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THE DILEMMA OF MODERN DEMOCRACY

BY CARL BECKER

*Blight—not on the grain!
Drouth—not in the springs!
Rot—not from the rain!*

*What shadow hidden or
Unseen hand in our midst
Ceaselessly touches our faces?*

Archibald MacLeish

MODERN democracies are confronted with a fundamental problem which may be defined as follows: How to curtail the freedom of the individual in economic enterprise sufficiently to effect that measure of equality of possessions and of opportunity without which democracy is no more than an empty form, and at the same time to preserve that measure of freedom of the individual in intellectual and political life without which it cannot exist? The problem may be otherwise stated: Can the flagrant inequality of possessions and of opportunity now existing in democratic societies be corrected by the democratic method? If it cannot be corrected by the democratic method, the resulting discontent and confusion will be certain, sooner or later, to issue in some form of revolutionary or military dictatorship. This then is the dilemma which confronts democratic societies: to solve their economic problems by the democratic method or to cease to be democratic societies.

I

It is obvious that the problem is intrinsically an economic one. At the present moment it takes the spectacular form

of unemployment. For ten years, in virtually every democratic society, from ten to twenty per cent of the working population, for the most part willing but unable to find work, have been kept alive by public or private charity or by jobs created for that purpose by the government. Unemployment is no new thing, but never before in modern democratic societies has it reached the proportions of a major social catastrophe.

The catastrophe cannot be explained as an act of God, cannot be attributed to destructive natural forces beyond human control. The people are famished, but there is no famine. On the contrary, there is wealth in abundance, or should be. Given our natural resources, our man power, and our technical equipment, there could be produced, in this country at least, sufficient wealth to provide all the people with the necessities of life and many of the desired comforts and luxuries. Yet in spite of widespread and insistent human need, the technical equipment is used only in part, the man power is not fully employed. In a land of potential plenty, millions are destitute. Obviously the situation is one which arises not from a lack of potential wealth, but from some defect in the method of producing and distributing wealth. That the defect is a serious one is sufficiently indicated by a simple ironic fact: in a world in which millions are destitute, it is thought necessary, and under the prevailing system of production and distribution apparently is so, to limit the production of the necessities of life in order to keep people from starving.

The prevailing system for the production and distribution of wealth is variously denoted by the phrases capitalist system, competitive system, price system, system of free economic enterprise, system of *laissez faire*. The theoretical justification of it derives from the liberal-democratic ideology—the assumption that social welfare can best be achieved by reducing governmental interference with the freedom of the individual to a minimum. The assumption was never better

formulated than in John Stuart Mill's famous essay, "On Liberty." Governmental interference in the activities of the individual, he maintained, was never justified except when manifestly necessary to prevent the activities of some individuals from injuring others.

In the economic realm this meant the maximum freedom of the individual to choose his occupation or business, and to enter freely into contracts for the acquisition and disposal of private property and for the purchase or sale of personal service. It was assumed that the free play of individual initiative, stimulated by the acquisitive instinct, would result in the maximum production of wealth, and that the competitive instinct, operating through the law of supply and demand and the resulting price system, would effect the best possible distribution of it. The function of the government in this system would be reduced to defining and guaranteeing the rights of private property, enforcing the rules of contract, and preserving social order. Having defined the rules of the game, the government should see that they were observed, but should not otherwise interfere with the players. Let the game go on and the best man win! *Laissez faire, laissez passer!*

Contrary to a widespread belief, *laissez faire* was never more than a theory imperfectly applied. That imagined happy time when government did not interfere with the freedom of the individual by meddling in business never in fact existed. The institution of private property itself is a most drastic regulation of business enterprise, the law of contract a fundamental interference with the liberty of the individual. But assuming private property and the law of contract as part of the system, there never was a time when government did not find it manifestly necessary, according to Mill's famous definition, to interfere with the activities of some individuals in order to prevent injury to others.

In England, the trend towards *laissez faire* was halted before it was completed. A decade before the doctrine was

officially adopted by the repeal of the Corn Laws in 1846, the government had found it necessary to restrict free business enterprise by passing the first Factory Acts for the protection of women and children. And from that day to this, in England and in every industrialized country, including the United States, the governmental regulation of private property, of free competition and free contract, of the price of commodities and of labor, of the inheritance of property and of the disposal of income from it, has steadily increased. This increase of governmental regulation, this mass of what is called social legislation, has been brought about by the pressure of labor unions supported by the humane sentiment of the community, and underlying it is the assumption, avowed or unavowed, that the system of *laissez faire*, of free business enterprise, so eminently successful in stimulating the production of wealth, is incapable, without governmental regulation, of bringing about an equitable or even a tolerable distribution of it. It is far too late in the day to ask whether government should interfere in business enterprise. It always has interfered in business enterprise. The only relevant question is precisely to what extent and in what ways it should interfere.

Nevertheless, although the governmental regulation of business enterprise steadily increased, the theory of *laissez faire* was not abandoned. The prevailing assumption was, and still is in democratic societies, that governmental regulation should be kept to a minimum, however high the minimum might in the event prove to be. It was for the most part taken for granted that the basic right and the assured foundation of the economic structure of society was private property in the means of production, free enterprise, and the competitive system. Social legislation was regarded as no more than a limited, if necessary, concession to adverse circumstances, an exception that proved the rule, a series of minor adjustments that would leave the system intact while enhancing its efficiency. In the decade before the Great War it was in-

deed widely regarded as in some sense a part of the system of free enterprise, a kind of insurance against the subversive doctrines of socialism, a preordained and peaceful method of transforming that anomaly of progress and poverty which Henry George had so graphically described, into that progress and prosperity which the prophets of democracy had so confidently predicted.

Since the Great War, faith in social legislation as a method of validating the system of free enterprise has been much impaired. If we survey the history of a century of governmental regulation of business enterprise, it is obvious that while it has done much to correct minor evils it has done little or nothing to solve the fundamental problem of an equitable distribution of wealth. On the contrary, the problem of the distribution of wealth is more serious and more insistent than it was in the time of Henry George. If the anomaly of progress and poverty is less glaring than it was, the only reason is that while the poverty is more patent the progress is less assured.

Inevitably, therefore, the question, long since raised, becomes every day more relevant: Can the problem of the production and distribution of wealth be solved, within the framework of the existing system of free enterprise, by any amount of governmental regulation? In short, are the defects of the capitalist system incidental or inherent?

II

The infinitely complicated process which we call history continuously gives rise to what are called social problems, and at the same time generates those political and intellectual trends that indicate the direction which the solution of those problems will take. The term "solution," used in this connection, is misleading. It connotes a certain perfection or finality, as in the solution of a mathematical or a chemical problem, which is never possible in social relations. "The function of history," as J. B. Bury once remarked, "is not to

solve problems but to transform them." In our time the historical process has given rise to the problem of the maximum production and the equitable distribution of wealth, a problem which assumes the double form of social conflict within the nations and diplomatic and military conflict between them. It would be naïve indeed to suppose that this problem, in either of its forms, will be "solved" with any notable degree of perfection or finality. It will be solved only in the sense of being transformed; and in looking for the direction which this transformation will take we must consult, not our hopes or our preferences alone, but the dominant political and intellectual trends which provide the conditions within which our preferences can be realized, if at all. Those political and intellectual trends may be discriminated under the terms liberal-democracy, socialism, Fascism, and Communism. The differences between them, both as ideological systems and as going concerns, are obvious and important; but underneath their differences we can note, in respect to what they propose to do and are doing to solve the problem of the distribution of wealth, an interesting and significant similarity. It is a similarity of direction: they are all carrying us, so to speak, toward an extension of governmental regulation of economic enterprise.

That this is the prescribed direction is evident. In all liberal-democratic countries, during a hundred years past, such regulation has steadily increased. Both Communism and socialism propose to make the regulation complete by abolishing private property in the means of production, and the Communist Soviet régime in Russia has already accomplished this object. Fascism, no less than Communism, proposes to subordinate the individual to the state, and in the principal Fascist countries, although private property in land and capital has not been formally abolished, the national economy has been so far subjected to governmental direction that free economic enterprise has virtually disappeared. Like it or not, the complexities of a highly integrated technological

civilization are carrying us in a certain direction—that is to say, away from freedom of the individual in economic enterprise and towards an extension of social regulation. This is therefore the direction which, in democratic as well as in other countries, the transformation of the problem of the distribution of wealth will surely take.

The question that chiefly concerns us is whether the necessary social regulation of economic enterprise can be effected by the democratic method—that is to say, without a corresponding social regimentation of opinion and political freedom. Can the possessors be sufficiently dispossessed and the dispossessed be sufficiently reinstated without resort to violence—to revolution and the temporary or the permanent dictatorship? The Communists say no—sooner or later, the revolution. The Fascists say no—the totalitarian state is the only solution. They may, of course, be right. It is as futile to suppose that democracy must survive because it accords with the laws of nature or some transcendent increasing purpose, as it is to suppose that the Communist dictatorship must issue in a classless society of free and equal individuals because it is the preordained instrument of a mystical dialectic of history. Nor can we dismiss the rise of dictatorship in half the world as a temporary aberration brought to birth by the ingenuity of sinister or psychopathic individuals. Common men, when sufficiently distressed, instinctively turn to the inspired leader; and dictatorship in our time, as in past times, is the normal price exacted for the failure of democracy to bind common men by their hopes and their fears.

The survival of democratic institutions thus depends, not upon the attractiveness or logical consistency of theories of government, nor upon any inevitable transcendent historic trend, but upon the possibility of effecting, by the pragmatic democratic method, a sufficient equalization of possessions and opportunity to provide common men with what they will regard as reasonable security. It may be said, it has often been said, that the most brilliant civilizations of the

past have paid scant attention to the needs or desires of common men, that the oppression of common men is indeed the price that must be paid for those great and permanent achievements that assure the progress of mankind.

It may be so, but it no longer matters. The very technology which gives peculiar form and pressure to the oppression of common men in our time has freed common men from the necessity of submitting to it. The time has gone by when common men could be persuaded to believe that destitution is in accord with God's will, or to rely upon the virtues of *noblesse oblige* to ease their necessities. Through education in the schools, through the printing press and the radio, common men are made aware of their rights, aware of the man-made frustration of their desires, aware of their power to organize for the defense of their interests. Any civilization in our time which fails to satisfy the desires of common men for decent living, however brilliant or agreeable it may appear in the eyes of its beneficiaries or of posterity, will be wrecked by the power of common men to destroy what seems to them no longer tolerable. The ultimate task of democracy, no doubt, is to achieve a brilliant civilization; but its immediate task is the less exalted one of surviving in any form, and the condition of survival is that it shall, even at the sacrifice of some of the freedoms and amenities of civilization as we have known it, provide for the essential material needs of common men.

Providing for the essential material needs of common men, considered as a problem in scientific engineering, presents no insuperable difficulty: the necessary resources, equipment, man power, and knowledge are available. Given Plato's ruling class of philosopher-kings, and a docile people responding to suggestion as smoothly as molten iron yields to physical pressure, adequate wealth could be produced and equitably distributed. Unfortunately perhaps, there are no such philosopher-kings; fortunately, there is no such docile people. Government is much less a matter of knowing what is good

than of persuading average human beings, stubbornly rooted in conventional habits of thought and action, to do what fallible intelligence judges on incomplete data to be for the moment desirable or necessary: democratic government is a matter of persuading them to do it voluntarily by registering their wishes in the form of ballots freely given. In democratic countries, therefore, the measures taken for effecting a more equitable distribution of wealth can never be based upon the best scientific knowledge available; they can be such only as the majority of citizens will voluntarily sanction and the minority voluntarily submit to.

It is as essential to democracy that the minority should voluntarily submit to the measures adopted as it is that the majority should voluntarily approve them. Democratic government rests upon the principle that it is better to count heads than it is to break them. The principle is a good one, but unfortunately, men will not, under certain conditions, so regard it. By and large the principle works well enough, at least in countries where the democratic tradition is well established, only as long as the issues to be decided do not involve those interests which men will always fight for rather than surrender. Democratic government, being government by discussion and majority vote, works best when there is nothing of profound importance to discuss, when the rival party programs involve the superficial aspects rather than the fundamental structure of the social system, and when the minority can meet defeat at the polls in good temper, since it need not regard the decision as either a permanent or a fatal surrender of its vital interests. When these happy conditions no longer obtain, the democratic way of life is always in danger.

The danger has already proved fatal to democratic institutions in many countries—chiefly countries not long habituated to such institutions. But it exists even in those countries in which the democratic tradition is most strongly entrenched, since in these countries too the insistent problem of the

distribution of wealth is beginning to involve those fundamental class interests which do not readily lend themselves to friendly discussion and mutual concession. The flagrant inequality of possessions and of opportunity is creating an ever sharper differentiation between the beneficiaries of private property in the means of production and the masses whose present circumstances and future prospects depend less upon individual character and talent than upon the hazards of the business cycle. Accompanying this differentiation there is going on a confused but persistent realignment of political parties: on the Right, conservative parties representing the beneficiaries of the system of free enterprise; on the Left, liberal and radical parties representing the poor and the dispossessed. As the divergence between Right and Left becomes sharper and more irreconcilable, moderate and conciliatory parties tend to disappear, and the rival party programs of the extreme groups, no longer confined to the superficial aspects of policy within the framework of the traditional social system, are increasingly concerned with the validity of the assumptions on which the system rests. Underlying the question of the equitable distribution of wealth is the question of the validity of the institution of private property as a means of effecting it. The present power of the possessing classes rests upon the institution of private property; the present distress of the masses is somehow involved in it. If the present discords should be intensified and prolonged, the danger is that the masses will turn to revolution rather than submit to a system which fails to relieve them, that the classes will welcome forcible repression rather than surrender a system which guarantees their power.

The danger is not one to be lightly dismissed. It is certainly greater than many tender-minded liberals profess to think. But for all that, we need not be browbeaten by dogmatic Communist assumptions into believing that the contradictions in the capitalist system cannot under any cir-

cumstances be corrected by the democratic political procedure. It is an article of Communist faith, which many advanced liberals and Communist "fellow travelers" seem to accept as a matter of course, that history offers no instance of a ruling aristocracy which has surrendered its power voluntarily, and that accordingly, nothing short of violent revolutionary expropriation will ever induce the capitalist aristocracy to surrender the power which the institution of private property now confers upon it.

The premise is correct enough, but the conclusion is a *non sequitur*. True enough, no ruling class has ever surrendered its power voluntarily, but it does not follow that no class has ever surrendered its power except under compulsion of naked force. The Roman patricians did not surrender their power voluntarily, on demand; but they nevertheless surrendered it, gradually, under pressure, without incurring the destruction of republican institutions. The English landed aristocracy did not surrender its power voluntarily; but since the eighteenth century, under pressure exerted through the democratic political procedure, it has conceded one strategic position after another. And indeed, in all those countries where democratic institutions still persist, the capitalist classes have, during the last fifty years or more, conceded bit by bit much of that control over private property which they formerly possessed and once thought indispensable. There is no compelling reason to suppose that in those countries where the democratic tradition is strongly entrenched, this process of increasing governmental regulation of business enterprise should not continue, even to the point, if that should prove desirable, of a virtual if not a formal socialization of the basic industries, without incurring the destruction of democratic institutions.

It is not a question of keeping what we have or scrapping it for some untried ideal social system. There are no ideal social systems. At best it is a question of sufficiently improving what we have in order to avoid that intolerable distress

which, if widespread and prolonged, ends in despair and the resort to violence. No infallible panacea for accomplishing this end is available. The desired end can be accomplished, if at all, only by the method of trial and error, by employing the best knowledge available, as far as it can be employed by the democratic political method, to effect those adjustments that will release surplus capital for investment in profitable enterprises and put unemployed men to work at a living wage. What particular measures are best adapted to this purpose I am incompetent to say. It is for the economists to suggest the measures which, however carefully considered, will in the event no doubt prove to be attended with unforeseen consequences. The fact that the task is difficult is no reason for abandoning it. Something must be done, and much must be attempted that a little may be gained. What is chiefly needed is time—time for experiment, for making mistakes and correcting them, time for the necessary economic adjustment in vested interests and the necessary psychological adjustment to new ideas, time for the slow crystallization of public opinion and for registering public opinion in legislative enactments by the cumbersome democratic technique.

It is true, of course, that there may not be time enough. There may not be time enough in any case. Technological advance has so accelerated the tempo and complicated the character of social change that present social ills can scarcely be properly diagnosed before they have been so far transformed that the proposed remedies are no longer adequate. But if time fails us, it will be less because of inherent defects in the capitalist system or the democratic procedure than because of the disastrous results of modern war in dislocating the national economy and impairing the democratic morale.

III

The ultimate cause of war, no doubt, is to be found in the nature of man; the proximate cause in particular conditions

of time and place. Politically, the modern world is organized on the principle of the self-sufficiency and the self-determination of the sovereign state; economically, it is so far integrated that all countries are more or less interdependent. The result is that international conflict in our time arises in great part from the competitive political struggle for economic possessions—for land, markets, essential raw materials, and preferential opportunities for the exploitation of the undeveloped regions of the earth. A rational solution of the conflict would involve either complete freedom for peaceful trade and industrial enterprise or the international allocation of commodities and industrial opportunities according to the legitimate needs of the several countries. A rational solution is impossible, however, because the rights of states are measured by the power they can exert; and the decisions of governments and the attitudes of the people who support governments are largely determined by considerations of honor and prestige and deep-seated racial and national animosities. Such political conflicts for economic power may be, and in the past often have been, mediated to some extent by friendly discussion and mutual concession; but since the essential basis for profitable discussion of differences is agreement in fundamentals, such mediation is less possible now than formerly. The profound divergence between the current ideologies in fundamental concepts makes friendly discussion and mutual concession between democratic countries on the one hand, and Communist and Fascist countries on the other, virtually impossible, and injects into their conflicts a fanatical and intransigent quality unknown since the religious wars of the sixteenth century. Thus in our time the perennial danger of war arising from the conflict for economic power is at once increased and is less easily obviated because of the fears and hatreds arising from the clash of discordant ideological systems.

War and the imminent danger of war may temporarily abate the social conflict in any country, but the ultimate ef-

fect can only be to diminish the possibilities of resolving it by the democratic method. Political democracy is at best a slow and cumbersome method of managing the affairs of the community. In times of great emergency it is necessary to get things swiftly done, whether well done or not; and in the supreme emergency of war, when arms speak and the laws are silent, the democratic liberties are inevitably subordinated to military efficiency. The temporary eclipse of the democratic liberties is not what matters most. What chiefly matters is that war, by devoting the energies of the nation to destructive ends, disrupts the peacetime economy, impoverishes and demoralizes the people, and thereby intensifies the social conflict which tends to undermine the stability of democratic institutions.

More than a year ago the imminent danger of war was succeeded by war itself. The war is justified as a war for the defense of democracy and the restoration of social order in Europe. The last war was likewise justified: we were told, and many of us confidently believed, that it was fought to make the world safe for democracy. We now know that an outstanding result of the last war was to make half of Europe safe for dictators. What the result of the present war may be no man can say; but it would be naïve indeed to suppose that it will do more than the last war did to strengthen democratic institutions throughout the world, or even in the countries where they still exist. On the contrary, if experience is any guide at all, we must suppose that the present war, like the last war, will only accentuate the conditions that lead to revolution, to the disintegration of the democratic virtues, and to the collapse of democratic institutions.

This is not to say that all of the nations concerned in the present war are equally responsible for it. In the conflict between nations, as in the conflict between individuals, it is not true that it takes two to make a quarrel: one can make a quarrel very effectively if he gives a perverted mind to it. If democracy cannot be safeguarded by war, neither can it be

safeguarded by submitting to aggressions designed to destroy it. War is indeed the negation of the democratic idea, and for that reason can in itself do nothing to safeguard democratic institutions; but as the world is now organized it may be the only means of safeguarding the independence of those countries where democratic institutions exist. This much may therefore be said: whatever chance democracy may have for survival in Europe after the present war, it would have a better chance in a Europe in which France and Great Britain retained their independence and prestige than it could ever have in a Europe dominated by the present Nazi régime in Germany. It may be that democratic institutions will disappear in Great Britain—as they seem already to have disappeared in France—even if she should win the war in the end. It is certain that they will disappear if Germany wins the war. The only conclusion I can draw from this situation is this: if democratic institutions are to be destroyed in any case, it seems better that they should be destroyed by their friends than by their enemies.

When we consider broadly the problem of preserving democratic institutions from both the national and the international point of view, we seem to be helplessly caught in a vicious circle. We know that democratic institutions are threatened by social discords within the nations, and still more by war between them. We know that if we could resolve our social discords it would be much easier to avoid war, and that if we could avoid war it would be much easier to resolve our social discords. If we could do either of these things without the other, the future of democracy would be fairly secure; if we could do both of them it would be altogether so. Yet we know that social discords are a major cause of war, and that war is the one thing that will make it impossible, if anything does, to resolve our social discords. It is in such situations that reason succumbs to force, in such situations that dictators flourish and democracy declines.

It is possible that the crisis which confronts the modern

world involves something more serious even than the collapse of democratic institutions. The contradictions in the capitalist system may be no more than symbols of a discord more profound—the discord between the physical power at our disposal and our capacity to make an intelligent use of it. Long ago it was said that man can more easily take a city than govern himself. Never was the saying more true than now. Never before has the intelligence of man placed so much material power at his disposal: never before has he employed the power at his disposal for the realization of purposes more diverse or more irreconcilable. The hand is subdued to what it works in, and the mind admires what the hand can accomplish. Modern man is enamored of mechanical force, is fascinated by the æsthetic precision and sheer power of the instruments he has devised, and will use them for doing whatever by their aid can be done, justifying whatever ends may be achieved by the clean efficiency of the means employed to achieve them. Thus the machines we have invented enslave us. Compelling us to use them on their terms and to adjust our action to their capacities and limitations, they somehow generate social forces which, being too complicated and impersonal to be easily understood, shape our lives to ends we do not will, but cannot avoid.

It is known that in times past certain civilizations long established, brilliant and prosperous and seemingly secure against mischance, slowly decayed and either disappeared altogether or were transformed past recognition and forgotten. What has happened several times in the history of mankind may happen again. There are no barbarian hosts without the gates, but there are plenty of potential barbarians within them. It is then within the range of possibility that the flagrant discord between the mechanical power at man's disposal and his capacity to make good use of it is carrying the world into another period of protracted and chronic confusion in which democracy will everywhere succumb to dictatorship, reason to naked force, and naked force prove to be the prelude to another dark age of barbarism.

I do not say that this will happen. I do not think it will. But it is futile to suppose that it cannot happen, futile to rely upon the saving grace of some transcendent power—a law of nature, or dialectic of history, or mystical totalitarian state—to bring us to a predestined good end. The only available purposes are our own; the only available intelligence such intelligence as we can command. If then democracy survives, if any tolerable civilization survives, it will be because in some favored parts of the world the mind of man remains unshackled, and, aided by time and fortunate circumstances, proves capable of subordinating the extraordinary mechanical power at its command to the achievement of rational and humane ends. There is more need in our time even than in the seventeenth century to recall the famous dictum of Pascal: “Thought makes the whole dignity of man; therefore, endeavor to think well: that is the only morality.” The chief virtue of democracy, and in the long run the sole reason for cherishing it, is that, with all of its defects, it provides the most favorable conditions for the maintenance of that dignity and the practice of that morality.