

CHAPTER 1

THE CULTURE OF CONTENTMENT

The lessons of history are not to be taken too readily or without question. Life, in particular economic life, is in a constant process of change, and, in consequence, the same action or event occurring at different times can lead to very different results. The stock market crash of October 1929 shattered, or initiated the shattering of, a fragile banking, investment and general economic structure in the United States, and there followed the long and rigorously painful experience of the Great Depression. In 1987, a similar, no less traumatic break in the market in the financially unfortunate month of October had a less devastating economic result. Built into the American economy in the fifty-eight-year interim had been an array of public measures—insurance of bank and notably of savings and loan deposits, welfare payments, unemployment compensation, old-age pensions, support to farm prices, an implicit public commitment that allows no really large enterprise, banking or industrial, to fail—that had given it an economically and socially rewarding resilience.

There are, however, some lessons in a larger frame that do endure. The most nearly invariant is that individuals and communities that are favored in their economic, social and political condition attribute social virtue and political durability to that which they themselves enjoy. That attribution, in turn, is made to apply even in the face of commanding evidence to the contrary. The beliefs of the fortunate are brought to serve the cause of continuing contentment, and the economic and political ideas of the time are similarly accommodated. There is

an eager political market for that which pleases and reassures. Those who would serve this market and reap the resulting reward in money and applause are reliably available.

Thus it was in Rome after Trajan, when the Empire went visibly on the defensive. Life in Rome itself showed no sign of accepting the weakness so evident on the frontiers—the terrible new fact that in the Empire, as would be the case with imperial rule so often again, it was now thought better to be without than within. Certainly much later there were few doubts among the happily privileged, strongly self-approving, if hygienically deprived, throng that surrounded and sustained Louis XV, Louis XVI and Marie Antoinette in Paris and out at Versailles. A forceful set of economic ideas, those of the Physiocrats, affirmed the principles by which those so favored were rewarded. These ideas supported and celebrated an economic system that returned all wealth, superficial deductions for trade and manufacturing apart, to the owners of the land, the aristocrats who inhabited and served the Court.

The case continues. The great entrepreneurs and their acolytes who were dominant in British, German, French and then American political and economic life in the nineteenth century and on into the early decades of the twentieth were not in doubt as to their economic and social destiny, and this, again, was duly affirmed by the companion views of the classical economists. One could not feel guilt-stricken about one's good fortune given a working class that, according to Ricardo and Malthus, relentlessly bred itself down to subsistence levels, or when one was oneself subject to a market system that rewarded effort in accordance with specific economic contribution and larger social merit.

By the early decades of this century the alienation and anger generated by these attitudes and the resulting economic hardship and abuse were for all to see. In Britain steps by Chancellor of

the Exchequer Lloyd George to ameliorate the situation through taxation, medical assistance to the helpless and especially compensation for the unemployed produced violent resistance on the part of the contented—in 1910–11, a constitutional crisis, two elections and perhaps the greatest parliamentary convulsion since Oliver Cromwell. It is now widely agreed that the measures then so opposed by the fortunate saved British capitalism in the particularly grim years following World War I.

The circumstances were the same a little later in the United States, where by 1932 the Great Depression, widespread uncompensated unemployment, farm disasters, old age without succoring income, resistance to trade unions and factory abuse of women and children had induced doubt as to whether the American economic system could or, indeed, should survive. The country was a simmering cauldron of discontent. Those still favored were, however, far from concerned and again far from disposed to accept the economic action by which they might be saved. So strong was their voice that Franklin D. Roosevelt was elected to his first term by a species of political deception. While promising change, economic revival and reform, he reassured those in deeply satisfied opposition by promising also the balanced budget and reduced public expenditure that would effectively ensure that nothing much would be different. George Bush was not the first presidential candidate whose lips had to be read with some attention.

The later reaction of the comfortable and contented to the Roosevelt reforms—the New Deal—is part of American history. The affluent and otherwise well-situated cited, initially, the constitutional barriers to the necessarily enhanced federal intervention in the economy, a matter on which for most of Roosevelt's first two terms they had the support of a socially contented and thus sympathetic judiciary.

There was also powerful opposition on economic grounds, and for this the voices of influential economists were amply

available. Joseph Alois Schumpeter, a figure of world reputation then at Harvard, and the only slightly less noted Lionel Robbins of the London School of Economics united in arguing that recovery could not and should not come by government action. Depression and all its discomforts were necessary to extrude the poison from the economic system. “Our analysis,” Schumpeter, speaking collectively, averred, “leads us to believe that recovery is sound only if it does come of itself.”¹ Edwin W. Kemmerer of Princeton, the most celebrated monetarist of his time, rallied his coreligionists into the Economists’ National Committee on Monetary Policy to resist the administration’s not implausible efforts to reverse deflation by abandoning fixed-price convertibility of the dollar into gold.

There were also, of course, economists in support of the innovative and protective policies of the administration: Rexford Guy Tugwell, Lauchlin Currie, Harry Dexter White, Leon Henderson, Adolf Berle (who was, by training though not by inclination, a lawyer), Gardiner C. Means and others, but they are seen in the histories of the time as exceptional, often courageous, sometimes deviant figures who rejected the established orthodoxy of the age.

Considered socially more reputable was the opposition that did not attempt to disguise or evade the reality of contentment. Testifying before a Senate committee, the American banker J. P. Morgan warned, “If you destroy the leisure class, you destroy civilization.” Asked later by reporters to identify the leisure class, he said, “All those who can afford to hire a maid.”² For Morgan the threat from Washington was no ca-

1 “Depressions,” in *The Economics of the Recovery Program* (New York: Whittlesey House, McGraw-Hill, 1934), p. 20. A similar observation by Lionel Robbins is in *The Great Depression* (London: Macmillan, 1934).

2 Quoted in Arthur M. Schlesinger, Jr., *The Coming of the New Deal*, vol. 2 of *The Age of Roosevelt* (Boston: Houghton Mifflin, 1958), p. 479.

sual concern: “The family of J. P. Morgan used to warn visitors against mentioning Roosevelt’s name in [his] august presence lest fury raise his blood pressure to the danger point.”³

It is now generally accepted that the Roosevelt revolution saved the traditional capitalist economic system in the United States and the well-being of those whom capitalism most favored. By adaptation the anger and alienation were diminished, and economic life became more stable and secure. This would not have happened had those who, in the full maturity of time, were saved and most rewarded had their way. If in the election of 1932 they had been fully aware of what was to come, there might well have been no salvation. The energy, money, public concern and propaganda that would have been released in that year by a full knowledge of the impending changes could well have assured a Roosevelt defeat.

The larger point is not in doubt: the fortunate and the favored, it is more than evident, do not contemplate and respond to their own longer-run well-being. Rather, they respond, and powerfully, to immediate comfort and contentment. This is the controlling mood. And this is so not only in the capitalist world, as it is still called; a deeper and more general human instinct is here involved.

There was a time in the Soviet Union and, in lesser measure, in the countries under Communist domination after World War II when comprehensive socialism—the social ownership of all productive resources and the associated political constraint and control—was far from unwelcome. It was in agreeable contrast with the remnants of feudalism and the purposeless rulers—the Czars in Russia, later Horthy in Hungary, Pilsudski

3 Schlesinger, p. 567.

and his successors in Poland and other narrow, reactionary and feckless leaders—who had been replaced by revolution. The planning and command system of socialism worked very well for building transport, electrical utility, steel and other basic industries, and in the Soviet Union the huge weapons industry that turned back the armies of Adolf Hitler and then challenged in space and other technology the United States itself.

The system failed because it did not serve efficiently for agriculture in those countries where socialism extended to that recalcitrant industry and to the marketing of farm products. Agriculture works well only under a widely accepted and much celebrated form of exploitation, that by the farmer of himself, his family and his immediate and loyal hired hands. The system also could not satisfy the infinitely diverse and unstable demand for the services and products that make up the modern consumers' goods economy. Here socialism, both in planning and administration, proved far too inflexible. One may marvel at the attraction of often frivolous and dispensable consumer artifacts and entertainments in our time, but their ultimately controlling appeal cannot be doubted.

There was another, more grievous source of failure. That was in not recognizing that even the most modest economic advance brings into existence more diversely educated and motivated people than, as a practical matter, can be kept quiet and thus excluded from the institutions by which they are governed. This is true in all the industrial countries without exception.

A poor peasantry, scattered over the landscape, working from dawn to dusk in order to live, can, with a little effort, be controlled and politically disenfranchised. For accomplishing this, there is the amply available assistance of the landlords. The vast and functionally inevitable contingent of scientists, journalists, professors, artists, poets, self-anointed saviors of the public soul and students—especially students—all of them

seeking and then demanding participation in the modern industrial society, cannot be similarly manipulated. Freedom of expression and public participation in government are widely heralded as social virtues; it is too little noticed that beyond a certain point in economic development they become socially necessary and politically inescapable.

So it was in Poland, Czechoslovakia, Hungary, Bulgaria and East Germany before the explosion of the autumn and winter of 1989–90. So, over a longer time, it was in the USSR. In all these countries a favored Communist elite was taken by surprise.

Evidence of mass dissatisfaction was almost certainly available. There were secret police to inform on such matters, and while liberty has anciently been served by police incompetence, that has its limits. In some of these countries—East Germany, Czechoslovakia, Hungary—television told of the living standards, the consumer enjoyments (and frivolities) in neighboring Austria and West Germany. Similar strong word came from the United States. There was obvious question as to why they were denied at home.

To the old leaders, however, and those in prestigious association therewith there was the comfort of convenient belief. They were protected in their fortunate position by the presumed power of socialist principles, adherence to which assured survival. They were in the great and immutable current of history identified for all time by Marx and Lenin. It was agreed that the transition, admittedly gradual, to the ultimate and benign world of complete Communism would require their own interim exercise of power—the dictatorship of the proletariat, also called by them the democracy of the masses. This authority those in power could not but suppose was accepted. Thus, to repeat, was belief accommodated to the need and comfort of the favored. So it was until the day when the crowds flooded into the streets and showed, not to the surprise of the

old leaders alone, that if the numbers are great enough, no armed response is serviceable. This took place first in Eastern Europe and then, in the late summer days of 1991, in the Soviet Union.

Few things in very recent times could have been further from accepted and proclaimed thought than the possibility that the explosive events in Eastern Europe could have a parallel in the United States or perhaps in Britain. Communism had failed; capitalism was triumphant. Could anyone be so dour, so pessimistic, as to suggest that lurking in the successful system and in its larger and well-proclaimed democracy were grave flaws similarly concealed by preferred belief? Alas, there are. But the power of contentment over belief is universal; it extends alike over time and space. It is not confined by the comparative trivia of ideology; it affects all.

What *is* new in the so-called capitalist countries—and this is a vital point—is that the controlling contentment and resulting belief is now that of the many, not just of the few. It operates under the compelling cover of democracy, albeit a democracy not of all citizens but of those who, in defense of their social and economic advantage, actually go to the polls. The result is government that is accommodated not to reality or common need but to the beliefs of the contented, who are now the majority of those who vote. A consensus old as democratic government itself still prevails.

A word needs to be added on the mood in which one writes a book such as this. That mood must be analytical and not adjuratory, detached and not, so far as possible, politically involved. Presidents or lesser politicians, individually or collectively, can be advised and, when appropriate, condemned. So can those who offer them advice and guidance. But this is not true of a

community such as that with which I am here concerned. Its nature and public tendency can be described and analyzed. The consequences of its actions may be unfortunate and regrettable, as is here shown frequently to be the case, but the people responsible cannot be condemned; a whole community cannot usefully be blamed or excoriated.

The author of an essay such as this must, in some measure, use the method of the anthropologist, not that of the economist or the political theorist. Examining the tribal rites of strange and different peoples, those, say, of a distant island in Polynesia, the scholar finds practices and ceremonials that, on occasion, seem personally distasteful and sometimes socially abhorrent. They are to be observed but not censured; one does not effectively censure an established pattern of life.

This is the case with the political economy of contentment with which I here deal. It is a culture that is of intense interest and importance, or so obviously I would choose to believe. Thus the need for studying and understanding it. But it is not a proper subject for indignation nor is it one in which reform can be seriously expected. As the anthropologist does not attack the extravagant sexual rites, severe self-mutilation and occasional self-immolation of the culture he has under examination and does not expect it to change, that, at least in some measure, must be the attitude here.

This is perhaps especially to be urged in my case as the author. I have lived nearly all of my life in the world of self-approving contentment. As to the rewards accruing to that community, I am, in a personal way, without complaint. That this association, indeed identity, contributes to my understanding I would obviously like to think. But just as firmly it warns me against the usefulness of criticism and certainly about the value of injunctions to reform. It is the nature of contentment that it resists that which invades it with vigor and often, as in

very recent times, with strongly voiced indignation. This too I have learned from long and intimate association. Were I not personally aware of, even experienced in, the ethos of contentment and its highly motivated resistance to change and reform, there would be valid doubt as to my qualification for writing this book.