Living Within Our Means


by Gordon M. Pradl

The existential dilemma characteristic of “modernism” is not so much the disruptive desire immediately to have it all, outwardly to experience all things simultaneously, gallivanting through yet-unimagined boundaries of cultural space; rather, it is the fact that, seemingly, everyone in our “advanced” society has finally reached this depressing pinnacle of desire. With the entire cultural/economic machinery insisting that it is our duty as patriotic citizens to stand by the pay-later credo, no wonder we daily feel compelled to grab blindly at the brass ring, yet all the while spinning deeper into an inarticulate discontent. Ironically, in such modern times human possibility is severely shackled, for the power of the future erodes proportionate to our need to swallow its rewards in the present.

The historian who will help us understand the perils of this “modern” dilemma will do so in part by locating its roots in the past. Any initial attempt at dealing with this problem requires that we gain a perspective on those times when not just individual Americans overstepped their consumptive limits, but when the nation as a whole first began the decline toward living beyond its means—which is another way of suggesting that we must find that time when American culture lost faith in tomorrow because it no longer would or could delay acting out its interests today.

David Kennedy’s *Over Here* is such a history. He dissects that earlier time in American society from which the dilemmas of our current selfishness are directly descended: America’s begrudging yet insistent participation in the Great War. Clearly our ills today go deeper than the series of unresolved decisions made by both government and private citizens between 1913 and 1920, but in understanding the contradictory responses of that prior age as enumerated by Professor Kennedy, we can take the first step toward a new commitment to restraint.

The crowning achievement of the Wilson Administration was not its victory in Europe, but rather its creation of “modernism,” namely the ability to hide the true cost of things through some sleight of hand, either cultural or economic. On the economic front, much of the credit for the “innovative” financing of America’s role in World War I belongs to Treasury Secretary William McAdoo. Everyone, of course, wanted the experience of the European campaign, yet not surprisingly, doors closed when the U.S. Treasury went asking citizens to pay their fair share. However, with his various schemes, especially his utilization of the newly formed autocratic Federal Reserve System to print and thus create new money, McAdoo “suggested a model for later administrations in waging unpopular wars [both foreign and domestic, in which] . . . the true incidence of war costs could be hidden, at least in the short run, by inflation.” Here at last we had, at the highest levels, the federal government legitimizing the philosophy of getting something for nothing. The idea of a national banking-credit system seemed fine in principle as it would centralize and potentially stabilize the rather chaotic approach to banking in America, but in practice the unchecked employment of the Federal Reserve System’s power allowed us all to spend too many of tomorrow’s dollars today. Further, it even led us to expect this as a right, as increasingly we forgot our responsibility in actually having to earn those same dollars.

This whole “modern” economic scene is insightfully surveyed in *Over Here*. Besides analyzing the mixed blessing of the Federal Reserve System with its direct connection to the inflationary expansion of our money supply, Kennedy exposes the World War I roots of other economic nightmares including cost overrides in government contracts, the compromising intertwining of government and big business in which corporate executives came to expect regulatory protection from the risks of free markets, and the government’s loss of nerve in initiating legitimate public ventures when the private sector was either unwilling or unable to take advantage of new economic circumstances, such as the lost opportunity to underwrite an American Merchant Fleet and thus gain control of the world import-export business at the conclusion of World War I.

But perhaps the more disturbing legacy of Wilson’s age had to do with the infrastructure of American life, both organizationally and conceptually. The guiding myth Americans lived by included a premium on the right of individual freedom, but with the imperatives of the war effort, this right came into direct conflict with the claims of national need. Thus in the not-unreasonable name of efficiency, personal

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liberty was sacrificed. But the real issue was initiative, not liberty. The “emergency” replacement of the “school district-county-state-federal” decision-making pyramid by the widening cobweb of federal agencies not only represented a real shift in power and authority, but it also came to mean that sources outside the immediate experience of the citizen began their gradual stranglehold on his life. America’s view of Europe at this time allowed her participation in the Great War to be thought of in terms of a crusade to save the old world from its autocratic and coercive institutions, institutions in which power and initiative flowed from the top down—yet the transformation which Wilson unwittingly achieved meant the end of our own bottom-up organizational patterns and indeed the end of our very sense of self as masters of our own fate.

This kind of fundamental disintegration of the American social fabric that modernism embodies also found expression in a variety of cultural forces unleashed during Wilson’s years as President. Propaganda and appeals to the baser emotions were hardly invented by Wilson, but still the present scope of media manipulation of the mass mind dates from this era. Indeed, it is from this period that “the benign appraisal of human nature succumbed to a more cynical assessment, and the idea of ‘the people,’ good and educable, gave way to a concept of ‘the masses,’ brutish and volatile.” And we have come so far as to have lost this very distinction in our common speech. Thus we no longer separate mass nouns from count (or individual) nouns: “fewer people” has become “less people” and “the number of votes” “the amount of votes.” (Compare for instance the incorrect forms—“fewer sugar” and “the number of sugar.”)

The Wilsonian erosion of the floodgates of self-determination left the old American regime of the mind in shambles. The collective, public-opinioned, lib-culture lifestyle was just around the corner. From the intrusion of intelligence (IQ) testing to the introduction of sex education—“In its own blunt way, the Army contributed to the demythologizing of erotic life by bringing sexual matters into the arena of public discourse”—the sense of living within one’s own boundaries vanished. And yet there was no cultural replacement of any substance. Even the writers of the war period, from Dos Passos’s scorn of the older culture’s literary tastes to Cummings’s parody of the verbal conceits of the age’s idealistic excesses, widened the gulf between art and audience, displacing mimesis with irony as the dominant form of understanding. In sum, Wilson’s modernism had rekindled the need for self-expression while drying up those inner resources which had always made the genius of American self-expression possible.

In negotiating America’s passage between individualistic and collective eras, Wilson and the other leaders of our government left us with such confusion and disenchantment because they refused to stand up to special interests. Instead, they allowed these interests to triumph over those of the individual and left a dangerous precedent that has been all too readily followed by subsequent generations of politicians. Out of this unresolved dilemma of whom our institutions serve has come the appeasement of lib culture and the end of voluntarism, for finally modernism attacks our ethical structures by promising us salvation through the future of technique, not the future of the person. Kennedy touches this problem directly:

Americans, prizing the weakness of their ancient institutions, strove to maintain that holy debility in a time of crisis by substituting aroused passion for political authority. The war thus demonstrated the distasteful truth that voluntarism has its perils. Reliance on sentiment rather than strengthened sovereignty to mobilize a people for total war compounded the problem of requiring all people to do what but a few people wished. That kind of coercion, no less insidious for its indirection—perhaps doubly objectionable on that count—had deep roots in liberal democratic culture, and was to become a salient feature of twentieth-century American life.

Were we ever to reclaim the “right” of living within our means, a surprising reversal could occur: meaning within our lives.

In the Mail

Compassion and Common Sense by Carl E. Ockett; MCP Books; Germantown, Maryland. A slender paperback volume which offers some novel solutions to problems such as unemployment, inflation, crime and education. Highly recommended.

Zoning: Its Costs and Relevance for the 1980’s by Michael Goldberg and Peter Horwood, edited by Walter Block; The Fraser Institute; Vancouver, British Columbia, Canada. An examination of zoning laws and practices, including a forthright challenge to the assumptions of zoning philosophy.

Better Government at Half the Price by James T. Bennett and Manuel H. Johnson; Caroline House Publishers; Ottawa, Illinois. A comparison of production costs between the public and private sectors and an examination of the reasons for the difference.

Myths that Rule America by Herbert I. London and Albert L. Weeks; University Press of America; Washington, D.C. A polemical study of some of the myths—absolute freedom, happiness, success, equality, etc.—that are prevalent in today’s America, and a comment on the “functional use of myth.”