Presidential Power and the Crisis of Modernization

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The presidency—once called by Charles Beard the “dark continent of American constitutionalism”—remains a puzzle, both to those who seek it and to those who seek to understand it. At once all powerful yet curiously impotent, majestic if suspect, and meritocratic while astoundingly incompetent, the President reflects the contradictions of American democracy writ large. If neither our presidents nor the American people seem to know what the presidency is for, this is because in America it is unclear what government is for.

There was a time in the first century of the Republic when the man shaped the office. The most ambiguous sentence in the Constitution—“The executive power shall be vested in a President of the United States”—allowed the Polks and the Lincolns to develop the institution according to their own lights. Now the office shapes the man. Candidates run, not only to be President, but to be “presidential.” Jimmy Carter, though possessed of the advantage of four years of incumbency, never convinced the American people that he fit their conception of the office. Ronald Reagan, even though elected, spends considerable time—perhaps it will take an entire first term—demonstrating that he is indeed “presidential” material. It is unclear whether the office has increased in stature or whether the stature of those who seek it has diminished; it is clear that the gap between what Americans expect of their President and whom they elect has never been greater. It would be a challenge worthy of even the most passionate defender of the American electoral process to make the claim that Ronald Reagan is the most competent man to serve as President of the United States in the 1980s, Time magazine’s “Man of the Year” award notwithstanding.

In some respects, Ronald Reagan was chosen President by an overwhelmingly democratic process, at least as conventionally understood in the United
States. His nomination was deserved, for he campaigned longest and hardest for it and demonstrated his appeal, within his party, over all other possible challengers. Similarly, Jimmy Carter campaigned against a seemingly popular challenger in his party and won the bulk of the primaries fair and square. (By contrast, John Kennedy entered only seven of the eighteen primaries in 1960, faced meaningful competition in two, and was chosen by a convention, a majority of whose delegates were not popularly elected.) And if a large number of citizens were unhappy with the two major candidates, they were free to vote for an experienced and attractive independent, or, failing that, for any one of two or three minor-party candidates with clear programs. The 1980 election may have been a debacle, but it was a democratic debacle. The problem lies not in an aberration in the process, but in the process working as best it can. There may be something amiss in the conception of democracy that undergirds the way people select the President of the United States.

Even though Ronald Reagan was a clear winner in 1980, the feeling of having somehow been cheated lies just beneath the placid surface of the public's mood. Throughout the campaign, the general attitude was one of disgust at the candidates, and Reagan was preferred, not because he gained respect, but because his opponent lost so much. If the people were contemptuous of the candidates, moreover, the candidates were also contemptuous of the people. Carter expressed his disdain for the American people by professing his love for them; who can love an aggregate? Meanwhile Reagan, Iago-like, flattered the public out of disdain for its wisdom. Appealing to prejudice and searching out the lowest common denominator, Reagan paid the people the ultimate insult of telling them what they wanted to hear. Working as best it could, American democracy produced the worst it could. Nineteen-eighty may be recalled not as the year in which Reagan won, but as the year in which respect for the office of the President was finally lost.

The people and the presidency, it would seem, are at odds. Unhappy with the choices offered them, Americans increasingly either do not vote or do so only after forcing themselves to go through with the act. Unhappy without a "mandate," Presidents from Johnson to Reagan have lied to the people, violated their trust, sermonized about their habits, and pandered to their prejudices. America has encountered a conundrum with respect to presidential power: understanding its need, distrusting its exercise. Arousing themselves out of a stupor every four years, the people choose a new leader, only to repudiate him once he begins to act. The leader, in turn, contemplates trying to govern, only to retreat as the next election rolls around, often apologizing for the indiscretion of actually having tried to do something. In order to understand this deterioration of the presidency from the ideal of just two decades ago, one must first discover how the people and the President came to distrust each other so much.
Waking up from his twenty-year nap, Rip Van Winkle, in Washington Irving's tale, heads for his village inn, recognizing on its sign the face of King George, only to discover on closer examination that the face actually belongs to George Washington. While he was sleeping, the framers of the Constitution, protecting the people from a hereditary monarchy, created the structure for an elected one.

From the start, two opposing conceptions of the presidency have existed side by side in the collective conscience of the United States. Distrust of power has always been great, and distrust of executive power has been even greater. On five consecutive votes, the advocates of a single executive lost at the Constitutional Convention, finally prevailing out of weariness as much as political philosophy. Edmund Randolph articulated the general sentiment when he called a single executive "the foetus of monarchy." "If the president is possessed of ambition," wrote anti-Federalist Governor George Clinton of New York, "he has the power and time sufficient to ruin the country." Nonsense, replied Alexander Hamilton, in the process writing the definitive words on the other side of this particularly American schizophrenia. Because, he said, "energy in the Executive is a leading character of the definition of good government," there must be an office created that will permit the State to carry out the tasks entrusted to it. The authors of Article II of the Constitution, bitterly divided between those fearful of executive power and those desiring to see it exercised, wrote some general-sounding phrases and hoped that history would take care of the rest.

History did, so to speak. The American presidency has been a product of practice, not theory. Concrete struggles between economic and political forces have been responsible for shaping it, not maxims from Montesquieu. So much is generally acknowledged, yet there is much debate about what those forces were. To a writer like Samuel P. Huntington, petty-commodity production and Lockean liberalism, with their emphasis on marketlike checks on power and belief in the inherent virtue of smallness, predisposed the American people to accept a weak executive. This predisposition then demands that neo-Hamiltonian conservatives like himself must never cease their agitation for a stronger one. Huntington's argument has much to commend it, but it is also true that opposition to executive power frequently came from a conservative tradition that was more comfortable with slavery, a limited franchise, and a cramped vision of human nature than it was with Lockean optimism. From George Mason ("it will be impossible without a revolution, to displace him") to Henry Clay ("We are in the midst of a revolution, hitherto bloodless, but tending rapidly toward a total concentration of power in the hands of one man") to Robert A. Taft ("The President [in Korea] simply usurped authority, in violation of the laws and the Constitution"), attacks on the presidency have been led by men who fail to fit even the more protean definitions of American liberalism.
Whereas to Huntington, the presidency represents a conservative institution in a liberal world, to writers like James MacGregor Burns and Arthur Schlesinger, Jr., writing before Watergate, the presidency embodies everything liberal. For both of these men, writing under a Rooseveltian spell, the presidency grew as a democratic response to the oligarchic structure of other institutions, especially state legislatures and the courts. Containing some truth also, this account demonstrates as much hero worship as analysis. Hamilton, Gouverneur Morris, and James Wilson, the leading advocates of presidential power at the Constitutional Convention, were hardly liberals, and neither was John Marshall, who may be the man most responsible for the creation of a strong executive. Nationalism has strengthened the presidency more than liberalism has, and sectionalism has weakened it more than conservatism. Even as Burns wrote his peroration to presidential power, he was outdone by a self-professed conservative (Clinton Rossiter). When Hobbes triumphed over Locke in the form of Richard Nixon, Burns and Schlesinger changed their ways, only, in the case of Burns, to renew the praise of leadership once the crisis had passed.

The truth seems to be that our political vocabulary is inappropriate for discussing presidential power. Words like conservative and liberal do not correlate in any simple way with the expansion and retrenchment of the executive, despite mighty attempts to show that they do. An alternative account would be to suggest that it is all a matter of whose ox is being gored, that opposition to the presidency is in reality opposition to what any particular President plans to do. This version, a bit closer to reality, still suffers from not talking about the stakes at issue. The struggles over the presidency have been more economic struggles over distribution than political battles over rights, but one would be mistaken to reduce the matter to cost/benefit calculations about economic advantage. Central to conceptions of the presidency has been the notion of modernization, which subsumes both political and economic concerns.

The American presidency has been the major instrument by means of which modernizing elites have sought to overcome or remove obstacles to the expansion and revitalization of American capitalism. Modernization can be defined as the process by which industry, and with it public life, is brought to ever higher stages of integration and sophistication, first on a national scale, currently on an international one. Modernization brings with it the division of labor, rationalization, managerialism, control over markets, and homogenization. Ideologically ambiguous, modernization is progressive in the sense that it undermines the authority of conservative defenders of outmoded productive arrangements, but it is also regressive in that it undermines community, diversity, and democracy as well. A modernized polity provides its citizens with more consumer goods and fewer rights.

One of the sources of resistance to modernization has been a form of polit-
ical Luddism—the use of the state, traditionally dependent on older and economically displaced elites, to delay the introduction of new social forces. The obstacles to modernization vary from period to period: agrarianism, slavery, protectionism, resistance to labor legislation, competition, opposition to globalism. The tactics used to overcome these obstacles have also changed from one period to another. But the one thread of consistency running through these struggles has been the notion that the expansion of the presidency is the triumph of the general interest over the particular. Modernizers, both conservative and liberal, have supported a strong executive; political Luddites, both conservative and liberal, have opposed one. The presidency is the locus of modernization, and the crisis of the presidency is a crisis of modernization.

Modernization did not come smoothly to the United States. A market economy was lodged in a Tudorlike state. Whereas in some European monarchies the state became the instrument by which feudal resistance to primitive accumulation was crushed, in America the separation of powers and federalism placed substantial veto powers in the hands of precapitalist elites. The courts (under its Tawneys, not its Marshalls), the state governments, the Senate filibuster, and later the congressional committee system were instruments grabbed by local elites to delay the introduction of new social and political relationships. By default, then, the presidency—the sole national institution in a regional system of government—became the one vehicle capable of running roughshod over the realms of local interests in order to establish the political conditions for dynamic growth. Arguing before the Supreme Court in Mississippi v. Johnson (1867), Attorney General Stanberry spoke for all those seeking the expansion of American political and economic power when he pointed out that the President “represents the majesty of law and of the people as fully and as essentially, and with the same dignity, as does any absolute monarch or the head of any independent government in the world.”

So long as local elites maintained sufficient power to delay the triumph of modernization, the presidency could not be established as the hegemonic force within the state. Instead, an unstable political cycle was created, not dissimilar to the cyclical ups and downs of the economy, in which periods of presidential domination would set in motion succeeding periods of congressional supremacy. Jefferson, a traitor to his class in the act of becoming a patriot to his country, promoted modernization, which then slackened with the advent of an era of good feelings. (Rapid accumulation creates feelings that are anything but good.) The cycle of expansion resumed again with Jackson, whose Indian policy, as Michael Rogin has pointed out, was primitive accumulation with a vengeance. This movement was then followed by a series of attempts to appease slavery. Just as a modern economy was forged through crises, with each panic centralizing a bit more power in the hands of a new class, so each political cycle would
leave the presidency somewhat stronger as an instrument of modernization.

It was always a question how much crisis the system could absorb, especially when the Civil War threatened to tear the whole enterprise apart. Lincoln, of course, greatly expanded the scope of presidential power, leaving behind him more tools of modernization than any previous occupant of the office. But not even civil war put an end to the cycles; the attempts by radical Republicans to complete the capitalist revolution were once again stymied by agrarian, working-class, and mercantile resistance. After the Hays-Tilden standoff, a political stalemate that reflected the equilibrium of class forces in the country at large, it became clear that the post–Civil War presidency, by itself, was still not strong enough to lead the struggle for industrial supremacy. The Civil War may have been America's bourgeois revolution, but like the Prussian, it was incomplete. The presidency needed an ally before it could emerge in all its modernizing glory.

At first an attempt was made by the emerging capitalist elite to assume and consolidate political power without the help of the state. Government being paralyzed in any case, it seemed to make more sense to rely on the industrial corporation as an agency of modernization, since it was more unified and nationalistic than the state gave any promise of being. The Republican Ascendancy at the end of the nineteenth century represented the rebirth of laissez-faire, an implicit confession that presidentially inspired modernization à la Hamilton was inappropriate to the political and economic realities of the period. Satisfying the urge to profit, laissez-faire did not solve the problem of how to govern. Rule by corporate power created as many problems as it solved: corporate authority was illegitimate in the eyes of the working class; carefully worked-out negotiations would collapse because no mechanism of enforcement existed to compel obedience; and resistance to modernization provoked disagreement on such vital issues as tariff policy and the creation of an American empire. During the period of the Republican Ascendancy, the problem of the state and the role of the presidency within it was never resolved but was simply postponed.

By the turn of the century, any further development of a political authority appropriate to modern capitalism had to include the use of governmental power. The presidency remained available for the task, but still viable as well were the traditions of federalism and of the separation of powers that formed obstacles to such a use of presidential power. Between one Roosevelt and the other, the impasse would finally be resolved in the form of an alliance between the President and the people directed against the realm of interests in the middle. As Henry Jones Ford demonstrated in his book *Rise and Growth of American Politics* (1898), democracy was the key to effective presidential leadership. The alliance between the President and the people represented, in Mosca's phrase, a new political formula, a solution to the political instability that had plagued capitalist development for a century. Modernization could be assured by overruling
the realm of interests in plebiscitary fashion. So long as the link between the President and the people was secure, the United States could finally be governed. But when, as in recent years, the link began to fray, then the crisis would return again.

The new political formula that was developed in the first three decades of the present century, aptly termed the Roosevelt Revolution by Rexford G. Tugwell, was premised upon a political bargain: the people would give the President their support for the reforms necessary to insure the transition to advanced capitalism, and the President would offer the people security from the tensions induced by this transition. Specifically, the presidency became the focal point for two major features of contemporary economic modernization: first, a domestic economy rationalized through centralization and economic concentration; and second, a global free-trade system organized by American power. At the same time, the President provided the people with welfare to protect them from the dislocations of the first change and with a military apparatus to lessen the instabilities of the second. This bargain was not settled without considerable turmoil and many delays, and was culminated only after World War II. The institution of the presidency that emerged from the struggle was considerably different from the one that had existed previously.

Modernizing elites in America have traditionally been sympathetic to economic rationalization achieved through the concentration of industry. Theodore Roosevelt’s trust-busting rhetoric was designed to make the point that “responsible” corporations willing to look past the bottom line to the needs of the economy as a whole were essential to the functioning of modern America. Similarly, the corporate liberals of the early twentieth century were critical of the market to the degree that it encouraged waste and destructive labor relations. From this perspective, the major change during the course of the New Deal was the substitution of Berle for Brandeis. Instead of symbolizing “the curse of bigness,” the corporation was hailed as an institution that, if properly regulated, would bring enormous social and economic benefits. Old progressives, with their anachronistic faith in competition and their stress on civic virtue, seemed redundant to an economy in crisis, in which the encouragement of production took on supreme importance. The New Deal transformed American liberalism as much as it changed the economy; from this time forward, liberals became advocates of executive power, because only the President had the authority to shape the market so that it would not destroy itself. During the 1930s, state intervention implied presidential intervention.

The same movement took place in international affairs. Competitive capitalism in the United States had been both isolationist and protectionist, neither of which was appropriate to a rapidly developing economy. Because protection-
Democracy's State

ist sentiment was lodged as securely in Congress as the seniority system, the promotion of free trade became a presidential prerogative. After Roosevelt shifted away from the protectionist position of the progressives, he had little choice but to rely on the free-trade advocacy of Cordell Hull and Will Clayton. Legislation like the Reciprocal Trade Agreements Act (1934), which gave the President broad discretionary authority to lower tariff rates, was to the global economy what the National Recovery Administration was to the domestic: both were attempts to use executive flexibility to overcome the realm of interests in the name of capitalist development.

Industrial concentration and globalism demanded their price. Specific sectors of the economy lost markets and profits. Protected industries that could not compete in a free-trade world and competitive firms unable to match the economies of scale generated by the monopolies were forced to close. In addition, a rationalized agricultural sector resulted in more displaced farmers who had to look for jobs in the cities. Financial reorganization created personal insecurity. Under these circumstances, Rooseveltian liberalism worked to soften the impact on people of these economic changes. The right of labor to organize, particularly in the monopoly sector, and domestic reforms like the establishment of social security were undoubtedly popular victories for ordinary people. They also strengthened the link between the President and the people. So long as the people were given some security against the market, they were willing to support a restructuring of the market.

It took a long time before America entered the world economy under the guidance of its President. Indeed, free trade did not become American policy until after World War II, and when it did, the President was unable to secure domestic support for it without projecting the Soviet threat as its rationale. Consequently, globalism came to the United States in the form of militarism, a movement directly counter to the intentions of men like Hull and Clayton. The Marshall Plan, support for the British loan, foreign aid, support for the European Economic Community—none of these innovations in international economics would have been possible without the atmosphere of the cold war. Just as social security consolidated the domestic transformations of the economy, national security insured the global ones. The same President who attempted to curb the anarchy of the market at home both guided and softened the anarchy of the system of nation-states. Popular and congressional support for globalism in isolationist America was won only by offering economic relief in the form of expenditures on national defense. Government spending orchestrated by means of presidential power would protect the people against insecurities coming from abroad, just as it bought protection against the effects of economic depression at home.

By the late 1940s, a sharply new formula for the exercise of presidential
power had been created. The President would have to be a leader, not because his personality disposed him that way, but because the structure of national and international economics demanded it. Obstacles to the exercise of presidential leadership—federalism, an independent judiciary, a watchdog press, the seniority system in Congress, even the party system—were, one by one, modified to account for the new realities. Meanwhile, the President, now embodying the people's security, came to be viewed by the people as beyond the realm of ordinary mortals. Having lost their own security—both their ability to protect themselves against depression through economic self-sufficiency and their ability to protect themselves against war by a local militia—the people reified the institution onto which they had displaced their needs. The President would lead the people through the harsh realities of the modern world, just as the magic flute led Tamino. In return for the President's guidance, the people would join the new order.

There can be little doubt that the new political formula was a great success, for it survived two potential catastrophes: the death of Roosevelt and the rebirth of the Republican Party. Understanding the need to put his regionalism behind him, [Harry] Truman adopted the mantle of New Deal liberalism and shared in the commencement of the cold war. Even more significantly, Eisenhower, who in another era would have signaled a return to the down phase of the presidential cycle, held firm against campaigns to repeal both the welfare and the warfare state and, most extraordinarily, used federal troops to insure compliance with national law in the American South. As a result, the formula constructed in the 1930s and 1940s reached its fulfillment during the Kennedy/Johnson years. For one half of a decade, everything seemed to come together. The President proposed and Congress, after its fashion, disposed. Meanwhile, public faith in the institution of the presidency was high, for the office had come to symbolize the struggle against poverty on the one hand and against alien external forces on the other. America, after fighting its own modernizing instincts for a century, finally entered the world of corporate growth and global responsibility, coaxed and cajoled by its benevolent leader. "The President," wrote Clinton Rossiter in 1960, "is not a Gulliver, immobilized by ten thousand tiny cords, nor even a Prometheus, chained to a rock of frustration. He is, rather, a kind of magnificent lion who can roam freely and do great deeds so long as he does not try to break loose from his broad reservation."

Yet Kennedy and Johnson, the men who first came to benefit from this increased popular support for the presidency, also set in motion the events that initiated another cycle of the disintegration of presidential power. Implicit in the bargain that made the Rooseveltian formula possible were two conditions that

could not be sustained indefinitely: continuous economic growth at home and persistent U.S. hegemony abroad. So long as those conditions held, the people supported presidential modernization and the President possessed enough resources, financial and otherwise, to offer the people domestic and international security. As those conditions collapsed, the bargain began to unravel. But so intertwined had the economy become with the expansion of presidential power that the expectations surrounding the office were perpetuated, even though the assumptions presupposed conditions that no longer existed. This growing imbalance intensified a set of illusions about the nature of the presidency and the economy that only made matters worse. In actual fact, the President was not protecting the best interests of the people, and the people withdrew their support for presidentially inspired modernization. In their political rhetoric, however, both sides professed the opposite. The result of the increasing gap between a domestic political formula based on one set of conditions and a world economy rooted in another was the rapid delegitimation of the presidency.

Welfare states are expected to provide economic security for their citizens so that the misfortunes caused by the market are mitigated. As every economist knows, the funds to pay for social welfare can come from redistributing a fairly steady national income or from expanding the size of the economy so that the poor can benefit without threatening the privileges of the rich. Pursuit of the latter course was well nigh inevitable in postwar America, given the absence of a social democratic ideology and political coalition at the national level. After the New Deal shifted to a course of economic rationalization, liberal modernizers became dependent on corporate support to finance the economic growth that would enable them to pay off their promises to their working-class constituencies. Given this collaboration, the chief domestic role of liberal Democratic Presidents was to act as a cheerleader for economic growth. "This country," John F. Kennedy noted in 1961, "cannot prosper unless business prospers. This country cannot meet its obligations and tax obligations and all the rest unless business is doing well. Business will not do well and we have full employment unless there is a chance to make a profit. So there is no long-run hostility between business and government. There cannot be. We cannot succeed unless they succeed."2

Growth worked. The fantastic expansion of the economy in the early 1960s, which took place with minimal inflation, provided exactly the kind of fiscal dividend that economists hoped would pay for social welfare programs for the poor. High growth rates financed the modern formula for presidential power, enabling the executive to make good its promises of security while at the same time consolidating the monopoly sector of the economy. The only prob-

lem was that growth had a huge appetite. To feed the beast, structural reforms in the economy, such as Sweden's manpower policy or Britain's nationalization, were taken off the legislative agenda. (Redistribution of income was held to undermine business confidence.) As a result, when the growth gave out, so did the security. Few institutionalized mechanisms had been created that could protect the people from unemployment, from inflation, and (worst of all) from both together.

The record with regard to national security was not much better. Globalism has never been overwhelmingly popular in American political culture, and popular support for an internationalist stance could be won only by offering peace. Yet peace could be secured only in one of two ways, either through a restructuring of the world's political and economic relationships or through an attempt by one hegemonic power to enforce order. In retrospect, in light of the balance of political forces within the United States at the time, the adoption of the latter course seems to have been as inevitable as was the substitution of growth for welfare. In order to win public support for Bretton Woods, free trade, the United Nations, foreign aid, and other such global innovations, the President had to link them to threats from abroad, particularly from the Soviet Union. Internationally, the President became the cheerleader for American power, guiding the military establishment as commander in chief, coaxing reluctant allies, confronting the Alien Other, and inspiring the poor and downtrodden. America's military might became a force for modernization in the world at large, developing other capitalist economies, "showing the path" for the Third World, and keeping the alternative Marxist model of modernization out of the picture.

American hegemony brought all the advantages of economic growth, and all the problems as well. Use of the dollar as the world's currency reserve enabled the United States to spend other peoples' money. Free trade seemed too good to be true, so long as it was American firms that reaped the benefits. Most importantly, the illusion of peace itself was preserved, since no country in the world could match American military power. Yet once again the failure to reform international power arrangements upset the political formula at home. Hegemony never lasts forever. To protect its security interests, America undermined its economic interests. The dollar began to collapse under its overextended role. As America used its strategic superiority, it only convinced the Russians of the need to eliminate it. Germany and Japan, not dependent on inefficient military spending, increased their productivity, giving rise to protectionist sentiment within the United States. In short, when the hegemony withered away, so did feelings of international security. Americans were once again exposed to a world in crisis, and no President seemed able to win their trust for a program to restore order.

Richard Nixon was the first President to govern as the conditions that made possible the modern formula for presidential leadership deteriorated. One can never know what Nixon's fate would have been had Watergate not intervened,
but there can be little doubt that the United States was structurally prepared for a crisis of the presidency during the Nixon years. The two most blatant economic realities of the Nixon years were stagflation at home, which required some restructuring of the domestic economy; and the transformation of the world economy (increasing oil prices, currency imbalances, Eurodollar speculation, and the drying up of grain reserves, for example), which demanded an alteration in foreign policy. To govern effectively, Nixon would have had to move the American people into a new position, all the while insisting that he was keeping the old verities alive. It was an excruciatingly difficult task, and Nixon almost managed to accomplish it. Had he not given his enemies everything they needed, Nixon might have been able to transform American politics to accord with the emerging economic realities. Wage and price controls at home and détente abroad were certainly important first steps.

As it happened, Nixon’s failure to realign American politics made it more difficult for anyone else to carry out the task. Gerald Ford retreated to traditional Republicanism, an insufficient basis upon which to get himself reelected, and Jimmy Carter, after some Trilateralist feints, resumed the usual Democratic course of public works and military spending, no matter what the inflationary costs to the economy. Stagflation in the realm of production was matched by stagflation in the realm of government. The presidency had come to attract men who could campaign, but not men who could govern. Although it was an outlet for ambition, the office retained no place for vision. Presidents simply abdicated from trying to govern and concentrated their efforts on reelection, while the people tired of giving the President their unquestioned support and retreated into a cynical and grudging privatism. Holding power but unable to exercise it, the President had become what Nixon hoped would never be America’s fate: a crippled giant, powerful enough to matter, but no longer mattering enough to be powerful.

The bargain is off. Presidents can no longer offer the people material security against a malfunctioning economy or unquestioned national security in a hostile international environment. The people, as a result, have withdrawn their worship of the institution, barely listening to speeches, voting uninformed when voting at all, expressing to anyone who asks their dismay at recent candidates for the office. The United States has entered one of its periodic retreats from presidential power. But this one is different. The expansion of the executive during the 1930s and 1940s had a stronger economic foundation than any previous expansion of presidential power. It represented the last gasp of unplanned modernization in the United States. The current crisis of the presidency derives from the fact that the presidency has been a vehicle for world modernization, but the current world economic crisis indicates a situation in
which other countries have taken the lead in modernizing the forces of production. The American presidency requires economic growth to work; when economic growth cannot be generated, the presidency cannot work.

A host of explanations for America’s economic crisis exists, but it is beyond the scope of this essay to evaluate them. Suffice it to say that the very techniques once used to insure the triumph of modernization are now themselves undercutting the expansion they once facilitated. Modernization never comes easy. To insure the transition to a global-oriented, industrially concentrated form of advanced capitalism, two options were present in the postwar period. In Europe, the change was facilitated by social democratic coalitions that supported a structural reorganization of the economy along neocorporatist lines. But in America, where business ideology is so strong and the labor movement so weak, such an option could not be exercised. Instead, the state encouraged the rapid, unplanned expansion of the private sector, both at home and abroad, and then agreed to pay for the external costs generated by that expansion in the form of welfare, unemployment benefits, and, later, pollution controls and import quotas. In the 198os, America has encountered the limits of this strategy, and the President, who is charged with the responsibility for managing it, is caught in the middle.

Neither at home nor overseas does the postwar conception of allowing unplanned corporate expansion actually work to produce domestic economic benefits. The leading sectors of the postwar growth wave, autos and steel, have become inefficient, complacent industries, easily undermined by foreign competition. Meanwhile, the expansion of multinational corporations overseas has contributed to domestic unemployment and to a weakened role for the dollar. Unplanned expansion, in short, leads directly to higher rates of inflation and unemployment. At the same time, the lack of economic growth in the private sector makes it impossible for the public sector to pay for the externalities. Consequently, public goods are cut back, the social infrastructure of the society is allowed to deteriorate, and the state is helpless to prevent the export of jobs and capital. Once having been the beneficiary of the expansion induced by private-sector freedom, the President is now the victim of the stagflation that follows from that freedom. Those who gave their enthusiastic support to the President when matters went smoothly now withhold their respect when matters go poorly.

The American President is truly in an awkward position. Presidential popularity without economic growth is no longer possible. Yet to achieve growth, a President is now forced to intervene in the private sector, for one of the major causes of stagnation is the extraordinary freedom that the private sector gained under the postwar political formula. But were a President to attempt to plan the economy at home or to set limits on multinational operations overseas, the
private sector would treat him with the same combination of threats and blackmail with which the banks in Cleveland treated former Mayor Dennis Kucinich. When the President, whether Carter or Reagan, offers even greater freedom for the private sector, and thereby gains the support of influential people, such a program is a certain recipe for worsened economic conditions, and bound to undermine his general popularity. The President cannot win. His role is reduced to one of promising economic growth in order to be elected but then breaking his promise in order to govern. The President is trapped between a political formula that demands prosperity and economic practices that insure austerity. No wonder the institution deteriorates.

Thus it becomes possible to understand how the system, working as democratically as it could, nevertheless produced candidates and a victor that nobody seemed to want. The problem does lie with the conception of democracy inherent in the modern political formula for the exercise of presidential power. Under conditions of economic growth, the people and the President entered into a relationship of mutual dependence. The people needed the President to protect them and the President needed the people to bring about modernization over the opposition of congressional and local elites. When the growth disappeared, the dependency remained. People and President are trapped in a passive relationship with each other. Dependent on the President, the people cannot think critically, or vote for more imaginative alternative candidates, or develop for themselves new sources of political power. Dependent on the people, the President cannot correctly formulate his own true judgments, or exercise creative leadership, or engage in the actual process of making policy relevant to the real world. Each side responds to the other’s fantasies; neither side responds to the other’s true needs.

There are ways by which the mutual dependency between the people and the President could be broken, but they would require a fairly substantial structural transformation of the economy. Balanced and planned growth, combined with an effort to stabilize international relationships around something other than an arms race, could bring about the security that would, on the one hand, enable the people to begin to exercise political judgment once more and, on the other, allow the President some scope for trying to govern. But so long as Americans keep their faith in uncontrolled business freedom at home and an unstable world abroad, the President will fail to live up to the expectations that have been generated about him. If anything, the cycle will intensify, replaying (as happened under Carter) in four years a presidential cycle that used to occupy a generation. The American people will either have to accept a presidency as contained and narrow-based as their economic system or they will have to democratize their economy to match their grandiose vision of presidential leadership. That choice, and not the one between candidates running for an office that is incapable of satisfying the contradictory demands placed upon it, is the only one that can solve the puzzle of presidential power in the United States.