

REDEFINITIONS OF AMERICAN IDENTITY IN ‘THE GOLDEN AGE OF CONTROLLED CAPITALISM’

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***Abstract:** ‘American identity,’ like other forms of group/collective/national identity, may be seen in essentialist or anti-essentialist terms, although the former perspective is more and more difficult to defend in the age of globalization. Even individual identity is to be defined anti-essentialistically in collective, social terms, a view that sociologists and social psychologists share with a large number of researchers from beyond the field of the social sciences proper.*

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The non-essentialist perspectives obviously see identity not as a set of relatively stable attributes but as a network of apparently stable parameters in dynamic processes of identity formation. To simplify, identity is more accurately to be described as a complex unfolding narrative, rather than as a cherished possession, which is jealousy to be defended against unwanted change. Fully aware that any narrative involves selection, omission, the foregrounding of some agents, settings, scenes and developments at the expense of others, which are left out of the story, what follows is an attempt at weaving together some significant pieces in the comprehensive puzzle game that dynamically redefines American identity in the first postwar decades.

Manfred Steger calls that historical period ‘the golden age of controlled capitalism’, referring to a relatively prosperous time for the developed North (considering the globalization dichotomy between the developed North and the undeveloped South). At that time, following the historic economic arrangements sketched at the Bretton Woods Conference in July 1944, to be implemented worldwide as soon as WW II ended, and, at least until the end of this ‘golden age’ (according to Steger’s chronology, 1971), the U.S. defined the terms and set the example of the experienced pioneer that knows the paths to follow. However, the term seems to ignore a large number of dramatic developments that marked America’s multiple identity facets (culture, economy, foreign policy) and to challenge other

concepts used to describe the US at that particular time (such as ‘the age of consensus’ and the revolutionary attitudes of the age of the so-called ‘counterculture’).

A few years before, in February 1940, Henry Robinson Luce, the most influential American publisher at that time, had urged his country to assume the role of savior of the world, to join the Allies against the Axis powers in what would turn out to be the bloodiest global confrontation in recorded history. His article (see Brinkley 267-268) seemed to disregard opinion polls and important organizations, such as America First, the vast majority of the American population being opposed to their country getting involved in a distant war: isolationism, or non-interventionism, was still perceived by many as a hallmark of American identity.

Imperial Japan attacked the U.S. Navy at Pearl Harbor in December of that year. America was thus provoked to declare war on the aggressor and the rest of the Axis countries. Luce did not have to repeat his earnest invitation that his country should define itself within the framework of what he then called ‘the American century’. In that particular American century (which, actually, may be said to have begun at least as far back as 1917), the U.S. was moving away from its initially isolationist, non-interventionist foreign affairs position toward a more assertive, interventionist stance. Foreign partners that would at times benefit from this emerging foreign policy would perceive it as the legitimate attribute of the ‘champion of western democracy’, while others would condemn the increasing powers of the ‘policeman of the world’. An investigation of significant episodes, actors, trends and developments linked to changes in the complex narrative of American identity in the couple of decades following the Second World War is inevitably selective, foregrounding certain elements and leaving out others, while at the same time extremely complex and comprehensive, weaving together threads having to do with culture and history, ideology and (geo) politics, in relation to what happened previously (what had been the defining features before?), and in relation to contemporary configurations of alterity that are instrumental in identity (re) definitions. In her 1998 book on American Exceptionalism, Deborah Madsen joins those who believe that the concept giving its name to her volume is the most prominent factor in the centuries-old redefinitions of ‘America’s identity’ (Madsen 166), while Kate McGowan notes that ‘the issue of alterity haunts analyses in the twenty-first century’ (McGowan 80). It is obvious for scholars interested in American identity that alterity will be a constitutive element both inside national constructions (in the pre-multicultural age, as it were, the concept more or less straightforwardly excluding the ‘non-American Americans’, such as the permanently pushed westward native Americans, and the enslaved African Americans) and in relation to the world

outside (The British Empire, Mexico, Old Europe, Nazi Germany and Imperial Japan, The Soviet Union, etc., each of these alterity figures acquiring particular salience at certain historical moments).

American identity today, in the multicultural age, would be far more difficult to encompass than in previous times, when the metaphor of ‘the melting pot’ gave the illusion of homogeneity, additionally supported by the religious overtones of the God - given task as fulfilling a mission and setting an example for the rest of the world. The realization of the difficulty of grasping this Protean giant’s shape became more obvious at a time when, theoretically and arguably, identity parameters would appear to be much less problematic than at any other time in American and world history.

In a way, Steger’s phrase, ‘controlled capitalism’, to refer to the postwar years extending to 1971, does not seem to bring anything new to what had been going on in the world economy. In one particular sense, in the interwar period, in the immediate past, but also previously, nation states as/and colonial powers had pursued protectionist policies, controlling to a large extent the mechanisms of their economies. In another sense, however, especially after the Second World War, the realization that the negative consequences of the capitalist system had to be somehow tamed or controlled led to some of the most significant policies of the welfare state in the developed Western countries, which may be seen as the main economic and social features of this golden age. In this sense, one can say that the U.S. largely controlled this ... ‘controlled capitalism’, both at home and abroad.

As the war was inevitably drawing to an end, America thought that it was time to regulate the capitalist world system (global trade and investment, monetary order) once peace had been arrived at. At Bretton Woods, New Hampshire, one year before the Allied WW II victory, were laid the foundations for the establishment of three global institutions that would see to it that postwar globalization processes would run as smoothly as possible: the International Monetary Fund, the International Bank for Reconstruction and Development (which would later be called the World Bank) and the General Agreement on Tariffs and Trade (which, in turn, would later be replaced by the World Trade Organization). George Ritzer adds the finishing touch to this construction that consecrated American economic hegemony:

Finally, the entire system was based on the US dollar (at the end of WW II the US had about three-fourths of the world’s gold supply and accounted for over one-fifth of world exports). The US agreed to make the dollar convertible into

other currencies or gold at the fixed par value. The dollar became, in effect, a global currency (Ritzer 59).

It was thus up to America to support the world currency exchange system by guaranteeing that the currencies of the individual countries in this global network corresponded to a set gold value of the dollar. This apparently secure system would last until 1971 when, as a result of a combination of global circumstances, President Nixon would withdraw support of the gold-and-US dollar currency exchange agreement. 'The golden age of controlled capitalism' was coming to an end, but had it been such a serene, unproblematic time?

America has often been defined in terms of the two different meanings of 'exceptional' ('superior' and 'different') in the phrase 'American exceptionalism'. The country's involvement and the subsequent victory of the Allies, which was decisively based on the American military and economic power machine, as well as the arrangements reached at Bretton Woods, confirmed America in its new role as standard bearer of freedom and democracy, as well as of guarantor of economic prosperity. This position of eminence will be completed by the 1947 Marshall Plan, which would greatly contribute to the strengthening of the Western world, in which the US will play the main part, in the new circumstances of the postwar years. These circumstances are associated with the beginning of a bipolar world system, ideologically, economically, politically, culturally speaking: the historical decades of the Cold War, in which 'the golden age of controlled capitalism' would be even more troubled, eventful, dramatic, than the last age of the Cold War up to the collapse of the Iron Curtain.

America's position in the Western world, even in the context of the Bretton Woods plans for a prosperous capitalist postwar future, as well as the recovery of war-torn Europe, was far from problematic. The U.S. needed strong allies in Europe, and, as the Iron Curtain was beginning to take shape, economic hardships jeopardized the mere survival of common people there, thus creating conditions for violent social confrontations and possible temptations to choose the Communist alternative in several countries there (at that particular time, Greece and Turkey). Professor Barry Machado sets the dramatic scene, adding to the war devastation and the negative balance of payments of the European countries the considerably harmful contribution of Nature's unleashed forces in 1946-1947:

Europe's structural damage was exacerbated by both the fierce winter of 1946-47 and what soon followed, crop failures and the century's worst harvest. Abruptly, its production of milk, meat, and grains fell 20% to 30%. In the

frigid months of 1947, railroads could not deliver coal, then an indispensable source of heat and energy, while Germany's coal mines in the Ruhr provided but a small fraction of their potential (Machado 3)

1947 was a crucial year in subsequent positive American redefinitions in relation to both Western countries, The Soviet Union and what was inevitably turning into the Soviet Bloc, after a number of diplomatic *faux pas* by the American leadership, among which those showing F.D. Roosevelt's wartime unreserved trust of Stalin. At the Tehran, Yalta, and Potsdam conferences, somehow disagreeing with Churchill, the American president had almost encouraged the Soviet dictator with such attitudes as expressed by such remarks as 'I just have a hunch that Stalin is not that kind of a man. [...] I think that if I give him everything I possibly can and ask for nothing from him in return, *noblesse oblige*, he won't try to annex anything and will work with me for a world of democracy and peace' (in Miscamble 52).

Then had come Bretton Woods and the Soviets' reluctance to support the three institutions planned there. As a result of the U.S. Treasury's question addressed to the American Embassy in Moscow in relation to that reluctance, George F. Kennan sent back home (to George Marshall) the famous, and at that time secret, 'Long Telegram', in February 1946. In 1947 the telegram was leaked to the American press (today, for easy reference, the document is available online from *the trumanlibrary.org*), published as the *Foreign Affairs* magazine July article 'The Sources of Soviet Conduct', describing developments in Moscow that would soon lead to the Cold War and suggesting a foreign policy in relation to Russia and its allies (China would soon turn Communist itself) of 'containment'. Kennan had drawn attention to the fact that a number of public statements made by Stalin for 'home consumption', so to speak, made it clear that, in the Russian leader's opinion, there can be no peaceful coexistence between capitalist and socialist states.

The circumstances invoked above support the claim that 1947 was crucial, getting the U.S. to score important goals in its foreign policy strategies, as well as in the promotion of its identity abroad, as leader of the 'free world'. First came the plan supported by the recipient, not sender, of the Long Telegram, Secretary of State George Marshall. The idea was to help Europe, both East and West, including the Soviet Union, recover after the WW II devastation, in specific conditions already alluded to in the quote from Machado above. Both the former allies and the former Axis countries had to be substantially supported, the alternative being poverty, instability and violent conflicts again, which the U.S. wanted to avoid.

In retrospect, one can imagine what would have happened if the considerable, multi-billion dollar Marshall Plan money (in conditions in which American state power was divided, the Democrats having the Administration and the Republicans controlling the Congress) had been divided evenly, on a *per capita* basis, among the impoverished populations of most of the European countries and the Soviet Union, itself tremendously damaged by the recent world war. One thing is certain: the billions of dollars of American aid would have been a drop in the European and Russian ocean, but the generous offer would have been a tremendous ideological gesture, with consequences in that part of the continent in which satellites (such as East Germany and Romania) were still paying war reparations to their Soviet liberator. The governments of Czechoslovakia and Poland had shown signs that they were eager to accept American help.

The moment Stalin refused the Marshall Plan for the Soviet Union and Soviet-controlled Eastern Europe very clearly defined the divide between the Western world, supported by a benevolent Uncle Sam, and its antagonist bloc, whose emblematic figure was ‘Uncle Joe’, or, more straightforwardly, ... Iosif Vissarionovich Stalin, who, in his homeland, was more often than not seen as an easily angered, vindictive authoritarian father figure, rather than as a slightly more remote relative from over the ocean, bringing gifts to his beloved nephews and nieces.

The Marshall Plan would work for Western Europe, consolidating America’s position in the new military alliance (NATO) as well, in the context of the rhetoric and the proxy military confrontations of the Cold War. 1947 also meant the proclamation of the Truman Doctrine (an act of Congress signed by the president on May 22nd), in quick succession to Undersecretary of State Dean Acheson’s formulation of ‘the domino theory’. The same year saw the creation of the National Security Council to manage the new geopolitical realities. This series of steps taken by the US could have been seen as a reaction not only to Stalin’s postwar moves, but also in support of vehement remarks about them made by Winston Churchill a year before, the famous ‘The Sinews of Peace’ speech, first describing the falling of the Iron Curtain across Europe in the high rhetoric of what was becoming the Cold War (Churchill recorded in *Columbia American History Online*):

From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the Continent. Behind that line lie all the capitals of the ancient states of Central and Eastern Europe. Warsaw, Berlin, Prague, Vienna, Budapest, Belgrade, Bucharest, and Sofia, all these famous cities and the

populations around them lie in the Soviet sphere, and all are subject, in one form or another, not only to Soviet influence but to a very high and, in many cases, increasing measure of control from Moscow (Churchill).

Militarily, America's position in relation to its 'constitutive alterity' of the time this paper focuses upon (an era which has been so 'affectionately' called by Steger 'the golden age of controlled capitalism') was reinforced by the famous report NSC-68 (NSC standing for the 1947 created National Security Council), which was enforced after the first atomic explosion by the Russians and the Communists' victory in the Chinese Civil War (both in 1949), followed by the June 1950 invasion of South Korea by North Korean forces, eventually supported by Communist China. The United Nations condemned the invasion, thus legitimating the intervention of the US-led UN coalition, which pushed the Communist armies back. If the Cold War in general 'affected all aspects of American life' (Winkler 11), NSC-68 was central to it, shaping aspects of American identity in decisive ways, for the better (some) and for the worse (depending on the various interests of various sections of the social structure).

In spite of President Truman's relatively moderate position in relation with America's compound antagonist (The Soviet Union and its European Eastern bloc now joined by Communist China), Cold War circumstances in the late 1940s led to NSC-68 becoming a national priority. In strict figures, for example, the military budget, expected to rise to \$13 billion, was pushed much higher, 'culminating with the eventual Presidential endorsement of a \$48.2 billion defense budget for fiscal year 1951' (Nitze in Drew, ed. 5). It is worth noting that President Truman had hoped to cut the defense budget to 5 – 7 billion (Ibid. 3), and that he was also opposing the tough approach promoted by General McArthur in the waging of the Korean War (the latter had asked permission to use nuclear weapons in the conflict, which the President did not grant). A huge defense budget that the Cold War Communist rivals China and the USSR could not even dream of reaching was the main recipe of the foreign policy of 'containment', in which the ideological component was supported by the imagery evoking an infectious disease (slavery, totalitarianism as Communism) which had to be contained, like a pandemic, by the 'healthy' forces of freedom and democracy.

In the escalating competition with Stalin's Russia, the language of the strategy of containment will be toughened up after Truman is found too soft in the next elections and replaced by a World War II illustrious veteran as the next American supreme leader: five-star General Dwight D. Eisenhower. The new formula for the American Cold War doctrine and

strategy would be, within the framework of containment, that of 'massive retaliation'(including the use of nuclear weapons), which would soon be rephrased or complemented by the somewhat playful acronym M A D ('mutual assured destruction').

During Eisenhower's two presidential terms (1953-1961), the consequences of the NSC-68 strategy led to two very important developments, one in the U.S., the other on the other side of the Iron Curtain, both affecting some of the redefinitions of American identity that would become conspicuous in the second, and more 'rebellious' half of the 'controlled capitalism' era. In the USSR that meant the exacerbation of the frantic efforts of emulating America in the military field (the arms race and involvement in other proxy wars and tense situations) as well as in its translation into the technological and scientific competition of the space race, the Soviets scoring early victories (first satellite into orbit, first dog, first man, first woman). Although it is assumed to have led to the final defeat of the Soviet Union in the Cold War (the Communist superpower, far less economically developed, succumbing to the tremendous financial burden the competition with the US involved, greatly exacerbated in the final years by President Reagan's policy), NSC-68 greatly contributed to the emergence of an awful and awesome colossus that even a hardened warrior like Dwight Eisenhower came to dread during his two-term presidency: what he called 'the military-industrial complex'.

In his January 17th 1961 Farewell Address, Eisenhower described circumstances and attending threats: the challenges of WW II had led to America developing its military capabilities to unprecedented levels, while the Cold War confrontation with a 'hostile ideology, global in scope, atheistic in character, ruthless in purpose, and insidious in method' appeared to be of indefinite duration, thus stimulating even further the development of the armaments industry and of a vast military establishment in connection with influential political figures. It was in the spirit of America's democratic character that there should be a balance among various national programs, affecting all the mechanisms involved in them, an ideal situation reflecting the working of the checks and balances principle, which regulates the separation of the various entities exercising power. While the security needs requiring the development of this defensive complex are legitimate, Eisenhower thought, America should avoid 'the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist'. The power of the huge armaments industry promoted by giant corporations in close cooperation with war contractors and authoritative figures in the military hierarchy was also supported by influential political leaders in the American Congress, and, Eisenhower was aware of that, enjoyed increasing support in the Administration all the way to the top.

The threats posed by the Axis powers during WW II and then by Stalinist Russia and its allies, especially in the early stages of the Cold War, had contributed to an unprecedented level of solidarity and cohesion among the vast majority of American citizens that leads us today to see the late 1940s, the 1950s and the early 1960s as an age of almost uncritical consensus, of conformity. This impression of conformity was also a direct consequence of America's phenomenal economic boom, which resulted in mainstream Americans having higher and higher salaries and more and more things to buy: large suburban houses in the new Levittown complexes, complete with the whole panoply of labor-saving devices, big cars to roam the newly completed interstate highway system, better social programs in the emerging welfare state of what has been already referred to as 'the golden age of controlled capitalism'.

Mainstream citizens were proud of being American, uncritical of the 'powers that be', apprehensive about, and suspicious of, the influence of the enemy. They referred to identity standards associated with 'health', freedom, democracy and the attending prosperity, while the Other represented 'illness', totalitarianism, slavery, poverty. Inevitably, as a result of the Cold War to a large extent, at that time American people were moving away from identity self-definitions of rugged individualism in a direction that illustrated what social psychologists call depersonalization (what non-specialists in that field call conformism):

When individuals view themselves as the embodiment of an ingroup prototype, depersonalization has occurred. Rather than seeing themselves as unique individuals, they see themselves in terms of the prototypical attributes of ingroup members [...] When individuals take on a group-based identity, there is uniformity of perception among group members (Burke & Stets 119).

As a result of that indiscriminate 'uniformity of perception', individuals belonging to the ingroup tend to idealize the attributes of its members, while tending to denigrate and exaggerate the negative features of the members of the outgroup (in this case, Stalinist Russia, and, one has to admit, it wasn't difficult to do so, considering the horrors perpetrated by the leader of that perceived outgroup).

The world the 'American ingroup' lived in was one of newly acquired affluence, in which most of its people were succumbing to the temptations of uncritical and conformist mass culture. It is what Horowitz calls the 'anxieties of affluence' in the emerging American consumer culture:

From the late 1940s through the mid-1960s, businesspeople, politicians, the mass media, and many leading intellectuals trumpeted the benefits of the

American way of life. They celebrated democratic capitalism, which, in contrast to Soviet totalitarianism, had produced ever-growing prosperity and in turn provided the foundation for an egalitarian and harmonious society (Horowitz 7).

The danger besetting any society, however advanced and democratic, of becoming too conformist is to encourage the acquisition of too much influence by such unwarranted entities as ‘the military-industrial complex’ or by what sociologist C. Wright Mills had called, in his eponymous 1956 book, *The Power Elite*. President Eisenhower must have read that book, as, in it, the author describes the interrelation among the political, big business and military top echelons and the dangers associated with this for the future of America as a freedom-loving, democratic country of many, at times dissenting, voices.

There was one more possible accumulation of power that C. Wright Mills does not acknowledge in his book, although the phenomenon had been part of the dynamic of American (political) identity from the second part of the 19th century. Historian Arthur Schlesinger will describe it in his 1973 book on the ‘imperial presidency thesis’ as the tendency toward the unchecked increase of presidential power, focusing on F.D. Roosevelt’s performance, who, as a response to the hardships of the Great Depression and of WW II, managed to maximize his presidential role both at home and internationally. This first became apparent at another critical moment in history, with Lincoln as the first clear illustration of the ‘imperial president’: ‘No President had ever undertaken such sweeping action in the absence of congressional authorization. No President had ever challenged Congress with such a massive collection of *faits accomplis*’ (Schlesinger 59).

All these threats existed in the 1950s and 1960s, ‘the golden age of controlled capitalism’. Interestingly, two powerful presidents, Dwight Eisenhower and J.F. Kennedy drew attention to the threats and challenges that were to confront the vitality of the American character at that time and in the foreseeable future, stimulating dissent in the tumultuous age of the counterculture. The ‘flower power’ youngsters of the hippie countercultural generation and the militants of the Civil Rights movement as well as of the Students for a Democratic Society opposed in their demonstrations what Eisenhower had just called the dangers posed by the ‘military-industrial complex’, especially in relation to the Vietnam War, while African Americans and members of other minorities would respond to the challenges of the New Frontier speech of 1960 Presidential candidate J.F. Kennedy, hinting at social injustice and racial prejudice (‘unconquered pockets of ignorance and prejudice, unanswered questions of

poverty and surplus’) and the willingness to overcome them. In the late 1960s and early 1970s, the perception that conformism defined American identity was replaced by a number of developments, movements and strong public positions that the country spoke with many voices, expressing both agreement and dissent, thus confirming itself in its multicultural, multiethnic patterns, which, in spite of all the inevitable setbacks and still unsolved problems, has preserved its exemplary character.

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