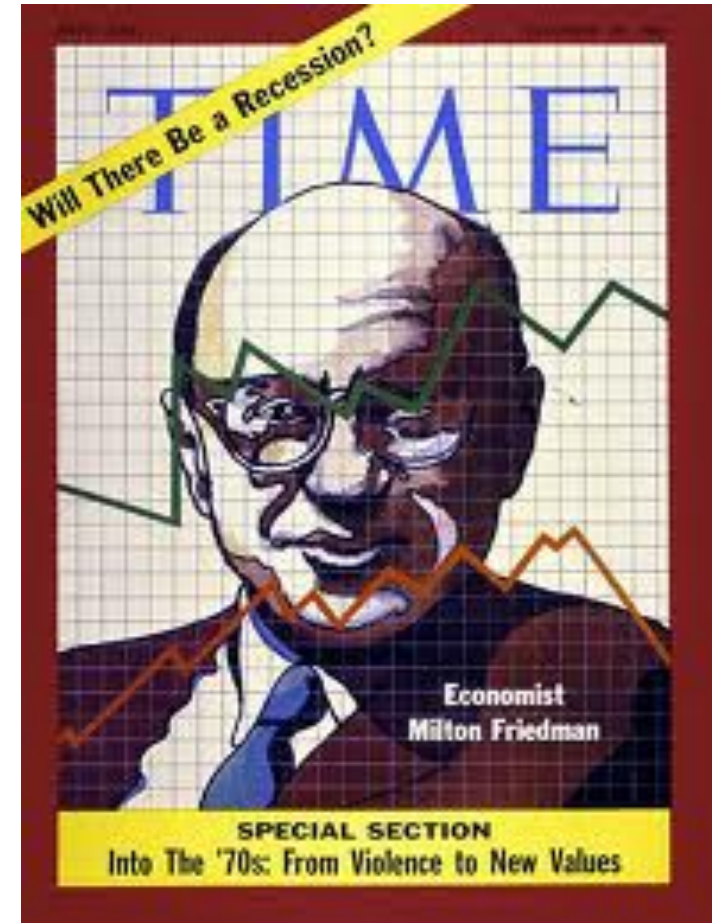
- X The ideology is against Keynesian policies, and therefore against government interference in the economy and the idea of a Welfare state
- X Reduce the amount of government provided services
- ✓ Some neo-conservative ideas challenge both classical and modern liberal principles and favor values identified as “family values” and traditional values, often resting on a religious foundation
- ✓ Other neo-conservative ideas revolve around Foreign Policy and Military supremacy

Broadly, neo-conservatism reflects a shift back to right wing policies and principles.

Milton Friedman

Milton Friedman was a highly influential advocate of free-market economics.

He opposed government programs such as public education, public health, and public housing. He believed in low taxation, privatization, and deregulation.



The view has been gaining widespread acceptance that corporate officials ... have a “social responsibility” that goes beyond serving the interest of their stockholders... . This view shows a fundamental misconception of the character and nature of a free economy. In such an economy, there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud.

—Milton Friedman, 1962

(Source I on the January 2014 Diploma Examination)

From my point of view, we in the United States have gone overboard in respect to the extent of regulation and detailed control of labor standards, industry, and the like. It's bad for us...I am in favor of cutting taxes under any circumstances and for any excuse, for any reason, whenever it's possible.

—Milton Friedman (2006)

Affirmative Action Policies

Affirmative action policies attempt to **redress** past or current problems of discrimination or inequality by giving preference or special treatment or special consideration to the group that have been traditionally discriminated against or who have faced inequality.

A Neo-Conservative would not support this because it goes against their belief in equality and individualism. They would believe that this does not provide *equality of opportunity*.

***Redress:** *remedy or set right (an undesirable or unfair situation).*

Economic Beliefs

- **Cut/Decrease Taxes** – having lower taxes in a free market economy will give people the opportunity to prosper
- **Privatize State-Owned Industries** - especially utilities like electricity
- **Restrict Government Involvement In The Market**
- **Reduce Government Programs through Cuts**
 - Healthcare
 - Education
 - social security
- **Challenge Labor Unions** - Labor Unions are bad for competition and stifle economic growth

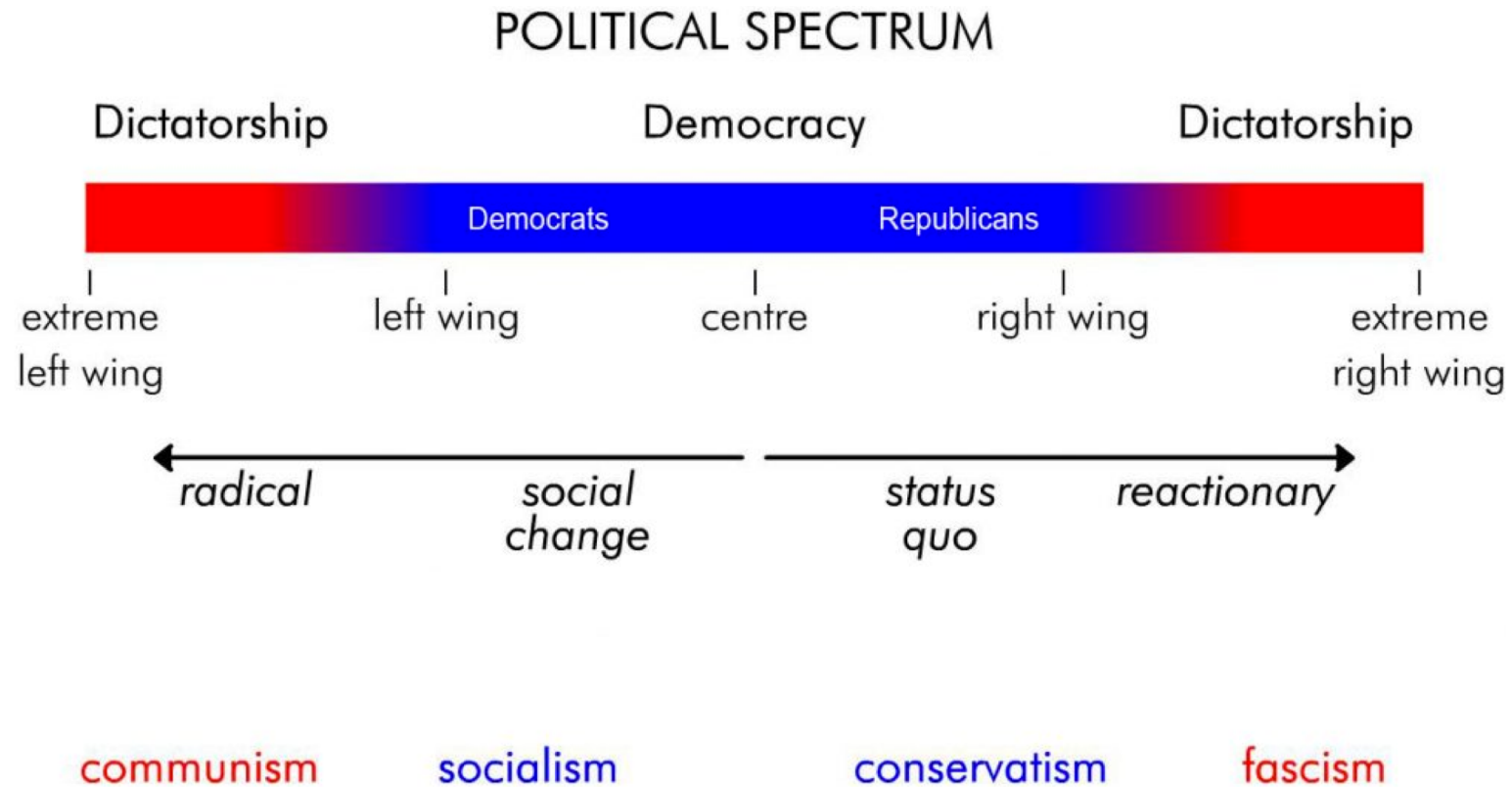
Foreign Policy Beliefs

- Patriotism is good and should be encouraged.
- World government is not a good idea as it would lead to tyranny.
- A large country has interests that extend beyond its own borders and thus it needs a strong military.
- Democratic capitalism is a preferable system to others and should be promoted internationally.

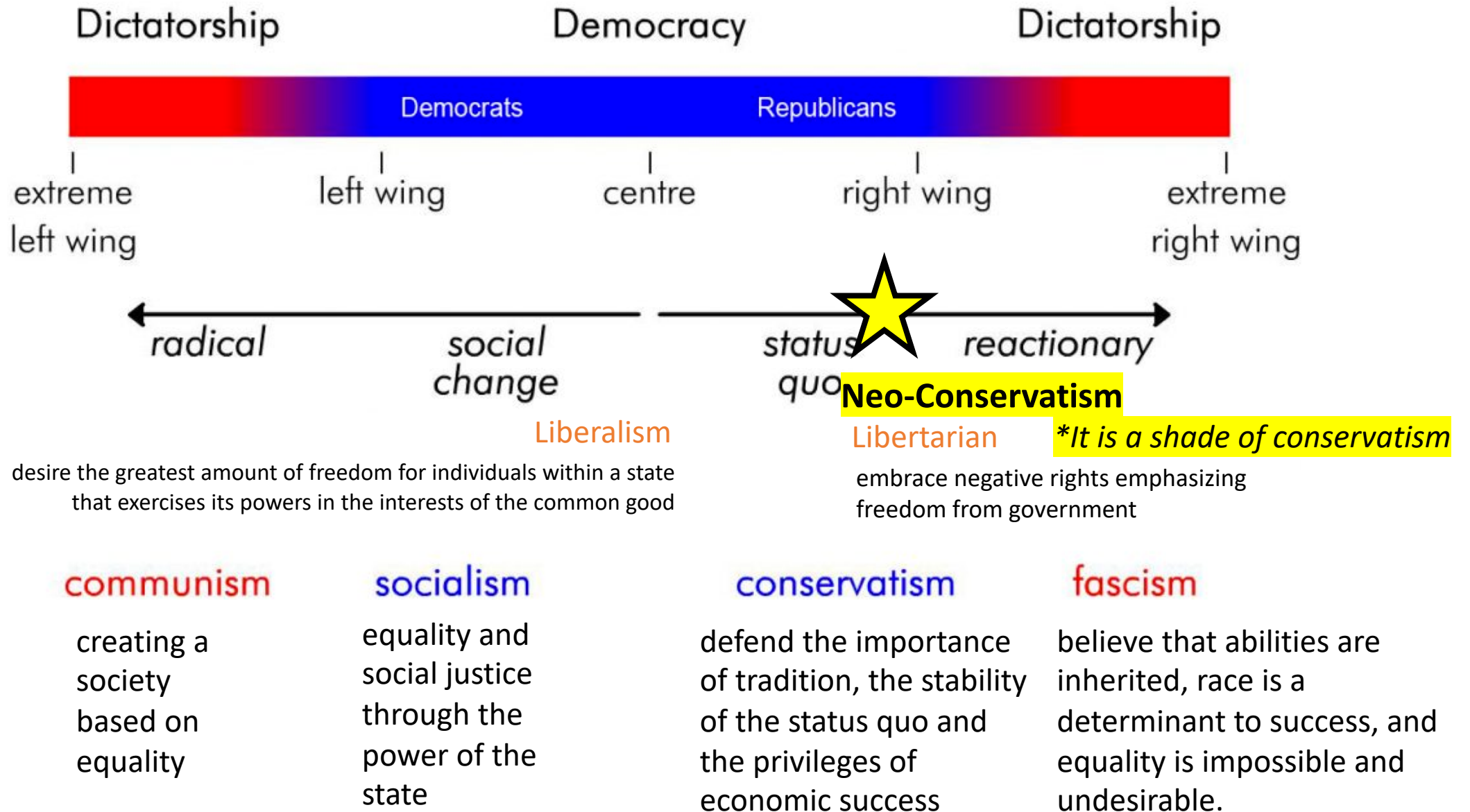


Recall our Spectrum...

Where would you place neo-conservatism on this spectrum? Why?



POLITICAL SPECTRUM



Monetarism

The shift toward classical liberal laissez-faire economics in the form of monetarism—a shift that began in the 1970s—is another swing of an economic pendulum which alternates between interventionism and the free-market economy, reflecting a return to the principles of liberalism.

Monetarist theory holds that control of a country's money supply is the best means to encourage economic growth and limit unemployment and inflation. The money supply is controlled through the regulation of interest rates.

Friedman believed that inflation was primarily the result of an excess supply of money produced by central banks. He argued that when the money supply was increased, consumer spending would also increase, causing demand to rise, and thus inflation to increase (as happened in Germany in the early 1920s). Friedman felt that the amount of money issued by the central bank should be linked to economic indicators such as the rate of inflation.

Neo-Conservative Leaders of the 1980's

Ronald Reagan

President of the United States of America



Margaret Thatcher

Prime Minister of Great Britain.



**We'll come back and talk about Reganomics in the next few lessons*

They both aimed to deal with stagflation and unemployment through **deregulate** and **privatize** their economies and establish a return to more laissez-faire policies

Project for the New American Century (PNAC)

- PNAC was a neo-conservative think tank (1997 to 2006) that had strong ties to the American Enterprise Institute. PNAC's web site said it was "a non-profit, educational organization whose goal is to promote American global leadership."
- PNAC's policy document, "Rebuilding America's Defenses," openly advocated for total global military domination.
- Increase the defense budget of the USA so that they could promote democracy and capitalism abroad. They wanted to strengthen American ties to democratic allies, and challenge other governments that were hostile to American interests and values.