

FROM:

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## CHAPTER ONE

### Statism, Anti-Statism, and American Political Development

#### THE SOURCES AND PERSISTENCE OF AMERICAN ANTI-STATISM

The political philosopher Leo Strauss once described the United States as "the only country in the world which was founded in explicit opposition to Machiavellian principles."<sup>1</sup> Where Machiavelli advised rulers on how to gather up authority into their own hands, the architects of the American republic labored to create a regime in which it would be impossible for even the wildest and most ambitious prince to achieve the dream of total power. The success of the Founders in this regard owes itself both to the basic structure of the governmental institutions they designed and to the content and continuing appeal of the ideology they promulgated. To borrow a metaphor from modern biology, at the moment of its conception, the new nation had a strong anti-statist strain encoded into its political DNA; one that would reproduce itself and continue to fulfill its protective function in subsequent generations.

#### *Definitions*

Like most others who have written on the subject, I begin with Max Weber's definition of the modern state as "an administrative and legal order" that "claims binding authority, not only over [its] citizens . . . but also to a very large extent, over all action taking place in the area of its jurisdiction." The state possesses an "administrative staff," or bureaucracy, and it claims for itself a monopoly over the legitimate use of force within its frontiers. It is "a compulsory association with a territorial basis."<sup>2</sup>

Weber notes that the "organized corporate activity of the administrative staff [is] regulated by legislation," but he clearly distinguishes the legislative function from the executive.<sup>3</sup> Legislatures pass laws. The state is a collection of agencies that act both internally (collecting taxes, enforcing the laws, etc.) and externally (making war, negotiating treaties, and so on). It is, as one scholar has

<sup>1</sup> Leo Strauss, *Thoughts on Machiavelli* (Glencoe, IL: Free Press, 1958), p. 13.

<sup>2</sup> Max Weber, "The Fundamental Concepts of Sociology," in Talcott Parsons, ed., *Max Weber: The Theory of Social and Economic Organization* (New York: Oxford University Press, 1950), p. 156. For discussions along similar lines see, among many others, Gianfranco Poggi, *The State: Its Nature, Development, and Prospects* (Stanford, CA: Stanford University Press, 1990), pp. 19-33; Joel S. Migdal, *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World* (Princeton: Princeton University Press, 1988), pp. 3-41.

<sup>3</sup> Weber, "Fundamental Concepts."

described it, "an organization, composed of numerous agencies led and coordinated by the state's leadership (executive authority)."<sup>4</sup> Following the spirit of this definition, I will use the term "American state" to refer to the executive branch of the federal (or national) government, including both the office of the president and the various agencies and organizations subordinate to it.<sup>5</sup>

In the American context, the term "state-building" therefore refers to efforts to increase the size and strength of the executive branch.<sup>6</sup> The most relevant measures of state size are numbers of federal employees and the magnitude of the federal budget in relation to the national economy as a whole.<sup>7</sup> State strength or power is more difficult to measure with precision, but I will use these terms to refer to the scope of the economic and societal activities that the federal executive agencies seek to regulate or control, and to their ability to do so successfully. Size and strength are positively related, though not always in a simple, linear fashion. In general, as the American state has grown bigger it has also grown stronger, although not always at the same rate or to the same extent.<sup>8</sup>

<sup>4</sup> Migdal, *Strong Societies and Weak States*, p. 19.

<sup>5</sup> For a similar use of the term see Paul P. Van Riper, "The American Administrative State: Wilson and the Founders," in Ralph Clark Chandler, ed., *A Centennial History of the American Administrative State* (New York: Free Press, 1987), pp. 3-36. There are at least three alternative definitions, putting aside for the moment the possibility that the United States simply does not have anything that deserves to be called a "state" in the Weberian sense of the term. Some take a wider view, arguing that "an adequate concept of state" must include the legislative branch. See J. P. Nettl, "The State as a Conceptual Variable," *World Politics* 20, no. 4 (July 1968), pp. 570-71. Others have argued for a narrower definition in which "the American state" consists only of "those institutions and roles that are relatively insulated from particularistic pressures and concerned with general goals (primarily the White House and the State Department and to a lesser extent the Treasury and Defense Departments)." See Stephen D. Krasner, "United States Commercial and Monetary Policy: Unravelling the Paradox of External Strength and Internal Weakness," in Peter J. Katzenstein, ed., *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978), p. 53. Finally, some analysts have used this term to refer to the executive branch bureaucracies, but not to the office of the president. See Louis Galambos, "By Way of Introduction," in Galambos, ed., *The New American State: Bureaucracies and Policies since World War II* (Baltimore: Johns Hopkins Press, 1987), pp. 3-20.

<sup>6</sup> This is the sense in which the term is used by Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities, 1877-1920* (New York: Cambridge University Press, 1982), pp. 3-18.

<sup>7</sup> For discussions and analyses of various indicators see James T. Bennett and Manuel H. Johnson, *The Political Economy of Federal Government Growth, 1959-1978* (College Station, TX: Center for Education and Research in Free Enterprise, 1980); Michael S. Lewis-Beck and Tom W. Rice, "Government Growth in the United States," *Journal of Politics* 47, no. 1 (February 1985), pp. 2-30; William D. Berry and David Lowery, *Understanding United States Government Growth: An Empirical Analysis of the Postwar Era* (New York: Praeger, 1987).

<sup>8</sup> I am less interested here in whether the American state is "weak" or "strong" in comparison to other states, than in the question of how it has grown bigger and stronger over time and, in particular, how its growth has been shaped by the presence of underlying institutional and ideological constraints. The issue of comparative state strength has been discussed at length. See the essays in Katzenstein, *Between Power and Plenty*; Stephen D. Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton: Princeton University Press, 1978); Eric A. Nordlinger, *On the Autonomy of the Democratic State* (Cambridge: Harvard University Press, 1981); Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In*

"Anti-statism" is the body of ideas and arguments used by those who have opposed efforts to increase the size and strength of the executive branch of the federal government. By "anti-statist influences" I mean to refer both to these ideas and to those features of the original design of American governmental institutions that have tended to inhibit state-building.

### Ideas

American animosity toward government is a deep-rooted and long-standing tradition with two main branches. The first and more fundamental of the two embodies a generalized suspicion of power in all its forms and of governmental power in particular. The second consists of a set of ideas regarding the need for strict limits on the government's role in the economy.<sup>9</sup>

#### THE "ANTIPOWER ETHIC"

The ideologists of the American Revolution were obsessed with power. "They dwelt on it endlessly, almost compulsively," notes Bernard Bailyn. "It is referred to, discussed, dilated on at length and in similar terms," in all of their pamphlets and recorded speeches. The essential attribute of power, in the view of these writers, was its "aggressiveness: its endlessly propulsive tendency to expand itself beyond its legitimate boundaries." This "central thought," they believed, "explained more of politics, past and present, . . . than any other single consideration."<sup>10</sup>

If power was everywhere the hunter, "its natural prey, its necessary victim, was liberty." Power "inherited naturally in government and was the possession and interest of those who controlled government. . . . Liberty, always weak, always defensive . . . inherited naturally in the people and was their peculiar possession and interest."<sup>11</sup> This antinomy between power and liberty, rulers and ruled, state and society, was not unique to a particular situation or to a certain type of regime; it was fundamental and timeless. While breaking with Britain might alleviate the immediate threat to the freedoms of the American colonists, it would not assure them once and for all. Only eternal vigilance could do that.

In moving from Revolution to Confederation to federal Union, Americans created a stronger central government apparatus than the one most had envisioned at the outset, but they did not lose their fear of the state. To the contrary,

(Princeton: Princeton University Press, 1985); G. John Ikenberry, David A. Lake, and Michael Mastanduno, eds., *The State and American Foreign Economic Policy* (special issue of *International Organization* 32, no. 1 [Winter 1988]).

<sup>9</sup> For a similar distinction see Ernest R. May, "The Evolving Scope of Government," in Joseph S. Nye, Jr., Philip D. Zelikow, and David C. King, eds., *Why People Don't Trust Government* (Cambridge: Harvard University Press, 1997), pp. 26-27.

<sup>10</sup> The term is Samuel Huntington's. See his *American Politics: The Promise of Disharmony* (Cambridge: Harvard University Press, 1981), p. 33.

<sup>11</sup> Bernard Bailyn, *The Ideological Origins of the American Revolution*, 2nd ed. (Cambridge: Harvard University Press, 1992), p. 56.

<sup>12</sup> *Ibid.*, pp. 57, 59.

the process of debating and ratifying the Constitution served to amplify and to codify these concerns. The advocates of a more powerful federal government were forced repeatedly to explain why the mechanisms that they were proposing would not pose an undue threat to liberty and to accept measures (like a formal Bill of Rights) designed to reduce the danger that such a threat could ever emerge.

Because the fears of the Anti-Federalists were already "deeply rooted in American political culture," writes historian Jack Rakove, the "Federalists . . . had to treat them seriously."<sup>13</sup> Indeed, on a number of crucial issues, the defenders of a stronger union rested their case on the claim that it would actually reduce the danger of governmental usurpation of individual freedoms. Thus, in response to those who worried that the proposed Constitution did not explicitly prohibit standing armies, Alexander Hamilton argued that it was under the Articles of Confederation that these "engines of despotism" were actually more likely to arise. In time, Hamilton claimed, the loose Confederacy would inevitably dissolve, and the several states would begin to eye one another with hostility and suspicion. All of the evils so evident in Europe (and of which the Constitution's enemies were, by implication, justifiably afraid) would then come to pass in the New World. Military rivalry would give rise to standing armies and ultimately to a loss of individual freedoms. The reason for this was clear:

Safety from external danger is the most powerful director of national conduct. Even the ardent love of liberty will, after a time, give way to its dictates. . . . The continual effort and alarm attendant on a state of continual danger will compel nations the most attached to liberty, to resort for repose and security, to institutions which have a tendency to destroy their civil and political rights. To be safe they, at length, become willing to run the risk of being less free.<sup>14</sup>

Whether or not Hamilton was sincere in his expressed concern over standing armies is largely beside the point. What is significant is that his arguments both reflected and lent legitimacy to the very real fears of those whom he was addressing. Even in their efforts to build a stronger state, the Federalists felt compelled to use the rhetoric of anti-statism.

The Founding generation bequeathed to its descendants a "chronic antagonism to the state."<sup>15</sup> Despite the successful construction of a new political sys-

<sup>13</sup> Jack N. Rakove, *Original Meanings: Politics and Ideas in the Making of the Constitution* (New York: Knopf, 1996), p. 149. On the importance of the Anti-Federalists in shaping the debate and its ultimate outcome see also Gordon S. Wood, *The Creation of the American Republic, 1776-1787* (New York: Norton, 1993), pp. 519-64; Peter S. Onuf, "Reflections on the Founding: Constitutional Historiography in Bicentennial Perspective," *William and Mary Quarterly* (April 1989), pp. 341-75; Herbert J. Storing, *What the Anti-Federalists Were For* (Chicago: University of Chicago Press, 1981).

<sup>14</sup> Federalist No. 8 ("The Effect of Internal War"), in Edward Meade Earle, ed., *The Federalist* (New York: Modern Library, 1937), p. 42.

<sup>15</sup> Seymour Martin Lipset, *American Exceptionalism: A Double-Edged Sword* (New York: Norton, 1996), p. 39.

tem, "opposition to power, and suspicion of government as the most dangerous embodiment of power," would remain, in Samuel Huntington's words, "the central themes of American political thought."<sup>16</sup> While the extent to which these sentiments are shared and the intensity with which they are expressed have varied over time, they have never disappeared and have reemerged, at intervals, with surprising force. As we shall see, this persistent, deep-seated tradition of suspicion of governmental power has given the opponents of a stronger American state a storehouse of stirring rallying cries with which to mobilize popular support and an armory of potent rhetorical weapons with which to attack their foes.<sup>17</sup>

#### ECONOMIC LIBERALISM

Historians have been at pains to point out that the first generations of Americans did not embrace laissez-faire as the appropriate basis for government economic policy, either in theory or in practice. The term does not appear in the Constitution, "nor do any even remote synonyms," and for every one of the Founders who "at times echoed some views of Adam Smith . . . many others asserted that he was fundamentally mistaken."<sup>18</sup> Nor does the pattern of early policy betray a principled aversion to any but the most minimal forms of government intervention in the economy. Especially in the early decades of the

<sup>16</sup> Huntington, *The Promise of Disharmony*, p. 33.

<sup>17</sup> Popular attitudes toward government can be assessed, albeit indirectly, by the success and failure of competing political parties, programs, and candidates, and, albeit imperfectly, by public opinion polls. For evidence of the persistence of anti-statist attitudes, even at a time of peak popular support for an expanded welfare state see the discussion of a 1964 survey in Lloyd A. Free and Hadley Cantril, *The Political Beliefs of Americans: A Study of Public Opinion* (New York: Simon and Schuster, 1968), pp. 9-40. Free and Cantril found a striking disparity between the willingness of respondents to support particular government programs (urban renewal, federal welfare, and education aid) and their more general ideological predispositions. They concluded that "the liberal trend of policies and programs . . . has little secure underlying foundation in any ideological consensus" (p. 30, 39). Subsequent shifts in public attitudes are traced in Linda M. Bennett and Stephen Earl Bennett, *Living with Leviathan: Americans Coming to Terms with Big Government* (Lawrence: University of Kansas Press, 1990). Although the authors want to argue that traditional hostility to government is fading, much of their evidence seems to suggest the contrary. They present polls which show, for example, that from the 1960s through the 1980s nearly half of those questioned regarded "big government" as "the biggest threat to the country in the future" (p. 36). Writing in the late 1980s, the Bennetts concluded that antigovernment sentiment was on the wane. Nye, Zelikow, and King, *Why People Don't Trust Government*, take the story through the mid-1990s, a period of sharply declining trust in government. Noting the importance of more recent trends (the rise of "postmaterial values") and shorter-term developments (scandals and perceived policy failures), public opinion expert Gary Orren concludes nevertheless that the "traditional antipathy toward government that has been part of American political culture since colonial times" continues to shape public attitudes. See his essay, "Fall From Grace: The Public's Loss of Faith in Government," in Nye, Zelikow, and King, *Why People Don't Trust Government*, pp. 87, 77-107.

<sup>18</sup> William Letwin, "American Economic Policy, 1865-1939," in Peter Mathias and Sidney Pollard, eds., *The Cambridge Economic History of Europe*, Vol. 8, *The Industrial Economies: The Development of Economic and Social Policies* (New York: Cambridge University Press, 1989), pp. 641-42. Elaborating on these themes is Frank Bourgin, *The Great Challenge: The Myth of Laissez-Faire in the Early Republic* (New York: George Braziller, 1989).

nineteenth century, many state governments were heavily involved in regulating industry, enforcing child labor laws, and investing public funds in roads, canals, bridges, and other "internal improvements."<sup>19</sup> While the scope of its activities was considerably narrower, the federal government also intervened in its own way, imposing tariffs that protected the producers of certain commodities and dispensing public lands to private entrepreneurs.<sup>20</sup>

Despite all this, by the closing years of the nineteenth century there had emerged a strong and widely shared presumption in favor of the market over the state, the private sector over the public sector, the efficiencies of "free enterprise" over what turn-of-the-century social theorist Herbert Spencer referred to as the "clumsy mechanisms" of "political schemers."<sup>21</sup> By the 1880s, as English author James Bryce observed, laissez-faire was "the orthodox and accepted doctrine in the sphere both of Federal and State legislation."<sup>22</sup> Writing in 1906, H. G. Wells concluded that, albeit with minor variations, Americans were all adherents of eighteenth-century liberalism, an ideology that aimed to liberate "not only men but property from State control" and that was, in its essence, "anti-State."<sup>23</sup>

This evolution in attitudes, which began in the 1830s and was consolidated after the Civil War, clearly had its roots in changing material conditions. As the economy developed, businessmen had less need of public funds and they grew more concerned about government interference. The emerging American entrepreneurial class therefore underwent what has been described as a "spiritual conversion."<sup>24</sup> They began, writes Arthur Schlesinger, Jr., to "retreat from the Hamiltonian conception of publicly guided private enterprise and to discover belated charm in the Jeffersonian proposition that government was best which governed least."<sup>25</sup> Having done so, they proceeded to erase all memory of their previous dependence on the state and to embrace the myth that America had always been the land of unfettered free enterprise.<sup>26</sup> The fact that subsequent

<sup>19</sup> See Oscar Handlin and Mary Handlin, *Commonwealth: A Study of the Role of Government in the American Economy: Massachusetts, 1774-1861* (New York: New York University Press, 1947); Louis Hartz, *Economic Policy and Democratic Thought: Pennsylvania, 1776-1860* (Cambridge: Harvard University Press, 1948).

<sup>20</sup> Ernest May notes that after the dismantling of the Bank of the United States by Andrew Jackson and the defeat by the Jacksonians of Henry Clay's program of internal improvements, the federal government became, in effect, "a passive actor." By the 1830s, there was "no national-level governmental institution (the post office excepted) that was able to play much of a role in American economic life." May, "The Evolving Scope of Government," pp. 33-34.

<sup>21</sup> Quoted in Sidney Fine, *Laissez-Faire and the General Welfare: A Study of Conflict in American Thought, 1865-1901* (Ann Arbor: University of Michigan Press, 1956), p. 35.

<sup>22</sup> Quoted *ibid.*, p. 3.

<sup>23</sup> H. G. Wells, *The Future in America: A Search after Realities* (New York: Harper and Brothers, 1906), pp. 156, 76, 75.

<sup>24</sup> Louis Hartz, *The Liberal Tradition in America* (New York: Harcourt, Brace, 1955), p. 215.

<sup>25</sup> Arthur Schlesinger, Jr., "Affirmative Government and the American Economy," in Schlesinger, *The Cycles of American History* (Boston: Houghton Mifflin, 1986), p. 230.

<sup>26</sup> This erasure of the memory "of the corporate-state co-operation of the pre-Civil War period" has been described as "one of the most vivid examples of collective amnesia in American history."

generations of historians have felt the need to debunk that myth gives ample testimony to its continuing power.

But whatever the realities of history and contemporary policy, why did the *ideal* of the unfettered market and the minimal state gain such acceptance? The relentless propagandizing by business interests may provide a partial explanation. Part of the answer seems to lie also in the fact that economic liberalism harmonized easily with the country's prevailing political anti-statism, while Hamiltonian activism did not. This congruence helps to account for the generalized support of the doctrine of nonintervention, even among those who were not themselves captains of industry.<sup>27</sup>

Popular attitudes toward "big business," and the balance of public and expert opinion regarding the proper economic role of the federal government would seesaw several times after the turn of the twentieth century, but an underlying "hostility to public initiative" and a "general commitment to the view . . . of the natural predominance of private enterprise" would remain. Writing in the 1960s, Andrew Shonfield noted that "many of the simple and certain formulac of [American] popular political debate" seemed to derive from an "extremist version of the private enterprise doctrine" first popularized in the late-nineteenth century. The terms of public discussion implied "a suspicion of public power as such" that struck European observers as "bizarre."<sup>28</sup> If that was less the case at the end of the twentieth century, it was because Europeans had become somewhat more "American" in their thinking about the proper economic role of the state, rather than, as Shonfield expected, the other way around.

### *Institutions*

Building a stronger state involves concentrating power: in the executive/administrative arm of government in relation to its other branches and in government as a whole in relation to its citizens. The American Constitution was meant to make such concentrations of power difficult, if not impossible, to attain. In this sense, at the same time as it established a new state, the Constitution also embodied a profoundly anti-statist doctrine. As its authors intended, the initial design of America's governmental institutions has served as an enduring source of constraint on state-building.

Under the Articles of Confederation, both executive and legislative authority had been granted to the Congress, thereby in effect "establishing . . . parliamentary government without a prime minister."<sup>29</sup> In this scheme, the "United States

David Vogel, "Why Businessmen Distrust Their State: The Political Consciousness of American Corporate Executives," *British Journal of Political Science* 8, p. 1 (January 1978), p. 55.

<sup>27</sup> For evidence of the extent of acceptance see Fine, *Laissez-faire and the General Welfare*, pp. 32-164.

<sup>28</sup> Andrew Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power* (New York: Oxford University Press, 1968), pp. 298-99, 306-7.

<sup>29</sup> Arthur M. Schlesinger, Jr., *The Imperial Presidency* (Boston: Houghton Mifflin, 1973), p. 2.

of America" had a government of sorts, but it (or rather they) did not have a state. By creating the position of president and investing him with "the executive power," the authors of the Constitution planted the seed of a state, but they proceeded simultaneously to surround it with multiple barriers to its subsequent growth.

The president of the United States was not himself a sovereign nor was the office he occupied to be the locus of sovereignty in the new nation. Rejecting the European notion that every political entity must have a center of gravity, "a single, undivided, final power, higher in legal authority than any other power," the Framers proceeded, in effect, to shatter sovereignty and to scatter its pieces throughout their new system.<sup>30</sup> The president would not possess it, but neither would the Congress (as Parliament had done in England since the Glorious Revolution), nor the legislatures of the several states (as had presumably been the case under the Articles of Confederation). In the new regime, sovereignty would belong "in theory to the people and in practice to no one."<sup>31</sup> Deprived of a protective cloak, no individual, and no branch of government could ever proclaim the right to act without restraint. In this abstract but profoundly important way, the authority of both Congress and the president, and the potential power of the American state, was limited from the outset.<sup>32</sup>

Nor was the sovereign power of the people a merely theoretical matter. By creating what they termed a "republican" system of government, the Founders imposed a second layer of protection against an overweening state.<sup>33</sup> The fact that the president and the members of both houses of Congress were to be elected (albeit by different means and with varying degrees of popular participation) meant that the new nation's rulers would be "created by our choice, dependent on our will."<sup>34</sup> At the same time, although the defenders of the Constitution did not stress the point, the fact that the new regime would not be a direct democracy reduced the threat that it might act in the interests of a tyrannous majority.

The president's status as an elected official required to present himself for approval at regular, specified intervals posed an important check on his actions and on those of the executive branch as a whole. Placing the executive power in the hands of one man might seem to elevate him to the status of the king of

<sup>30</sup> Bailyn, *The Ideological Origins of the American Revolution*, p. 198.

<sup>31</sup> James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It* (New York: Basic Books, 1989), p. 311.

<sup>32</sup> On this issue see Bailyn, *The Ideological Origins of the American Revolution*; Wood, *The Creation of the American Republic, 1776-1787*, pp. 524-36; Forrest McDonald, *Novus Ordo Seclorum: The Intellectual Origins of the Constitution* (Lawrence: University of Kansas Press, 1985), pp. 276-81; Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), pp. 98-108.

<sup>33</sup> On the differences between a republic and a pure democracy see Federalist No. 10 ("Numerous Advantages of the Union") in Earle, *The Federalist*, pp. 58-59. On the Founders' novel use of these and other terms see J. G. A. Pocock, "States, Republics, and Empires: The American Founding in Early Modern Perspective," in Terence Ball and J. G. A. Pocock, *Conceptual Change and the Constitution* (Lawrence: University of Kansas Press, 1988), pp. 55-98.

<sup>34</sup> Federalist No. 25 ("The Care of the Common Defense"), in Earle, *The Federalist*, p. 156.

Great Britain, or "the khan of Tartary." Instead, Alexander Hamilton claimed, an elected president, "reeligible" only for as long as "the people of the United States shall think him worthy of their confidence," was in a position more like that of the governor of the state of New York. If he sought to accumulate too much power or if he and his agents acted against the people's wishes, a president, like a governor, could always be turned out at the next election.<sup>35</sup>

As important as electoral accountability in imposing constraints on the president was his constitutionally prescribed relationship to the other two branches of government. By creating a system of "separated institutions sharing power," the Framers, in James Madison's words, sought to provide "great security against a gradual concentration of the several powers in the same department."<sup>36</sup> They took particular care to ensure that Congress would have ample means to prevent an undue accumulation of authority in the executive. In extremis Congress could impeach and remove a president. Of greater day-to-day significance was the fact that the Constitution took the essential state-building functions out of the hands of the executive and placed them securely with the legislature. Congress, not the president, would have the power "to lay and collect taxes," borrow and coin money, and "regulate commerce with foreign nations."<sup>37</sup> And within the Congress it was the members of the House of Representatives—who would be subject to biennial direct elections, and who would no sooner have assumed power than they would "be compelled to anticipate the moment when . . . their exercise of it is to be reviewed"—who would have to take primary responsibility for raising revenues.<sup>38</sup>

Along with its regulation of taxation, the Constitution gave Congress control over conscription. Reflecting their belief in the strategic virtues of unity of command, the Framers made the president the "commander in chief" of the army and navy of the United States, and of the state militias, should these ever be called to the nation's defense. But they made certain to give Congress the power "to raise and support armies," "provide and maintain a navy," and to organize, arm, and discipline any nationalized militia units.<sup>39</sup>

The authors of the Constitution knew from their reading of history that wars made states, and it was for this reason that they decided not to give the leader of the American state the authority to make war. As James Madison explained in a letter to Thomas Jefferson: "The constitution supposes, what the History of all [governments] demonstrates, that the [executive] is the branch of power most interested in war, [and] most prone to it. It has accordingly with studied care vested the question of war in the [legislative]."<sup>40</sup> Congress would decide

<sup>35</sup> Federalist No. 69 ("Analysis of Presidential Powers"), in Earle, *The Federalist*, p. 446. Hamilton was here, of course, glossing over the fact that president was to be chosen not by "the people" directly, but by electors appointed by the states.

<sup>36</sup> The first phrase is Richard Neustadt's, from his *Presidential Power: The Politics of Leadership* (New York: John Wiley, 1960), p. 33. The second is from Federalist No. 51 ("On a Just Partition of Power"), in Earle, *The Federalist*, p. 337.

<sup>37</sup> Article I, section 8 of the Constitution, in Earle, *The Federalist*, p. 590.

<sup>38</sup> Federalist No. 57 ("Supposed Dangers"), *ibid.*, p. 372.

<sup>39</sup> Article I, section 8, *ibid.*, p. 590.

<sup>40</sup> Quoted in Schlesinger, *The Imperial Presidency*, p. 5.

when the militia could be called forth "to execute the laws of the Union, suppress insurrections, and repel invasions." And, most important of all, Congress, and not the president, would have the power to declare war.<sup>41</sup>

The potential powers of the new institutions of central government over its citizens were further limited by an assortment of explicit prohibitions scattered throughout the text of the Constitution and concentrated in the Bill of Rights. Neither the president, nor the Congress, nor the president acting with the assent of the Congress could legitimately deprive citizens of their freedom to speak, subject them to unreasonable searches, forbid them a trial by jury, or take from them their right to keep and bear arms. Should the other branches of the federal government seek to violate their freedoms, citizens would have recourse to the judiciary, which would evaluate the actions of its counterparts according to their conformity with the nation's "fundamental law," that is, the will of the people as "declared in the Constitution."<sup>42</sup>

If the powers of the executive were balanced by those of the legislative and judicial branches, the power of the federal government, taken as a whole, was balanced, in part, by that of the states. Compared to the Articles of Confederation, the Constitution shifted the distribution of authority toward the center, but it left the state governments intact and with considerable freedom to act in their own spheres. The states retained what were referred to as the powers of "internal police," which included "not only the definition and punishment of crimes and the administration of justice but also all matters concerning the health, manners, morals, safety, and welfare of the citizenry."<sup>43</sup> Finally, and perhaps most significantly, the states retained their militias. Although these could be placed under federal control by an act of Congress, their continued existence served as "the ultimate counterweight against a despotic concentration of power in the federal government."<sup>44</sup>

The system of government established in 1789, with its combination of fragmented sovereignty, republican rule, dispersed power, written constitutional restrictions, and multiple checks and balances was unlike any the world had ever seen. It was, concludes one observer, "as much an antistate as a state."<sup>45</sup>

#### STATE-BUILDING UNDER CONSTRAINT

The persistent presence of anti-statist influences, in the form both of prevailing ideas about the proper relationship between state and society and the enduring

<sup>41</sup> Article I, section 8. Earle, *The Federalist*, p. 590.

<sup>42</sup> Federalist No. 78 ("The Judiciary Department"), Earle, *The Federalist*, p. 506.

<sup>43</sup> Indeed, because they were not subject to the Bill of Rights, the states were actually, in certain respects, more powerful than the federal government and could do things (like stifling the press) that it could not. McDonald, *Novus Ordo Seclorum*, p. 288.

<sup>44</sup> Daniel H. Deudney, "The Philadelphian System: Sovereignty, Arms Control, and Balance of Power in the American States-Union, circa 1787-1861," *International Organization* 49, no. 2 (Spring 1995), p. 204.

<sup>45</sup> *Ibid.*, p. 207.

structure of governmental institutions, has not prevented the growth of the American state. But, in six specific ways, these influences have constrained the expansion of the state and shaped the ways in which it has gone forward over time.<sup>46</sup>

#### *The Role of Crises*

The American state has not grown steadily over the past two hundred years, but rather in bursts or spurts, with periods of rapid change followed by intervals of comparative stability.<sup>47</sup> The eight critical episodes in this overall process are listed in table 1.1.<sup>48</sup>

Periods of accelerated state-building have generally been preceded either by the anticipation or the actual onset of war, or by a growing sense of impending domestic economic and social crisis. Four of the episodes listed above were triggered by war or its threat, three were associated with perceived domestic crises, and one (the period culminating in the adoption of the Constitution) was brought about by a combination of the two.<sup>49</sup>

<sup>46</sup> Thanks in part to their evident resurgence as a force in late-twentieth-century politics, anti-statist influences have begun to receive increasing attention from students of American political development. The lasting tension between anti-statist ideas and American political institutions is the theme of Huntington, *The Promise of Disharmony*. The resistance of the American regime to centralization before and during the Progressive Era is emphasized in Skowronek's *Building a New American State*. Painting a similar picture of the first half of the twentieth century is Barry D. Karl's *The Uneasy State: The United States from 1915 to 1945* (Chicago: University of Chicago Press, 1983). Alan Brinkley describes how anti-statist influences checked the New Deal in *The End of Reform: New Deal Liberalism in Recession and War* (New York: Knopf, 1995). He also points to the wider implications of this insight in his essay "The Problem of American Conservatism," *American Historical Review* 99, no. 2 (April 1994), pp. 409-29. The contention between statist and anti-statist influences must be the axial theme in any comprehensive account of American political development.

<sup>47</sup> For a fascinating comparison of the launching of the New Deal with that of the Great Society, see James T. Patterson, "American Politics: The Bursts of Reform, 1930s-1970s," in Patterson, ed., *Paths to the Present: Interpretive Essays on American History since 1930* (Minneapolis: Burgess Publishing, 1974), pp. 57-101. Patterson argues that the modern welfare state was essentially created during the years 1933-35 and 1964-65.

<sup>48</sup> For another interpretation of the role of crises in the growth of the American state and for the term "critical episodes," see Robert Higgs, *Crisis and Leviathan: Critical Episodes in the Growth of American Government* (New York: Oxford University Press, 1987). Another overview with similar historical scope is Ballard C. Campbell, *The Growth of American Government: Governance from the Cleveland Era to the Present* (Bloomington: Indiana University Press, 1995).

<sup>49</sup> The source of the impetus for state-building in the Civil War, World War I, New Deal, World War II, and early Cold War episodes is clear. On the role of external threats in the first Founding see Frederick W. Marks III, *Independence on Trial: Foreign Affairs and the Making of the Constitution* (Wilmington, DE: Scholarly Resources, 1986). McDonald, *Novus Ordo Seclorum*, pp. 143-83, pays particular attention to the growing fear of internal instability. The sense of social and economic crisis that paved the way for Progressivism is discussed in Robert H. Wiebe, *The Search for Order, 1877-1920* (New York: Hill and Wang, 1968). Anxiety over political instability following the assassination of President Kennedy and over mounting racial unrest provided the backdrop for the launching of the Great Society. See Patterson, "The Bursts of Reform"; Irving Bernstein, *Guns or Butter: The Presidency of Lyndon Johnson* (New York: Oxford University Press, 1996).

TABLE 1.1  
Critical Episodes in American State-Building

	War	Socioeconomic Crisis
Founding (1776–87)	X	X
Civil War (1861–64)	X	
Progressive Era (1900–14)		X
World War I (1916–19)	X	
New Deal (1933–39)		X
World War II (1941–45)	X	
Early Cold War (1945–60)	X	
Great Society (1964–68)		X

Crises are critical in American political development because the sources of resistance to state-building are so strong. The American political system is, as Walter Dean Burnham has described it, “dedicated to the defeat, except temporarily and under the direct pressure of overwhelming crisis, of any attempt to generate domestic sovereignty.”<sup>50</sup> It is only when the threat to national stability or survival appears great that traditional fears of excessive governmental power can be temporarily put aside. And it is at such moments that the multiple institutional obstacles to expanding the scale and scope of executive branch activities are most likely to be lowered, at least for a time.

The willingness of the Congress to pass laws permitting such expansions and to authorize the increases in taxation and expenditure that are usually necessary to sustain them is especially important in this regard. Congress and the executive must come into alignment, however briefly, if major increases in the size and power of the American state are to occur. At such moments, as James Q. Wilson notes, “The Madisonian system is placed in temporary suspense: exceptional majorities propelled by a public mood and led by a skillful policy entrepreneur take action that might not be possible under ordinary circumstances.”<sup>51</sup>

Without a sufficiently intense and galvanizing atmosphere of crisis, attempts at state-building are doomed to fail. In such cases, despite the exertions of aspiring state-builders, the institutional and ideological obstacles in their way will prove immovable. Two recent examples may help to illustrate this pattern.

In the 1980s, claiming that the United States was being “deindustrialized” by

<sup>50</sup> Walter Dean Burnham, *Critical Elections and the Mainsprings of American Politics* (New York: W. W. Norton, 1970), p. 176.

<sup>51</sup> James Q. Wilson, “The Rise of the Bureaucratic State,” *Public Interest*, no. 41 (Fall 1975), p. 97. The best discussion of the role of wars in American state-building is Bruce D. Porter, *War and the Rise of the State: The Military Foundations of Modern Politics* (New York: Free Press, 1994), pp. 243–96. On the galvanizing effect of crises in general see, in addition to Higgs, *Crisis and Leviathan*; Matthew A. Crenson and Francis E. Rourke, “By Way of Conclusion: American Bureaucracy since World War II,” in Galambos, *The New American State*, p. 141; Marc Allan Eisner, *The State in the American Political Economy* (Englewood Cliffs, NJ: Prentice-Hall, 1995), pp. 30–34; J. Rogers Hollingsworth, “The United States,” in Raymond Grew, ed., *Crisis of Political Development in Europe and the United States* (Princeton: Princeton University Press, 1978), pp. 163–95.

foreign competitors, congressional Democrats sought to force the implementation of an aggressive national “industrial policy” on an unwilling executive branch. Advocates called for the creation of new executive agencies, empowered to “pick winners and losers” and to funnel federal support to favored industries.<sup>52</sup>

Presidents Reagan and Bush opposed these proposals, arguing that they involved undue government interference in the marketplace and that, in any case, they were unnecessary; the American economy might be evolving under competitive pressures from other countries, but it was not “deindustrializing.”<sup>53</sup> Occupying the institutional and ideological high ground, and having seized the rhetorical initiative from their opponents, the occupants of the White House were able to turn aside pressure for change. Support for industrial policy peaked during the recession of the early 1980s and ebbed thereafter. Ultimately, as one disappointed analyst would later conclude, “an excess of Madisonian balance . . . prevented decisive initiatives of any kind in the absence of overwhelming crisis.”<sup>54</sup>

In the 1980s, Congress tried to press new powers on an unwilling executive. In the early 1990s, the institutional roles of advocacy and opposition were reversed, but the eventual outcome was the same. Arguing that the nation faced a major health care emergency, the Clinton administration sought to win support for a comprehensive national medical insurance program. Although estimates of its likely impact differed, there seemed little question that such a program would have required large increases in federal taxation and spending, and in the scope of government regulation. The administration’s plan was defeated by a combination of interest group opposition, anti-statist rhetoric, congressional resistance, and the damaging counterargument that there was, in fact, no crisis.<sup>55</sup>

### *The Filtration of Options*

In the American system, leadership of successful attempts at state-building must come from the executive branch. If their labors are to bear fruit, presidents must build coalitions of supporters in Congress and in society as a whole. Constructing a winning coalition requires assembling a program: a reasonably coherent set of proposals tied together with an underlying rationale and justified

<sup>52</sup> See, for one example among many, the work of two influential industrial policy advocates (and later Clinton administration officials), Ira Magaziner and Robert Reich, *Minding America's Business* (New York: Vintage, 1982).

<sup>53</sup> For official refutations of the claim of “deindustrialization” and a brief summary of the administration’s case against industrial policy, see statements by Treasury Secretary Donald T. Regan and Council of Economic Advisers Chairman Martin Feldstein in Hearings before the Joint Economic Committee, *The 1984 Economic Report of the President*, 98th Cong., 2d sess. (Washington, DC: U.S. Government Printing Office, 1984), pp. 24–27, 129.

<sup>54</sup> Otis L. Graham, Jr., *Losing Time: The Industrial Policy Debate* (Cambridge: Harvard University Press, 1992), p. 2.

<sup>55</sup> The best account of this episode is Theda Skocpol, *Boomerang: Clinton's Health Security Effort and the Turn against Government in U.S. Politics* (New York: Norton, 1996).

in ideological language with reference to overarching American values and beliefs.

Few crises, even wars, are so overwhelming as to permit only one possible avenue of response. Even when the immediate, functional objectives are clear (assembling an army, restoring economic growth), there will invariably be a number of different ways in which they could be attained. The process of responding to a strategic or socioeconomic crisis must therefore begin with the selection, by the president and those around him, of one or a handful of approaches from among a wider array of possibilities. It is here, in the very opening stages of the process of state-building, that underlying anti-statist influences first make themselves felt.

In gravitating toward certain options and away from others, presidents are guided both by their political instincts and by their deeper beliefs. No leader will knowingly choose a path that he regards as impassable, and most will also forgo alternatives that they believe to be morally wrong or not in keeping with what they construe as the nation's basic ideological principles. The preliminary selection of options for state-building therefore involves both anticipation of likely resistance and a measure of self-restraint or self-censorship. These two mechanisms are interrelated and they are not always easy to distinguish from one another, even in retrospect. State-builders who, unconstrained, might harbor truly radical ambitions, may recognize that they risk being branded as "un-American" if they were ever to reveal the full extent of their dreams. Whatever their initial preferences, more prudent, pragmatic leaders are likely to conclude that what the political traffic will bear and what is best for the country are, almost by definition, the same.

While calculations of electoral advantage are never absent, the existence of a dominant societal ideology, as reflected in the deeply held beliefs of top decision makers, can also play a distinct and independent role in the initial filtration of options. Where there is no unique solution to the problem at hand, such beliefs will tend to serve as focal points, drawing decision makers toward certain courses of action and away from others. In these situations, as one study of the role of ideas notes, "political elites may settle upon courses of action on the basis of shared . . . beliefs. Other policies may be ignored."<sup>56</sup>

Ideology thus shapes the contours of the terrain, even if it does not determine the road that will finally be taken; it lays out signposts and warning signals that lead policy makers down certain paths and cause them to avoid or to overlook others. The resulting patterns of convergence and avoidance can be found in a variety of issue areas. Seeking to explain what he refers to as the "silences" in the history of debate over American social welfare policy, Ira Katznelson concludes that "in any given state at a given time," some types of policies "are much more likely to be adopted than others; and some are not even the subject

<sup>56</sup> Judith Goldstein and Robert O. Keohane, "Ideas and Foreign Policy: An Analytical Framework," in Goldstein and Keohane, eds., *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change* (Ithaca: Cornell University Press, 1993), p. 18.

of political discussion and debate."<sup>57</sup> Another comparative study of the economic role of government in postwar advanced industrial countries finds similarly that in the American case, certain options (such as state ownership of most kinds of industrial facilities) do not appear even to have come up. "The story of public ownership in the United States is quickly told," concludes Anthony King, "because for the most part it is a non-story—of proposals that were not made and of things that did not happen."<sup>58</sup> The reason for this, King suggests, is that even in moments of profound crisis and uncertainty political leaders have generally shared the belief that large-scale government ownership of the means of production would be contrary to American economic principles.<sup>59</sup>

### Opposition

Efforts to strengthen the American state invariably arouse opposition from an array of groups and individuals. Such opposition is typically rooted in a mix of beliefs and self-interest, with the former often playing a critically important role. Since the days of the Anti-Federalists, a portion of the population has always feared that any increase in the power of the federal government would inevitably threaten individual liberties. As Alan Brinkley notes, many self-styled twentieth-century "conservatives," are, in fact, inheritors of "the anti-statist liberal tradition of nineteenth century America." Their "fear of the state" has inclined them to oppose, as a matter of principle, virtually any departure from past practices that could be characterized as a move toward greater governmental power.<sup>60</sup> Certain policies, like military conscription, have provoked especially intense resistance on ideological grounds, even from those who are not themselves directly affected.

More typical is the opposition that draws strength from a blend of belief and self-concern. The examples are legion: many citizens have opposed the draft both because they objected to the exercise of compulsion by the state and because they did not want to serve, or to send their children to serve, in the armed forces. Many have resisted higher federal taxes because they believed them to be harmful to individual initiative and economic growth, and also because they do not want to surrender an increased fraction of their income to the government. For a century after the Civil War, white southerners touted "states' rights"

<sup>57</sup> Ira Katznelson, "Rethinking the Silences of Social and Economic Policy," *Political Science Quarterly* 101, no. 2 (1986), p. 323.

<sup>58</sup> Anthony King, "Ideas, Institutions, and the Policies of Governments: A Comparative Analysis: Parts I and II," *British Journal of Political Science* 3 (1973), p. 302.

<sup>59</sup> While this has generally been the case, as will be discussed in chapters 2 and 7, the aversion to public ownership was greater in the second half of the twentieth century than in the first. In the postwar period the differences between the United States and virtually every other advanced industrial country on this question have been dramatic. See the striking table in Thomas K. McCraw, "Business and Government: The Origins of the Adversary Relationship," *California Management Review* 26, no. 2 (Winter 1984), p. 34.

<sup>60</sup> Brinkley, "The Problem of American Conservatism," pp. 416–17.



because they believed a loose conception of federalism was in keeping with the intent of the Founders, and because they wanted to preserve the power and privilege they enjoyed on account of race against intrusions from Washington. Members of Congress have often been led, both by their reading of the Constitution and by their desire to avoid losing personal prerogatives, to object to proposals that would enhance the power of the executive branch. During each of the major state-building episodes of this century, congressional Republicans have objected to the state-building efforts of Democratic presidents, both because they believed them to be wrong and dangerous and because they hoped that resistance would yield electoral advantages.

Since the second half of the nineteenth century, the American business community has been a key bastion of resistance to anything savoring of "statism." Individual executives and business organizations have been, as David Vogel points out, "remarkably consistent in [their] opposition to the enactment of any government policies that would centralize economic decision making or strengthen the authority of government over the direction of the business system as a whole."<sup>61</sup> The reasons for this are, again, a mix of pragmatism and principle. Business leaders often fear that government intervention will hurt their own interests, and, on the other hand, they are sometimes willing to abandon their scruples when they think that they will benefit from particular policies. But they are also strongly inclined to believe that, all other things being equal, intervention by the state is morally wrong, economically harmful, politically dangerous, and, at the extreme, that it poses a profound threat to the nation's free enterprise system. The "anti-statist ideology" of American business executives, concludes Vogel, cannot be "dismissed as rhetoric"; it is "sincerely held" and exerts a powerful influence on their positions on a range of political issues.<sup>62</sup>

In the successive struggles over the power of the American state, the opponents of expansion have enjoyed a number of important, though not always decisive, advantages. The first of these, as has already been suggested, is a product of the country's institutional structure. Because of the way decision-making authority is dispersed in the American political system, the advocates of a stronger central state have had to win support (or at least acquiescence) in all three branches of the federal government; their opponents have often been able to block them or to force them to moderate their proposals by exerting a decisive influence in only one branch. The moments at which all the necessary elements come into alignment, and at which truly dramatic increases in state power are therefore possible, have proven to be few in number and short in duration.

The unfolding of the New Deal offers one illustration of the way in which the American system can place multiple obstacles in the path of those who seek dramatic change. In 1933 the Democratic party controlled the White House and,

<sup>61</sup> Vogel, "Why Businessmen Distrust Their State," p. 50.

<sup>62</sup> *Ibid.*, p. 54.

by considerable margins, both houses of Congress. Nevertheless, key elements in President Roosevelt's initial reform package were overturned by a hostile Supreme Court.<sup>63</sup> Later, when the Court became more sympathetic and when he enjoyed continued, though dwindling, congressional majorities, Roosevelt found many of his plans stymied by a shifting coalition of Republicans and conservative Democrats.<sup>64</sup> Whatever their successes in the nation's capital, the New Dealers confronted opposition in the several states, where politics was often marked by "the durable appeal of materialistic, pro-business ideology and . . . stubborn resistance to strong central government, be it in Washington, Albany, or Carson City."<sup>65</sup>

Congress has typically been the locus of struggle between state-builders and anti-statists. Here presidents and their allies push for approval of the laws and appropriations necessary to expand the executive and extend its authority, while their opponents do what they can to stop them. As the New Deal example suggests, a minority opposition party may be able to win over sufficient numbers of the president's own nominal allies to defeat aspects of his program. The rules of procedure in the House and Senate have also at times permitted even very small minorities in one body to block measures that have majority backing. Thus, Woodrow Wilson's 1917 request that he be permitted to arm merchant vessels was approved by the House and then stalled by a handful of "filibustering" Senators. Wilson could denounce his tormentors as a "band of willful men, representing no opinion but their own," but he could not compel them to act. His attempt to increase his own authority and the nation's military power without a formal declaration of war was defeated.<sup>66</sup>

Major episodes of state-building involve competing efforts to win the hearts, minds, and votes of ordinary citizens, as well as the backing of uncommitted members of Congress. In these struggles, the anti-statist forces have tended to hold a rhetorical edge, in addition to their institutional advantages. American history gives them ready access to evocative slogans and potent symbols that ease the task of rallying support. Anti-statists cast themselves as the defenders of liberty, the protectors of the free market, and the keepers of the national tradition of limited government; they easily can, and invariably do, invoke the names and words of the Founders in support of their positions. Their opponents, meanwhile, are portrayed as underminers, if not outright enemies, of freedom and adherents of dangerous, "un-American" doctrines.

In the face of these rhetorical onslaughts, the advocates of state-strengthening

<sup>63</sup> For brief overviews of the Court's role see William E. Leuchtenberg, *Franklin D. Roosevelt and the New Deal, 1932-1940* (New York: Harper and Row, 1963), pp. 143-46; Anthony J. Badger, *The New Deal: The Depression Years, 1933-1940* (London: Macmillan, 1989), pp. 263-68.

<sup>64</sup> For the composition and role of this coalition in the period preceeding the outbreak of the Second World War see James T. Patterson, *Congressional Conservatism and the New Deal* (Lexington: University of Kentucky Press, 1967).

<sup>65</sup> James T. Patterson, *The New Deal and the States: Federalism in Transition* (Princeton: Princeton University Press, 1969), p. 207.

<sup>66</sup> Duane Lockard, *The Perverted Priorities of American Politics* (New York: Macmillan, 1971), p. 136.

have taken one of two tacks. On the one hand, they have argued from necessity, tacitly acknowledging the seriousness of their opponents' concerns but claiming that certain sacrifices and compromises are nonetheless essential to preserve the Republic. This approach (followed to varying degrees by Abraham Lincoln, Woodrow Wilson, and Franklin Roosevelt) may prove persuasive for a time, but it is inherently self-limiting; emergency justifications are acceptable only for as long as an emergency is generally agreed to be underway.

The need to counter the warnings and objections of their opponents has led American state-builders to use the language of supreme emergency, even when the nation is not at war. In the 1930s, as William Leuchtenberg has pointed out, "the New Dealers resorted to the analogue of war, because in America the sense of community is weak, the distrust of the state strong." Despite some initial successes, this technique proved "treacherous" and "inadequate," and its application delayed the effort to "find a way to organize collective action save in war or its surrogate."<sup>67</sup> Some students of American history maintain that at the end of the twentieth century, this dilemma has yet to be resolved. Michael Sherry argues, for example, that the persistent need of modern presidents to make "an end-run around antistatism" is reflected in their repeated declarations of "war"; on poverty, drugs, crime, and disease.<sup>68</sup>

Anti-statists claim to be upholders of liberty; when they are not operating in a full emergency mode, state-builders typically present themselves as the defenders of equality and, ultimately, of democracy. Thus, at the turn of the century, Herbert Croly urged Progressives to fulfill the "promise of American life" by using "Hamiltonian" means (i.e., strong and efficient government) to achieve "Jeffersonian" ends (i.e., a truly equitable society).<sup>69</sup> Croly and the Progressives believed that as corporations grew larger and more powerful, a stronger state would be needed to defend the interests of ordinary citizens. Following this line of reasoning, Theodore Roosevelt promised to put an end "to the impotence which springs from the overdivision of governmental powers," in order to protect "men, women, and children . . . [from] the tyrannies of minorities."<sup>70</sup> Defenders of the New Deal and the Great Society programs of the 1960s asserted, similarly, that a stronger and more active federal government was needed to ensure greater national economic, social, and political equality.

While it has proven potent at times, the strategy of appealing to the ideal of equality to justify a stronger state has also had important limitations. Popular backing for government action designed to right a particular wrong or solve a

<sup>67</sup> William E. Leuchtenberg, "The New Deal and the Analogue of War," in John Braeman, Robert H. Brenner, and Everett Walters, eds., *Change and Continuity in Twentieth-Century America* (Columbus: Ohio State University Press, 1964), pp. 142-43.

<sup>68</sup> Michael S. Sherry, *In the Shadow of War: The United States since the 1930s* (New Haven: Yale University Press, 1995), p. 504.

<sup>69</sup> See the discussion of Hamilton and Jefferson in Herbert Croly, *The Promise of American Life* (New York: Macmillan, 1909), pp. 27-51.

<sup>70</sup> Martin J. Sklar, *The Corporate Reconstruction of American Capitalism, 1890-1916* (New York: Cambridge University Press, 1988), p. 353.

particular problem has not translated itself automatically into acceptance of the need for permanent increases in governmental power. Despite the fears of some of the Founders, the American people have never shown much enthusiasm for economic "leveling," in part because of the sacrifices of liberty that pursuing this goal would entail. While majorities have sometimes supported the imposition of restrictions on the freedoms of the wealthy, there has been markedly less support for state-imposed limitations on the many designed to assist the less-fortunate few. Liberty, and not equality, has usually emerged as the more potent value in the American pantheon of virtues.

### *Patterns of Settlement*<sup>71</sup>

Contests over governmental power eventually reach at least a temporary resting point. Depending on the strength of the contending forces, the equilibrium position arrived at after an interval of struggle may be thought of as lying closer to either the statist or the anti-statist end of a notional spectrum of possibilities.

The resolution of the Progressive Era debate over how best to respond to the emergence of large-scale industrial enterprise provides an illustration of this process. At the turn of the twentieth century, and despite considerable resistance, the federal government did move away from its previous posture of virtual noninterference with business. To the dismay of some critics, both at the time and since, it did not proceed all the way to a truly "statist resolution"—in other words, toward a vigorous, sustained, and purposeful effort to determine the course of the nation's industrial evolution, perhaps including widespread government ownership of the means of production.<sup>72</sup>

"Instead of a statist route," writes historian Martin Sklar, "a broad pro-regulatory consensus defined the common ground" of the turn-of-the-century debate over national economic policy. Within this "corporate liberal" consensus there were differences between those, like Theodore Roosevelt, who were willing to consider a higher degree of state involvement in the economy and those, like Woodrow Wilson and, at the other end of the continuum, William Howard Taft, who were markedly less so. Ultimately, policy settled closer to the Wilson-Taft end of an already truncated range of options. The federal government would intervene to break up monopolies and to regulate some businesses (like the railroads) that operated across state lines, but it would not take on a larger role in planning, funding, and directing national economic development. The reason

<sup>71</sup> I have borrowed this phrase from Robert Griffith, who uses it to describe the overall outcome of various struggles over post-World War II economic and social policy. See Robert Griffith, "Forging America's Postwar Order: Domestic Politics and Political Economy in the Age of Truman," in Michael J. Lacey, ed., *The Truman Presidency* (New York: Cambridge University Press, 1989), p. 68.

<sup>72</sup> Sklar, *The Corporate Reconstruction of American Capitalism*, p. 433. The best known critique from the left of Progressivism's alleged failings is Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916* (New York: Free Press, 1963). Kolko argues that the Progressives did not go nearly far enough. For the polar opposite view see Higgs, *Crisis and Leviathan*, pp. 77-122.

for this outcome, according to Sklar, was "the prevalent antistatistism of all major classes and strata" in American society and their consequent indifference, or active resistance, to proposals for truly radical enhancements in governmental power.<sup>73</sup>

Lines of settlement may shift once or more in the course of a single state-building episode. In wartime, with national survival often at stake, the direction of movement has generally been toward the increased exercise of central governmental power. Here, external events tend to strengthen the hand of the state-builders and to weaken their opponents. In periods of economic and social crisis, however, where the impetus for state-strengthening is usually weaker at the outset and more difficult to sustain over time, the opposite trend has been more typical. In these cases, early bursts of activity are often followed by mounting opposition, and at least a partial reversal of course.

Acutely aware of the resistance they are likely to encounter, American presidents have tried initially to fight wars with the minimum possible level of domestic coercion. Thus, for two years the Lincoln administration sought to avoid creating a "coercive bureaucratic apparatus," by conducting the Civil War with an all-volunteer force comprised of regular army and state militia units. It was not until 1863 that the insatiable demands of the battlefield forced the adoption of national conscription.<sup>74</sup> Similarly, it was only the collapse of an essentially voluntary system for mobilizing industrial production at the end of 1917 that led Woodrow Wilson to seek the creation of federal agencies with the authority to regulate and control the economy.<sup>75</sup> Despite initial hesitation and substantial resistance, war broke down traditional barriers and pushed the nation toward acceptance of a bigger and more powerful state.

The essential story of the New Deal, on the other hand, is of a movement away from more overtly statist solutions to the problem of economic depression. Ambitious (and desperate) schemes for widespread, permanent central government planning and control soon gave way to less obtrusive measures.<sup>76</sup> In

<sup>73</sup> Farmers, small businessmen, and even organized labor, groups that might have been expected to have "pro-statist proclivities" quickly "succumbed to the much stronger antistatist tradition of American political culture." Sklar, *The Corporate Reconstruction of American Capitalism*, pp. 34-40, 434. For an overview see Eisner, *The State in the American Political Economy*, pp. 98-124. Placing these developments in a wider perspective are Wiebe, *The Search for Order*; and Morton Keller, *Regulating a New Economy: Public Policy and Economic Change in America, 1900-1933* (Cambridge: Harvard University Press, 1990).

<sup>74</sup> Harold M. Human, *A More Perfect Union: The Impact of the Civil War and Reconstruction on the Constitution* (New York: Alfred Knopf, 1973), p. 216. For an interesting comparison of "war mobilization and state formation" in the Confederacy and the Union see Richard Franklin Bensel, *Yankee Leviathan: The Origins of Central State Authority in America, 1859-1877* (New York: Cambridge University Press, 1990), pp. 94-237.

<sup>75</sup> For overviews, see Ronald Schaffer, *America in the Great War* (New York: Oxford University Press, 1991), pp. 31-63; David Kennedy, *Over Here: The First World War and American Society* (New York: Oxford University Press, 1980), pp. 93-143; Robert Cuff, *The War Industries Board: Business-Government Relations during World War I* (Baltimore: Johns Hopkins University Press, 1973).

<sup>76</sup> This is the theme of Alan Brinkley's incisive essay "The New Deal and the Idea of the State,"

part this movement was a reflection of the public response to fluctuating conditions. As the economy seemed to improve, writes historian Barry Karl, "the sense of emergency diminished [and] the fear of strong national government increased." Mounting resistance to concentrations of power in the executive branch was due also to a reassertion of institutional balance. During the first few years of the Depression, Congress had been willing to grant the president an unusual degree of autonomy, but enthusiasm for delegation faded as time wore on.<sup>77</sup> Perhaps most important, the shift in congressional and public attitudes was a reflection of the growing feeling that, with the 1936 electoral sweep, the "court-packing scheme" of 1937, and the introduction of ambitious new proposals for reorganizing the executive branch and increasing its authority, the second Roosevelt administration was in danger of overreaching itself.<sup>78</sup> Despite the existence of an urgent national crisis, moves toward a stronger state generated a powerful counterreaction, and this helped to push policy back in an anti-statist direction.<sup>79</sup>

The creation of a pattern of settlement involves the convergence, through a process of debate, political conflict, and eventual compromise, on a set of responses to a foreign or domestic challenge.<sup>80</sup> These packages of institutions and policies are the product of many conflicting influences, but they exhibit certain common characteristics. Taken together, they reveal a strong and persistent national tendency to rely on private over public actors, inducements over authoritative commands, and decentralization over centralization of control. Thus, the preferred American solution to the challenges of monopoly and depression has been the regulation and stimulation of private enterprise, not its nationalization, and the characteristic American response to the demands of modern warfare has been to turn to corporations for armaments, not to government arsenals. In peacetime and even in war, the federal government has typically sought first to shape the behavior of individuals and groups indirectly, through the use of exhortation, tax incentives, procurement contracts, and transfer payments, rather than to resort to the direct application of coercive power. And, on those occasions when Congress has agreed to expand the authority of the executive branch, it has usually preferred to scatter responsibility for the performance of

in Steve Fraser and Gary Gerstle, eds., *The Rise and Fall of the New Deal Order, 1930-80* (Princeton: Princeton University Press, 1989), pp. 85-121.

<sup>77</sup> Karl, *The Uneasy State*, p. 120. As Karl points out, "If emergency and economic crisis were going to be the new way of life, then Congress was determined to find its own way of dealing with them" (p. 169).

<sup>78</sup> See Brinkley, *The End of Reform*, pp. 3-136. Also Arthur A. Ekirch, Jr., *Ideologies and Utopias: The Impact of the New Deal on American Thought* (Chicago: Quadrangle Books, 1969), pp. 177-207; Karl, *The Uneasy State*, pp. 111-81.

<sup>79</sup> The evolution of economic policy is traced by Ellis W. Hawley, *The New Deal and the Problem of Monopoly: A Study in Economic Ambivalence* (Princeton: Princeton University Press, 1966).

<sup>80</sup> Robert Griffith describes the postwar order as "the product of struggle" fought on ten distinct fronts: fiscal, monetary, and tax policy, labor relations, anti-trust, natural resources policy, housing and urban development, social security and health care, and the politics of culture. See Griffith, "Forging America's Postwar Order," p. 68.

new tasks among a variety of agencies, resisting the argument that administrative efficiency requires centralization and retaining its own capacity for oversight and control. Such outcomes have been more in keeping with prevailing beliefs, and more acceptable to the various institutions and societal groups that had the capacity to block or approve them, than the most likely alternatives. In the United States, anti-statist influences have been evident even, and perhaps especially, during episodes of state-building.

### *Ratchets and Rollbacks*

Students of the growth of the modern state note that "in war, what goes up seldom comes down."<sup>81</sup> Once undertaken, emergency increases in the size of central government bureaucracies, the bulk of the revenues they extract, and the range of activities they seek to control are rarely completely reversed. In the aftermath of mobilization, citizens grow accustomed to paying higher taxes and accepting a greater degree of government interference in their day-to-day existence. Having been promised a better life as an inducement for their willing participation in war, they come to expect an array of peacetime benefits from the state. Bureaucrats and politicians, for their part, have an interest in preserving existing tax and spending programs, and often in expanding them. Growth is therefore self-perpetuating; a mechanism is at work that prevents the state, once enlarged, from shrinking back to its previous dimensions.<sup>82</sup>

The situation prevailing after the Second World War will be discussed more fully in subsequent chapters. Prior to 1945, however, the war-related "ratchet effect" at work in the United States was relatively weak. The dramatic increases in the scale and scope of the federal government that occurred during the Civil War and World War One were followed by sharp contractions.<sup>83</sup> Within a few years of the end of both wars, the number of men in the armed forces and the number of civilian government employees had both fallen away dramatically.<sup>84</sup>

<sup>81</sup> Bruce D. Porter, *War and the Rise of the State: The Military Foundations of Modern Politics* (New York: Free Press, 1994), p. 14.

<sup>82</sup> In addition to Porter, *War and the Rise of the State*, the workings of the war-driven "ratchet effect" are discussed in Alan T. Peacock and Jack Wiseman, *The Growth of Public Expenditure in the United Kingdom* (Princeton: Princeton University Press, 1961); Bruce D. Porter, "Parkinson's Law Revisited: War and the Growth of American Government," *Public Interest* no. 60 (Summer 1980), pp. 50-68; Robert Higgs has extended this notion to include the aftermaths of social and economic, as well as military, crises. See Higgs, *Crisis and Leviathan*, pp. 3-34.

<sup>83</sup> Although wartime increases in state power were not as great, and the subsequent reaction was somewhat delayed, the post-1800 collapse of the Federalist party and its program were also, in part, products of a postwar retrenchment.

<sup>84</sup> The regular U.S. Army went from a force of some 16,000 officers and enlisted men to around 1 million during the Civil War, before falling back to roughly 25,000 men in the mid-1870s. The figures for the First World War are approximately 100,000 in 1914, 2.4 million in 1918, and back down to between 130,000 and 140,000 by the early 1920s. The federal government had 36,000 paid civilian employees in 1861, 51,000 in 1871. The great majority in both periods worked for the postal service and most did not live in Washington, D.C. The comparable figures for the early-twentieth century are 400,000 civilian employees in 1914, 850,000 in 1918, and back down to

In the case of the First World War the cutbacks were so precipitous that many former federal employees were left stranded in Washington without the money even to buy a train ticket home.<sup>85</sup> Although they did not return entirely to pre-war levels, the magnitude of federal tax revenues and of total government expenditures also dropped sharply.<sup>86</sup>

These observable changes were accompanied by others less easily measured, but no less significant. Strong wartime presidents, who had gathered considerable authority into their own hands, were replaced, in the 1860s and 1870s and in the 1920s, by far weaker ones. The interbranch balance of power shifted sharply away from the executive toward the Congress and, especially in the decades following the Civil War, away from Washington and toward the states. "From the war years there emerged not a Bismarckian state but rather . . . a system of government dominated by localism and laissez-faire."<sup>87</sup> With the collapse of Reconstruction, writes James McPherson, "the positive liberty of centralized power gave way to the negative liberty of decentralized federalism."<sup>88</sup> Progressive Democrats who hoped to build a permanently stronger state after World War One, adapting "wartime structures to the tasks of . . . peacetime management," also saw their hopes dashed.<sup>89</sup>

The "rollback effect" evident in these postwar periods is a product of the same institutional and ideological forces at work within the various state-building episodes. The centrifugal tendencies that are built into the American constitutional design tended to reassert themselves when the galvanizing energy of a crisis started to subside. Congress and the courts may have fallen into alignment with the executive while a war was underway, but the three branches were more likely to pull in different directions, the states were less likely to accept federal dictates, and citizens were less likely to defer to government at any level once peace had been restored. Some societal groups and geographical regions clearly benefited from mobilization, and especially from the increased government expenditures that went with it, but many others were eager to shake

under 550,000 by the early 1920s. See tables in United States Bureau of the Census, *The Statistical History of the United States: Colonial Times to the Present* (Washington, DC: U.S. Government Printing Office, 1976), pp. 1102-3, 1141-42. See also the discussion in Wilson, "The Rise of the Bureaucratic State."

<sup>85</sup> Karl, *The Uneasy State*, p. 46.

<sup>86</sup> In each case, the bulk of the new, continuing postwar expenditures also went to veterans' benefits and debt repayment, rather than for new, other than war-related government programs. See the figures in the Census Bureau's *Statistical History*, pp. 1114-15.

<sup>87</sup> Morton Keller, *Affairs of State: Public Life in Late Nineteenth-Century America* (Cambridge: Harvard University Press, 1977), p. 121.

<sup>88</sup> James McPherson, "Liberty and Power in the Second American Revolution," in McPherson, *Abraham Lincoln and the Second American Revolution* (New York: Oxford University Press, 1991), p. 152. Eric Foner notes similarly that although the war created a temporarily more powerful national state, the "countervailing tendencies" of "localism, laissez-faire, and racism" soon "reasserted themselves." Foner, *A Short History of Reconstruction, 1863-1877* (New York: Harper and Row, 1990), p. 15.

<sup>89</sup> Ellis W. Hawley, *The Great War and the Search for a Modern Order: A History of the American People and Their Institutions, 1917-1933* (New York: St. Martin's, 1979), p. 45.

off the burden of wartime taxes and restrictive regulations. With the return to business as usual, these individuals and groups were freer to express their wishes and to pursue their particular interests.

Last, but not least, the very act of strengthening the state produced an intellectual backlash. What was tolerable in an emergency became repellent in its wake, as assorted critics, commentators, and prophets attacked the deviations of the recent past and called the American people back to their fundamental faith in liberty. Thus, the hitherto unprecedented expansion in the activities of the federal government that accompanied the Civil War was followed not by a new era of statism, but by the full flowering of laissez-faire. In the aftermath of the First World War, writes Ellis Hawley, "traditional fears of big government reasserted themselves" and "antistatism" flourished. The "postwar assault on government" was accompanied by recurrent appeals "to America's tradition of economic individualism."<sup>90</sup> It would take another profound crisis to shake this tradition to its core.

### *The "Uneasy State"*

The character of America's institutions and the content of its reigning ideology together have a final, paradoxical effect on the course of national political development. New executive branch agencies, programs, and functions that survive an immediate, postcrisis rollback will tend to become "locked in" and will be very difficult thereafter to abolish. As James Q. Wilson explains, this is because the same "regime of separated powers" that makes it so difficult to enact new programs or create new agencies also "works to protect agencies, once created, from unwelcome change." Abolishing existing agencies or forcing major changes in their functioning requires "new legislation that must overcome the same hurdles as the original law."<sup>91</sup>

Some of the appendages to the state that sprout in a crisis may live on, but the persistence of underlying anti-statist attitudes ensures that they will eventually be subject to impassioned efforts to cut them back or to excise them altogether. Each of the two major post-1945 episodes of state-building, the first stimulated by the onset of the Cold War, the second featuring the launching of the Great Society, was followed in short order by an attempt to undo its accomplishments. In the late 1960s and early 1970s, some Americans tried to dismantle the "warfare state"; in the 1980s and 1990s, others set their sights on the "welfare state." Despite sharp differences in tone and direction, these counter-movements shared a common, anti-statist thrust and drew energy from similar ideological sources.

Biographer Joseph J. Ellis notes that the "antigovernment ethos" that Thomas Jefferson did so much to promulgate continues to exert a powerful influence on American political discourse. The result, writes Ellis, is that in the United

<sup>90</sup> Ibid., pp. 47-48, 52.

<sup>91</sup> Wilson, "The Rise of the Bureaucratic State," p. 93.

States, "unlike any other nation-state in the modern world, the very idea of government power is stigmatized" and its proponents are always "on the defensive."<sup>92</sup> No matter how big and strong it grows, the American state is destined always to be uneasy.<sup>93</sup>

<sup>92</sup> Joseph J. Ellis, *American Sphinx: The Character of Thomas Jefferson* (New York: Knopf, 1997), p. 296.

<sup>93</sup> This is the implicit theme of Barry Karl's *The Uneasy State* and the explicit argument of Samuel Huntington's *The Promise of Disharmony*.