Stephen Krason’s The Transformation of the American Democratic Republic, argues that the American nation has drifted far from the principles of its founding. This historical critique questions some of the details of Krason’s account, observing that the claims of some of the secondary sources on which he relies are open to dispute. Notwithstanding these details, Krason’s overarching thesis is historically sound and its important message deserves wide attention.

There is a long list of positive things to say about Stephen Krason’s impressive survey of the fortunes and present condition of the American Democratic Republic. His main thesis—that the founding principles have been dangerously abandoned over the course of the last 250 years—is important and convincing. Distinguishing the three categories of a) institutional arrangements, b) democratic principles and practices, and c) social conditions, Krason identifies the most important principles of the Founding as: a) separation of powers, checks and balances, independent judiciary, and federalism; b) the twin purpose of government (securing individual rights and promoting the common good), popular sovereignty, limitation of the franchise, measured liberty, political equality, private property, political and legal rights, short duration in public office, civilian control of the military, and avoiding excessive public debt; and c) religion, education, morality, virtue, a commitment to freedom and republican principles, prosperity and other economic factors, respect for law, respect for the common good, and a natural aristocracy. Even this lengthy list is a simplification of Krason’s presentation of the principles, which, although somewhat complicated, is fully justified by the complexity of the actual historical reality he is trying to reconstruct.

Of particular note are his command of Supreme Court jurisprudence and his presentation of the ways in which it reflects and reinforces broader cultural and political trends. Also, the account is by and large adequately nuanced; he does not tell a simple, linear story of declension. Such linear narratives make for good storytelling, but they rarely reflect historical reality.
Mere adulation does not make for a very interesting discussion, however, and so my purpose in these remarks is to bring a critical historical eye to Krason’s project. Indeed, Dr. Krason has made a courageous move: mounting an argument about American politics, law, culture, and economics that spans the entire epoch of American history. In short, he is covering a vast amount of history and doing so as a political scientist.

Even so, Transformation is a highly competent historical account. The author traces the fortunes of the Founding principles through American history in successive chapters on “the formative years” (1789–1817); the eras of “good feelings” and Jacksonian democracy (1817–1840); expansionism, sectionalism, the Civil War, and Reconstruction (1840–1877); the Gilded Age, progressivism, and World War I (1877–1920); the 1920s, the Depression, and World War II (1920–1945); the Cold War (1945–1960); “the welfare state, cultural upheaval, and the reign and decline of liberalism” (1960–1980); and “the upsurge of conservatism, economic transformation, and post-Cold War America” (1980–present). As these descriptions indicate, Krason’s categories are primarily political, although the unique value of the account lies in his somewhat successful effort to integrate cultural and economic developments into the dominant political narrative. This integration is something few historians attempt, for the obvious reason that it is immensely difficult. But Krason astutely recognizes that the political deformations that he chronicles cannot possibly be explained without recourse to their cultural origins.

It is no criticism to note that Krason is dependent on secondary sources. Anyone writing outside his own small area of special expertise where he has personally conducted extensive primary source research is dependent on secondary sources. It is only the narrowest historical specialist who is not. Still, to admit one’s dependence is also to admit that certain choices have been made, certain assumptions have been built on. When we reconstruct the past, we cannot avoid making such choices and using such assumptions. But it is wise to do so self-consciously, so as to recognize the tenuous and contingent character of our own interpretations and conclusions. The past is a very tricky object of investigation.

This is not to imply that Krason was not conscious of the decisions he was making in the course of writing the book; likely he was. Nonetheless, it may be instructive to make explicit some of those decisions and then gesture toward the difference that choosing other courses might have made.

The following are some of the historians on whom Transformation relies for its understanding of crucial episodes in American history: Daniel Walker Howe on the early nineteenth century; Sean Wilentz on politics in the antebellum period; Eric Foner on Reconstruction; William Leuchten-
berg on the 1920s and thirties; Daniel Schulman on the 1970s. All of these are respectable choices. All of these scholars are experts in their fields who write with knowledge and whose command of the facts cannot be disputed. All of them also bring their own biases to their accounts. All of their accounts are open to debate. There are alternative narratives for each of these episodes.

For example, Leuchtenberg’s view of the 1920s and Great Depression has directly influenced, or at least reflects, the dominant account that appears in grade-school, high-school, and college text books and would still arguably be considered dominant at the graduate level and among professors of American history. It runs basically thus: During the 1920s, laissez-faire capitalism ran rampant in the U.S. Presidents Harding, Coolidge, and Hoover (all Republicans, not incidentally), gave Wall Street free rein, pulled back the regulating hand of government, and ignored the plight of those left behind. The prosperity of the 1920s, built on a house of cards, was destined to be short-lived. When recession struck in 1929—the inevitable result of this brand of unrestrained capitalism—the laissez-faire President Hoover had no suitable weapons in his arsenal. His conservative ideology prevented him from utilizing the one tool that was adequate to the task: active government intervention in the way of stimulus spending (“pump priming” was the term of the day); direct hiring of unemployed workers; massive welfare programs to supplement (or replace) the inadequate private and local charity that had hitherto sufficed; price manipulations of agricultural products; and legal support for unionism to balance the power of corporations. Franklin Roosevelt (a Democrat, not incidentally) did understand that these were the measures required by the exigencies of the situation and he implemented them. His approach took time, but eventually the New Deal programs, assisted by the economic stimulus of World War II, pulled the country out of the worst depression it had ever experienced. This is a simplification of a complex account and cannot be in toto attributed to any single historian (Leuchtenberg himself would probably take issue with some of the formulations). Still, it fairly characterizes the gist of the story that dominates textbooks at present.

There is a lot of evidence to support this narrative. There is much that is intuitively appealing about it. For Catholics, there are passages in Quadragesimo Anno, Pius XI’s 1931 encyclical that contained his own analysis of the world economic crisis, which can be cited to support this narrative. It is respectable and defensible to use it as the basis for one’s account of this period in American history.

Yet there is much to question. There was a severe recession in 1920, from which the economy emerged relatively quickly. If there was policy
consistency from Harding to Hoover, and that policy was decisive in affecting the business cycle, why was 1929 different? Was Hoover’s response to the crisis truly laissez-faire? How does one account for programs that he implemented, such as the Reconstruction Finance Corporation? Regarding Roosevelt’s policies, if they were successful, how does one account for the 1937 recession? In 1938, unemployment stood at 19 percent—down from a high of 25 percent in 1932, to be sure—but was this adequate progress after five years of Democratic dominance of the executive and legislative branches that permitted enactment of any policy the president wanted? Finally, is it really accurate to view World War II as the catalyst for economic recovery? Doing so requires equating GDP with material well-being, no matter whether the goods being produced are food and shelter or guns and tanks. Unemployment certainly plummeted during World War II, but that is natural when twelve million men of employment age are withdrawn from the workforce.

These are not my original questions; they are questions that have been raised by historians and other analysts ever since the New Deal period. Richard Vedder and Lowell Gallaway examined the economic evidence and concluded that the recovery in employment over the course of the thirties had nothing to do with Roosevelt’s policies; in fact, those policies impeded employment growth.1 Robert Higgs has made a persuasive case that the World War II recovery narrative is fatally flawed.2

Dr. Krason does sometimes invoke alternative accounts. He cites Higgs, as well as other non-mainstream scholars, on occasion. His good judgment and keen critical eye lead to various qualifications of the usual story. For example, he adequately accounts for the differences between Hoover and his predecessors, Harding and Coolidge. He concedes that the question of the New Deal’s success as an economic stimulus remains open. He notes that New Deal programs may have damaged traditional American self-reliance and opened the door to excessive government dependence.

Yet his basic explanation of the sources of the Great Depression and the character of the New Deal follows Leuchtenberg’s. Overproduction (underconsumption) caused by an imbalance in personal incomes is still a major factor. What if, instead, the causes of the Depression were different? What if the Keynesian interpretation of the 1930s were wrong? In Krason’s account, the expansion of government power in the 1930s was a justifiable response to the Great Depression, though it unfortunately went too far in the years since. Thus, the New Deal is seen as problematic but justified, a reasonable response to the bad policy of the 1920s, even if its heirs were not careful enough to keep in check the tendencies that it set in motion.
Again, this is a respectable, defensible argument, but there are other plausible possibilities. An alternative account might look like this: The Harding and Coolidge policies of the 1920s led to unprecedented prosperity that lifted all Americans, poor included. There were excesses and abuses, but the market and minimal government regulation served to address those problems on an as-needed basis. Hoover began moving away from this limited government perspective and initiated a series of government interventions and partnerships with business. When a recession hit in 1929, he sought the cooperation of business to keep wages artificially high, which set in motion a vicious cycle of unemployment and declining production. Federal reserve policy and Roosevelt’s New Deal only aggravated the fundamental problem by limiting the market’s capacity to correct itself. Government spending during World War II superficially improved economic numbers, but a return to genuine prosperity only occurred after the end of the war, when a changed political regime restored business confidence.

In this alternative account, the analysis of cause and effect is different, the heroes and villains are different, and the policy lessons are different. Opting for other sources in various places such as this would change the details of the narrative in significant ways.

However, as already indicated, this alternative account would not compromise Transformation’s overall argument. The dramatic departure from founding principles that Krason documents is supported by ample historical evidence that is beyond dispute. What will fundamentally divide readers of Krason’s book are not the details of each historical episode. What will divide them, as it divides Americans today in the areas of culture and politics, is whether this departure is a matter of indifference—or even, in some circles, celebration—or whether it is, as Krason and I would agree, a matter of deep concern. His concluding chapter is a series of recommendations aimed at restoring the United States to its “founding principles.” The final admonition is for citizens to “oppose strongly every unreasonable attempt to limit their liberties more, and seek to reverse or minimize the effects of such limits already in place.” This book should be widely read and its exhortations widely heeded.

Notes

2. Robert Higgs, Depression, War, and Cold War: Challenging the Myths of Conflict and Prosperity (Oakland, Calif.: Independent Institute, 2006), chap. 3.