There are 2 major cycles in American history by which we can understand the US today. One is the “institutional cycle,” which has transpired approximately every 80 years. The second is the “socioeconomic cycle,” which has occurred approximately every 50 years.

I am not predicting doom. I predict an intensely difficult period of time between now and in the early 2030s—and the period of confidence and prosperity that will follow. Each period begins with a problem generated by the previous cycle, creates a new model from which to draw on American strength, and culminates in that solution playing out and becoming the new problem that has to be solved.

The US was an invented nation—from a blank slate. The regime, people and land combine to give the nation agility most other nations lack. It also leads to frequent crises that seem about to break the nation. But instead, America refuels itself from the crises, re-forming itself with a remarkable agility.

The Constitutional Convention invented the American government built on 2 principles. First, the founders feared government, because governments tended to accumulate power and become tyrannies. Second, they did not trust the people, because they—in pursuing their private interest—might divert the government from the common good. Both had to be restrained so that government limited their ability to accumulate power. They were trying to create a vast terrain in American life free from government or politics—where commerce, industry, religion, and endless pleasure were the domain of private live.

The solution for this invention was to make government inefficient. The balance of powers achieved 3 important things: it made the passage of laws enormously difficult; the president would be incapable of becoming a tyrant; and Congress would be limited by the courts in what it could achieve. The system of government did little and did it poorly.

It was private life that would create a cycle of creativity that would allow society, economy, and institutions to evolve at remarkable speed. The moral principles were complex but had a common core: each American ought to be free to succeed or fail in the things he wished to undertake. A person’s fate would be determined by his character and talents. The desire not to increase taxes—but to deliver increased services—confronts a government that constantly seeks to expand its power and funding. This tension leads from the local level to Washington.

The regime was unique. It was theirs if they kept it, yet belonged to others if they chose to be like it. This was radically different from other nations which are rooted in a common history, language, culture, and place. For example, France and Japan are deeply tethered to their past. America is rooted in an artificial invention unconnected to the past.

The US was a moral project and required icons. Inventing government prefaced inventing a nation. Jefferson was a democrat, Adams a Federalist and Franklin an iconoclast—a philosophical genius, a legal genius, and a genius at living well. These 3 provided the Great Seal that was to be a prism through which we looked at ourselves and explains why we behave as we do. E pluribus unum, meaning “From many, one.” The Great Seal is fixed in principle. It evolves in practice. Out of many, one, turned out to be the basis on which the American people were founded, but never easily. A pyramid is a massive undertaking, involving the wealth, resources and labor of a nation.

There is no mention of Christ or even God in either the Declaration of Independence or the Constitution. Yet there is a clear reference to something beyond humanity who judges and favors the undertaking, a providence. They refused to name the providential force but made it clear that there was one. It developed a creative tension that endures.

America in its infancy shared a world filled with countries that had existed and evolved for centuries, if not millennia. The founders imagined greatness, the sacred, and a nation built on the foundation of work. They viewed the European age as founded on oppression and inequality. America was invented by men who were lifelong inventors. It was a combination of urgency and technology that drove the US forward. In every generation, there were inventions that changed the way men lived and created a cycle of transformation for society as a whole.

John Locke spoke of “the right to life, liberty, and property.” The founders changed “property” to “the pursuit of happiness.” Technology and invention are always, in some sense, tied to happiness. Technology and happiness are linked in American life to the point that technology is at times a substitute for happiness. The pursuit of happiness defines American culture and is the emotional engine powering the US. It is the only country to make the pursuit of happiness a fundamental right. But with happiness comes disappointment, just as with technology comes obsolescence.

In giving the Western Hemisphere a name (America), Waldseemüller, a German mapmaker, reinvented the world. While all humans in some way reinvent geography, Americans have been far more ambitious in inventing and reinventing American geography.

The southern island (South America) was rich in gold and silver. The northern, except for Mexico, was rich in land
that could be farmed. In the mid-15th century, the Silk Road was interdicted by the Islamic empire, the Ottomans, centered on Turkey. They first blocked the road and then dramatically increased the tax on goods passing through. Whoever found a route to India that took them around the Ottomans would solve Europe’s problem and become wealthy. The Portuguese succeeded first, going around Africa. The Spaniards, delayed by their war with the Muslims, sought a route toward the west.

The Spanish, in particular, did not come to settle but to steal, and therefore the Spanish focused on South America, filled with gold and silver. It was extraordinary that a handful of adventurers conquered entire nations. They had superior technology, but the behind the victory were the diseases they brought from Europe. Portugal and Spain avoided North America due to difficult currents, winds, and weather. But North America had 2 things the south didn’t have. One was animals with luxurious furs. The 2nd was rich farming land in vast amounts and a river system to bring the produce to ports. It was the English who realized that North America had, in the long term, the most valuable prize.

Jamestown presaged the future of America. It was funded by investors, looking for a substantial return from the ambitions and efforts of others. Jamestown combined the British aristocracy with the American venture capitalist. Contemporary history truly began with the competition of 3 great European cities: London, Paris, and Madrid. The Plymouth Colony was funded by a venture capital group, called the Merchant Adventurers. The Dutch founded the New Amsterdam colony in what is now southern Manhattan, raising seed capital from the Dutch West India Company. In 1664, England seized it and named it New York.

Each colony was a corporate undertaking owned by investors taking risks in the hope of making substantial amounts of money. If the money was made from plantations built on slavery, or on trading posts securing furs, or on small farms, it was all the same. Ultimate control was in the hands of the investors, and pressure was on the settlers to generate a return.

There were 2 different Americas reflecting the 2 founding colonies. The South, the area where the distance from the Atlantic to the Appalachians was large enough to accommodate plantations, generated men whose manners reflected the English nobility. The Calvinist asceticism of Plymouth Colony created a colony that combined a commitment to commerce with a deep moralism. The 2 regions created different types of leaders and pointed to a deep split in the future republic.

Washington’s grandfather John immigrated to Virginia in 1656. He prospered, living the life of an English nobleman without titles but with slaves. John Adam’s father was a deacon in the church and his mother’s father was a physician. Adam’s ambition ran to the law and the professional life without a desire to emulate English nobility. The settlers were all English, but came with different ambitions. Some dreamed of obtaining the wealth of a merchant, honestly earned and kept. Others dreamed of the nobility denied them in England. South of New York, all rivers flowed from the Appalachians east into the Atlantic. In the North, they ran from north to south, connecting the states. In the South, each colony was distinct and would remain that way.

The South produced different products from the North—tobacco and cotton—both sold primarily to England, not to the North. In New England distances were shorter, population denser, and distinctions smaller. In 1754, the Seven Years’ War broke out. It involved virtually all European powers and raged throughout the world. The real issue was whether Britain or France would dominate Europe and the world.

Wars were about not just winning but winning with grace and style. Therefor the British treated the American troops and officers with contempt. The Americans fought like barbarians. This was the moment when the breach between Britain and the colonies opened up. The war ignited the colonists’ anger at the British. A new sense of “nation” began to emerge from this war and from the Appalachians.

The British right to rule had nothing to do with their competence or achievement. For Americans, who struggled for what they had, achievement was everything. British contempt forged colonial America. It was the colonists’ observation of the British officer corps during the fighting in the Appalachians that convinced them that victory in a revolutionary war was possible. General Braddock was crushed at Fort Duquesne in Pennsylvania. It was a lesson the Americans didn’t forget and they realized that the British didn’t understand America. It drove home that the British pattern of history would not be the American pattern, and that opened the door to a deep rethinking of what America was. In 1776 there were about 2.5m living in the new world, about the same as Portugal, a mature continental power.

Jefferson foresaw that whoever controlled Louisiana would likely be the most powerful nation in the world. Napoleon was a great soldier. Jefferson understood grand strategy. In 1787 Congress passed the Northwest Ordinance, which laid the legal groundwork for reshaping the West. The Northwest Territories would, as its population grew, be divided into new states which would prohibit slavery. Every state created out of the territory would be required to found a state university and those universities would revolutionize America.

Jefferson believed that, “The larger our association, the less will it be shaken by local passions.” The larger the country, the greater the stability, because local passions were
more divisive in a small land than in a large one. Jefferson was trying to answer the threat of fragmentation and create an economic foundation that would cushion the cycles the US would face. The Louisiana Purchase would wind up being the engine that propelled the US to global power a century later. It also created the force that would end the first cycle in American history, with western settlers challenging the power of eastern bankers and plantation owners.

In Mexico and Peru, the Aztecs and Incas had been stunned and their political systems destroyed by the Spanish conquistadors. It was different in North America. There were many nations, and the collapse of one did not mean the collapse of others. Foreign powers were part of North American culture, and the arrival of a new one did not cause a psychological collapse. The Iroquois, for example led a complex confederation of nations, as well as nations that had been subjugated. The map of Indian North America was like the map of any region of the Eastern Hemisphere. The continent was divided between groups that were foreign to each other and frequently hostile. The Indian nations did not see themselves as one people. They viewed each other as foreigners.

The Americans had 3 advantages: overwhelming numbers; superior technology; and the Indians were deeply divided. A further more devastating advantage were the diseases the Europeans brought with them.

Camanche braves became incredibly skilled horsemen, more so than those from other Indian nations or even the Europeans, who’d had horses for millennia. Horses and historical grievance over their dispossession powered the Comanche’s reemergence. They moved into the plains east of the Rockies and by the end of the 18th century, had carved out a large empire.

The Comanche and the Iroquois, along with the Aztecs and the Incas, had built significant empires subjecting other nations to their power. In the end they lost because of technology and political reasons. Enmity between the Apache and the Comanche ran deeper than hatred for the Americans. They feared each other more than the new stranger. Americans defeated the British, expelled the French, forced the Mexicans far to the south, and crushed the Indian nations and empires. The outcome was inevitable.

Between the Appalachians and the Rocky Mountains there is hardly a spot where the earth can’t be plowed and seeds planted. In the eastern part, the water comes as rain, in the western part from aquifers. You can draw a line north-south through the US where the rains subside, the trees become scarce, and the population thins out. Rivers make the US possible. New Orleans makes the rivers practical. Without New Orleans, the great valley becomes useless. Whoever controlled New Orleans controlled the valley and the fate of the US.

Jackson would become an American president, the first elected from west of the Appalachians. He wanted to create a state that was a buffer zone with Mexico. He succeeded with Texas, who rebelled against Mexico. As a result, the Mexicans sent a large force to reverse the rebellion. In 1845, with Texas becoming a state, the threat to New Orleans seemed to have been eliminated. Obsession with Mexico continued until the late 1840s when President Polk launched a war on Mexico that forced it to abandon what is now the American Southwest. Each area of the country has developed a different culture, but only once—during the Civil War—did the differences turn into bloodshed.

The means Americans used were cleverness, creativity, brutality, and all the other characteristics that defined humanity from its beginning. What is remarkable was the thoroughness of their effort. What began in 1776 was virtually in place 70 years later: a productive continental power stretching from the Atlantic to the Pacific. It would discover extraordinary prosperity and a stable democratic order. A continent filled with multiple independent nations, such as Europe, would tear itself apart as Europe did. Jefferson and Jackson created a geography in 70 years that would dominate the world.

For George Washington the economic bonds that held the country together also guaranteed the national unity needed for mutual defense. He understood the differences dividing the country and feared them. The sensibilities of different regions were deep and constantly caused disunity. At times of stress and cyclical change, the geography referred to by Washington reemerges. There is a fierce unity to America and simultaneously deep differences that turn into mutual contempt at times of stress. These become a goad driving the country forward by leaving some behind. The geography changes, people move, and the US goes on. In Washington’s Farewell Address, he identified the vulnerabilities of the US and the fundamental cohesion and resourcefulness that would guide it.

The “American people” is a very real—but artificial—construct. It was not only immigration that invented the American people. They invented themselves and invented things. It was the constant transformation of everyday life, by shifting geography, technology and wars that constantly changed what it meant to be an American. Duality is the essential nature of the US from the English settlers onward. Their past was with their family lineage. Their future with the US. And over time the familial and the national blurred into each other.
The white Anglo-Saxon Protestant (WASP) remained the defining center of American culture until after WW2, when vast numbers of other nationalities and religions were integrated into the military, side by side with the WASPs. The English language was always at the center of the American experience. Because immigrants came precisely for the social and economic benefits, refusing to learn English was self-defeating. 3 symbols give us a sense of the American: the cowboy, inventor and warrior. All speak to the dynamic that forces the US into storms from which progress emerges.

There is a rootlessness in America that is part of its strength. Men fought WW2, but the women won it in the factories. 65% of the US aircraft industry workers were women and 350,000 women served in the armed forces.

The root of America is cultural mobility. Edison combined the art of invention with an understanding of business. The subtlety was in understanding what society needed and what the customer would buy. It became the template for Henry Ford, Bill Gates, Elon Musk and others who understood that the inventor had to have a user and business bridged the 2. He created the first industrial research laboratory in Menlo Park, New Jersey by designing a method for invention that used teams. He also developed a principle for inventing things, saying that inventions should be driven by what the market required. The inventor as business person remains essential to American life.

The founders mistrusted the state, but it was the repository of military power. The corporate world, itself fragmented, was the repository of wealth. Each blocked the other’s ability to rule absolutely, and both cooperated in pursuing mutual interests. In the creation of the Great Seal was struck an unspoken deal which has been there since the founding: the deal between political and economic power. From the beginning, the US was the confrontation and cooperation of money and politics--and of the application of both to war.

There are now about 25m men and women either serving in the US armed forces or veterans of them. About 100m Americans, including their families, have had their lives shaped by war or the possibility of war—almost 1/3 of the country. 30 years after the revolution, the US fought the War of 1812. About 34 years later, there was the war with Mexico, and then about 13 years after that the Civil War broke out. Then there was the long final struggle with the Indian nations, Spanish-American War in 1898, WW1, WW2, Korean and Vietnam wars. And since the beginning of the 21st century the wars against the jihadists. There are geopolitical reasons for the increasing frequency of war.

In addition to war heroes, the US differs from other nations in that it has another class of heroes: those who raise themselves from nothing to great wealth. There is a deep synergy among progress, technology and business. There are 3 parts to the cultural alignment and tension: basic science, technology, and product, something that can be used to achieve certain ends. Morality and weaponry are joined to personal interests. In the creation of the Great Seal was struck an unspoken deal which has been there since the founding: the deal between political and economic power. From the beginning, the US was the confrontation and cooperation of money and politics--and of the application of both to war.

The 2 glaring moral crimes of the nation are enslavement of Africans and genocide against Indians. Slavery was introduced to the Western Hemisphere centuries before there was a US, but the US did something monstrous. They defined Africans formally and legally as subhuman. The Constitution institutionalized their moral worth at 3/5 of a white’s. By perverting the founding document of the nation, the founding fathers created lasting injustice toward African Americans.

Measles, smallpox, and other diseases wiped out as much as 90% of some Indian nations. The Plains Indians were savaged by disease, the Comanche empire, and the Europeans. It is not clear that absent disease and Comanche warfare, the Americans could have settled the West. Like nations everywhere in the world, each Indian and tribe constantly made war and alliances with each other. Americans signed treaties with sovereign Indian nations just as they would have with other nations—but violated almost all of them.

The US periodically reaches a point of crisis in which it appears to be at war with itself, yet after an extended period renews itself in a form both faithful to its founding and radically different from what had been. The larger wheels of America are driven by 2 very orderly cycles—the institutional and the socioeconomic. The institutional cycle controls the relationship between the federal government and the rest of society, and runs its course roughly every 80 years. The socioeconomic cycle shifts about every 50 years and alters the economy and society.

Human existence consists of cycles. Predictability is behind the orderliness of American cycles. Knowing roughly when the crises posed by unsolved problems reach the breaking point, we can predict how they will be solved and when the political system will spasm, generating a president who rejects the old cycle and begins groping for a solution. A deeper global current establishes the hierarchy of dominance.
In the same sense that Britain and Rome defined their worlds at the height of their powers, so will the US. Institutional cycles have historically been driven by war: The Revolutionary War, Civil War, and WW2. The next cycle is emerging from the war against jihadists since 2001. In 1991 the Soviet Union collapsed, and for the first time in 500 years no European country was a global power, leaving the US as the world’s dominant and only global power. The US has become an empire. Its power derives from the size of its economy, military and seductive power of its culture. These in turn derive from its regime, land, and people and has no formal structure. It simply is the most powerful agent, for good and bad, in the world.

The US is learning how to be an empire, creating enormous pressures on the world, American institutions and the American public. An empire exists when its power is so great compared with other nations that it changes the shape of their relationships and the way other nation behave. There are empires that emerge without intention. Rome didn’t intend to be an empire.

America was founded as a moral project, a place where both human rights and the national interest could thrive. The US’s power has intensified the conflict between values: morality and national. Alongside this tension is another. There are those who want to emulate what they think the founders wished, which was to avoid foreign entanglements. Others argue that only a deep and continual involvement in the world can satisfy American needs.

Most nations don’t adhere to American moral standards and US power is limited—a formula for endless war. But some who argue that the primary interest of the US is to protect itself, its land and its people. To do that, it must engage in the world. In WW2 the US allied with Stalin’s Soviet Union. This was both essential and horrifying. Neoconservatives explicitly argue that US power is needed for moral ends. The Left is more limited in the advocacy of the use of force, but advocated it in cases like Rwanda and Libya, where the state was harming its own people. The Left and the Right both believe the purpose of US power is to project American principles—thus the debate between avoiding foreign entanglements and pursuing the national interest through constant involvement in the world.

The US was born out of a European war. From the beginning it was engaged in diplomacy, power politics, wars, and every foreign entanglement imaginable. Pearl Harbor changed everything. Its shock moved the US from confidence in its power and belief in the protection of distance, into a nation on constant alert, searching for the next enemy committed to not repeating the mistake of Pearl Harbor. It created a sense of dread of the danger that can crop up anywhere, of not being entangled enough to identify and crush dangers early.

This created a permanent intelligence establishment after WW2. During the Cold War, the US developed a massive military. From 1941 to 1991 it was in a state of permanent war and near war. There was a hunger for secrecy, with the creation of massive institutions to manage the vast military and defense industrial apparatus. The US developed a massive intelligence and security service, an enormous standing military, and a large industrial system supporting it. The shift to wartime preparedness gave the president extraordinary power through new authority and assets at his disposal. Endless watching for attack has become institutionalized.

The economic motive for empire is absent, but the American economy is so large and dynamic that it constantly affects and irritates the rest of the world. It does not respect precedent or tradition. Yet it is also profoundly attractive to others. The tradition of much of the world revolves around religion and family. The culture of the US disrupts both. The spread of technology and music subverts culture and it is assumed that it will bring other American values along with it. Empires are resented and hated. They are also admired and envied. They define the culture of the world. By this definition, the US is an empire. English has become the global language of business and governments.

Psychologically, September 11 was on the order of Pearl Harbor. It came out of nowhere, organized by a force that most Americans hadn’t heard of before. America responded, in spite of the lesson in Vietnam, by deploying a conventional force to fight a guerrilla war.

The primary strategy for empires is to use diplomacy or the military of others, rather than their own. The British controlled India with relatively few British troops, using this technique. The US must expect hostile attacks. Its power will generate hatred and it should expect neither sympathy nor gratitude. Great, global powers don’t get either. Those who want admiration from the world fail to understand what the US had become and can’t back out of.

The great danger to an empire is permanent war. Given global interests, something is always on fire. If the primary response is war, it will always be at war. If the empire doesn’t benefit its citizens, but exhausts them and disrupts their lives by war, the political support for the empire will evaporate. Both Rome and Britain survived by using minimal direct force, in favor of other means of managing their empires. WW2 was a response to a particular threat from Germany and Japan. In the Cold War, it was the Soviet Union and China. In both cases, it viewed the rest of the world through the lens of a primary threat.
The Islamic war is the first the US has fought as an empire. Institutionally, the US doesn’t know how to decline combat. Military force is too frequently used to solve problems beyond its ability to solve. The decision-making structure in Washington has streamlined itself for crises. Thus, anything must be elevated to crisis level or the system freezes. The US was born in battle; its institutions were forged in war. We are close to a new institutional shift, forced by the inability of the system to deal with new realities and forged in the conflicts and uncertainty created by the emergence of the US as the sole global power.

When countries reach a point where the way they operate no longer works, they may flounder, be paralyzed, or fall into chaos. The US metabolizes change differently from other countries. In American cities, giant buildings are constructed and torn down within decades. Invention, not tradition, is cherished. Constitutionally, the primary function of the federal government is to assure national security. 21% of the 19th century was taken up with war as was 17% of the 20th century; and almost 100% of the 21st century. All wars stress a nation’s institutions, but some break them. With the institutionalization of a constant global presence, American power constantly entangles it in affairs around the world. This creates constant interaction with most countries in the world and conflict with some. What must happen now is emergence of a mature and restrained pattern of behavior in America’s relation to the rest of the world.

An agrarian society of small farm holders is relatively simple. Economic downturns disrupt society, but farms produce food, which is enough to get by on. The industrial society of the 1930s depended on cities, where vast numbers of workers lived and factories clustered to form a supply chain. The New Deal didn’t end the Depression, but established the principle that the federal government was in some way responsible for the economy and could legitimately intervene in the economy and society. The institutions of the second cycle were broken by the industrial production in WW2. The war also broke down many barriers between public and private life and changed private life as well, with women and African Americans permitted in roles previously barred to them. But the greatest barrier broken was that between the federal government and business. Business thrived on federal contracts, but in turn was managed to an extraordinary extent by the federal government.

After WW2, the federal government retreated, but engagement with private life didn’t go away. Military requirements shaped technology, drawing in scientists and corporations both in producing technologies and then in turning them into consumer and military products. Both the economy and society were essentially nationalized during WW2. The Manhattan Project riveted the nation. It was so startling and defining that it became a model for the next cycle. The federal government could shape industry without answering to society, yet the technology developed would change the everyday lives of people. The government shaped the evolution of science and technology. The Northwest Ordinance had established universities in each state. Universities, the federal government, and private industry combined during this period to transform private life. The smartphone is a compendium of military hardware researched in universities and turned into weapons and products by corporations because federal inventions can’t be patented. This model won WW2 and ended the Depression.

The idea emerged from both the New Deal and WW2 that a state managed by experts dedicated to solutions without an ideology would do for the country what it did for the war: it would breed success. This became a principle, a belief, and then an ideology. The ideology created a class who felt entitled to govern and were believed suitable to do so. Now Supreme Court justices were legal experts, rather than people chosen for their wisdom. The financial community was controlled by experts. Tech billionaires and assistant professors held the same core belief in expertise and merit and the credentials that certified these things—degrees from the right schools. The focus of the technocracy was social engineering.

Veterans returned from WW2 as a favored class. The federal government guaranteed loans on homes, an unprecedented intrusion into what had previously been something managed in the private sphere. But the program followed the principles of the new cycle and had far-reaching effects in helping to create the postwar middle class. It also led to the crisis of 2008.

While the technocrats had planned meticulously and successfully for providing veterans with homes, the unintended consequences towered over their efforts. A perfectly good idea morphed into another good idea, spread beyond housing, and then culminated in uncontrolled insanity. By 2008, no one had any idea of the fragility of their own institutions. What started as a very reasonable program to help veterans, turned into a program to help the lower-middle class while also aiding business. It ended in disaster that took decades to work itself through.

The greatest increase in staffing was not in state and local governments note federal. When the creditworthiness of an individual or corporation is examined, 3 things are considered: indebtedness, annual revenue, and total assets. But when the creditworthiness of a country is evaluated, only 1 year’s revenue (GDP) is measured against total debt. American assets vastly outstrip debt. The US is like the billionaire with debt...
The problem with the federal government is not financial, it is institutional. The governing class and the technocrats accumulate power and wealth and begin to shape institutions to protect their interests. The expertise that won WW2 and built the postwar world now encounters its own problem of inefficiency—diffusion—the distribution of authority among several departments or agencies. Knowledge is diffused rather than integrated. It happens in all large organizations. Expertise has this inherent defect, but in the federal government, the problem is its size. The other problem is entanglement--multiple federal agencies engaged in managing parts of the same problem. There are few areas of private life in which the federal government is not in some way involved, either as regulator or major consumer. This institutional crisis has been building since the maturation of the third cycle.

The balance of the 3 federal powers has changed. The power of the president has increased dramatically. His formal powers have not increased, but his weight in the overall system has. Nuclear weapons and the Cold War introduced a technical problem. Nuclear war operates with a speed that prevents the president from consulting with Congress. So, he had an implicit resolution to wage war as he chose. Indeed, he was not only free to respond to a Soviet attack but to initiate war. This then extended to conventional war. No war since WW2 was waged with a declaration of war, and many began without a congressional resolution. The Korean and Vietnam wars had no congressional involvement—further shifting the balance of power. Secrecy came first, and the apparatus controlled by the president had both the expertise and the discipline to maintain secrecy. Congress did not. The crisis is this: institutions built on expertise are no longer working.

Universities are increasingly inefficient, with tuition and student loans at staggering levels, making the cost of acquiring credentials increasingly out of the reach of most. A vast gap in wealth has become a defining characteristic of society. The accumulation of wealth by experts, combined with the decreasing efficiency of technocracy is creating this third institutional crisis.

The federal government is constantly engaged in both foreign and domestic matters. That constant entanglement under the guise of management cannot be sustained. American society and its economy have a rhythm. Every 50 years or so, they go through a painful and wrenching crisis. Policies that had worked for the previous 50 years stop working, causing significant harm instead. The old political elite, and its outlook on the world, is discarded. New values, policies, and leaders emerge. In 1981 Reagan replaced Carter as president, changing economic policy, political elites, and the common sense that had dominated the US for the 50 years since Roosevelt replaced Hoover.

The US is due for its next socioeconomic shift in about 2030. But well before that, the underlying exhaustion of the old era will begin to show itself. Political instability will arise a decade or more before the shift, accompanied by growing economic problems and social divisions. Political strife and noise are the outer wrapping around deep social and economic dislocation. The system pushes politics. Roosevelt and Reagan didn’t find their era, but presided over what was necessary.

To date there have been 5 of these cycles: 1) Washington to Adams; 2) Jackson to Grant; 3) Hayes to Hoover; 4) Roosevelt to Carter; 5) Reagan to whomever will be elected in 2028. After the revolution, the US was transformed institutionally. But socially and economically, it was left intact. After a revolution, stability is essential. The French and Russian Revolutions showed what might happen when a revolution leads to social unrest and economic uncertainty. The first American cycle gave time for the political system to settle into place while maintaining social stability.

The juxtaposition of radical change and stable outcome was the mark of this first cycle. A trade war with the British created a massive depression in America from 1807-1809. The US could remain in the economic position it was in, but the social structure built on it could not be sustained. New immigrants challenged the stability of society, their arrival changing the economic system and the social order. While the nation had to have them, the existing social order couldn’t tolerate them.

The struggle of the settlers to control their land began with a financial crisis. In Europe in 1819, a financial panic occurred. Banks and businesses had borrowed heavily during the Napoleonic Wars, and a wave of defaults and bankruptcies led to a depression lasting until 1821. The crisis involved the US because eastern bankers in New York and Boston had invested in European debt, so default heavily damaged the banking sector. The US was reaching the end of its first era and had
to expand westward. It needed food production to surge. Settlers were being crushed by Hamilton’s formerly useful and now-harmful idea of how credit ought to be managed.

The 1824 election was a contest between a member of the English elite, John Quincy Adams, and member of the Scots-Irish lower class, Andrew Jackson. Part of the change was geopolitical: the land west of the Appalachians had to be settled. Part was ethnic: a new wave of immigrants brought with it a different culture. Part was economic: the approach to the financial policy of the first era could not support new economic realities. Jackson won the election of 1828, the first president from west of the Appalachians in a battle focused on the banking system. In 1836 the central bank was finally dissolved and Jackson supported the call for a dollar backed by both gold and silver. In the short run, this created the panic of 1837, and the stabilization of the currency resulted in a banking crisis in the US.

The Civil War was an institutional turning point in American history, but Lincoln governed within the framework of Jackson’s cycle, settling the land and making it productive. However, a new cycle was developing. One of the major issues of the Civil War was the South exporting cotton to Britain, and it could not afford a tariff war. The North was just beginning to industrialize and wanted protection from foreign competition. The agricultural Midwest became the heartland of the country. Industrialization created radically different cultures in large cities that had previously been financial and commercial centers, not places where massive production took place. Industrialism was changing that.

Financing the Civil War had required massive federal borrowing. The result was inflation, which people in debt loved but which devastated creditors. A huge social rift opened, and then the inevitable financial crisis, one that precedes the end of a cycle, occurred in 1873. There had been massive speculation in railroads, and in 1873, as all speculative bubbles do, it burst.

Small towns were a different culture in 2 ways. First, they contained massive numbers of new immigrants from Scandinavia and Germany who did not spread out into the land but clustered in communities. Second, they were increasingly prosperous. There were caught between a Jackson cycle (banking) that was increasingly irrelevant to them and the rising industrialism that had nearly ruined them. As with Jackson’s election, that of Hayes was chaotic and full of charges and countercharges.

The core technologies of electricity and the internal combustion engine emerged during this time. Industrialization was transforming everyday life, and the appetite for new technologies created a hunger for capital. Instead of using both gold and silver to back the dollar, Hayes chose to use only gold. A gold standard introduced rigidity, but also instilled confidence. It tightened the money supply, forcing out poorer farmers. Wealthier farmers and small-town businessmen were able to acquire foreclosed farms at a discount.

William Jennings Bryan was an advocate for the previous cycle. The small town, which had begun to emerge in the Jackson era, became the social foundation of this new era. Farmers lived through labor, whereas the small towns lived by trade. Those in small-town America deeply distrusted the large, flourishing industrial cities both for their sheer size and because they viewed them as bastions of sin. They were seen as both alien and economically threatening, with industrialism taking the economic center from the commercial agriculture the small towns presided over.

The gold standard was generating massive investment. By 1900 the US produced half the manufactured goods in the world, rapidly expanding both production and consumption. It constantly needed more labor and immigrants swarmed in, enlarging cities and making them even more exotic. The US surged by every measure. Massive industrial growth created a desperate need for customers whom WW1 destroyed. Loss of export markets placed pressure on American business, which was made up for by increased consumption driven by reduced tax rates. In 1929, the consumer bubble collapsed. With wages stagnant and production increasing, the system went out of balance and finally, in 1929, went into a deep crisis. The assumption was that hard work and frugality would solve economic problems. Hoover was caught in a failed era and joined Adams and Grant as the final, failed president of an era.

The solution was anathema to that era: get money into the hands of the workers, to create jobs, even make-work jobs, in order to get money into their hands. The social foundation of this era was an urban industrial working class. Labor unions allied with big-city Democratic machines to demand transfers of wealth. WW2 finally ended the Depression. Industrial demands were overwhelming and building a military dried up the workforce. It eliminated unemployment and brought factories to full production. The war achieved, in effect, the Keynesian solution for depressions in an industrial society: substantial deficit spending. That resulted in a great deal of cash being placed in the hands of consumers who could not spend it during the war and much was parked in war bonds.

Consumer postwar credit was the logical next step and one that sustained the economy. The Roosevelt era created the technology of management, a method for thinking about an organization and controlling it. Those who master this art are called technocrats, a class built around the principle of pragmatism. They spread to manage not only business but
government and other spheres of American life. A technocrat is someone with expertise in a certain area and credentials to certify that expertise. This class spread to all areas, public and private. The moral principle was the imperative toward efficiency and the intellectual whose expertise was certified by the university. It grew into a class.

The next socioeconomic era focused on high rates of consumption over investment. Inflation surged. Reluctance to invest curtailed the availability of capital to renew the industrial base. The result was the crisis of the 1970s, when inflation reached double digits, unemployment surged, and interest rates were astronomical. Carter’s response, increased taxes, was drawn from the Roosevelt era. He joined Hoover, Grant, and Adams in the role of presiding over the last phase of a cycle and doing what had once worked but no longer did. The Reagan cycle solved the problem of capital shortage bequeathed to it by the Roosevelt cycle by shifting the tax structure. It began an expansion that would dominate the American and global economies until the 2008 financial crisis.

General Motors was an example of a corporation that had diffused, grown large, complex and overstaffed. The price of increased efficiency was loss of jobs, particularly industrial jobs. Efficiency was created organizationally and technically, but also by relocating factories to areas with lower costs. The theory of free trade is that it increases the wealth of nations. Free trade and capitalism created new wealth and on the whole drive the economy forward. But “on the whole” excludes those who lose their jobs as the economic revolution takes place and never find a new job. The displaced may have more power in society and politics than in the economy, which can destabilize important and powerful sectors of the economy.

Median household income in 2014 had hardly grown since 1975, a year in the middle of the Roosevelt cycle. The Reagan cycle succeeded so well that there was now a massive surplus of capital. This generated substantial returns that accumulated in the hands of investors that, together with a decline in investment opportunities, drove the price of money down. As innovation slowed, so has business formation. There is now a great deal of money searching for and not finding investment opportunities. Cash is being held in very safe assets, depressing interest rates dramatically. The dislocation of industrial workers, coupled with damage done to prudent savers by low interest rates, has begun to generate an economic crisis. Inevitably, there follows a social crisis.

The new economic crisis flows from the very success of the Reagan cycle, with a focus on increasing money for investment. But as with all cycles, the problem solved in the current cycle generates a problem in the next. The tension between the declining class (in the industrial working class) and the coalition of the technological class, entrepreneurs and investors is pitting them against each other. The struggle may be economic, but the driving edge is divergence in values. Politics is the seismograph of emerging social and economic earthquakes. The last act of the decaying era is the election of a president utterly committed to the principles and practices of the prior era. In 2024 a new president will emerge who represents the values of the declining era. The failure of his presidency will bring to power the rising class who will impose a new economic orthodoxy.

Donald Trump’s election signaled the beginning of the lead-up to the fourth institutional cycle and the sixth economic and social cycle. The key lies in redefining the relationship of the federal government to itself. There has never been a period when both institutional and socioeconomic cycles reached their crises almost simultaneously. We can expect the 2020s to be an exceptionally unstable time. Just as the political conflict of 1968 could not be closed until 1980, the political tension of 2016 won’t be closed until 2028.

It was really not the loathing of Trump or Clinton that drove the discord at the 2016 election. The true problem was the division within the country which was struggling with real social, economic, and institutional dysfunction. Each cyclical change involves intense incivility between the clashing forces. At such times there is often a new communication technology. In the 1920s it was the movies. In the 1960s, it was television.

Cycles always end in failure, and now for the first time, both cycles will fail simultaneously. There will be unprecedented stress. A social and political reality deeply divides the country in terms of wealth and culture. The very term “Rust Belt” explains what happened. The new engine, business built on the microchip, enriches Boston or San Francisco. Between cycles there is mutual contempt and rage.

Public dissatisfaction with the federal government has always been part of American life. President Obama’s health-care act was 897 documents with 20,000 pages of regulations to explain it—compared to the 29 pages with the original Social Security law. Effective power has passed to a vast army of managers and civil servants who define regulations. For most, the federal government is incomprehensible and the ability to petition it is irrelevant in practice. This creates an inherent distrust of government.

Trump won the election by grasping this alienation of broad sectors of society. There was a collision between the federal technocracy and those who had experienced and distrusted it. Classes are far more complex and varied than technologists versus industrialists, but at the core this was the distinction. Technology is not just a machine but a mode of approaching a problem, a belief in the power of the mind to shape the world.
The oppressed are now redefined as the culturally oppressed. African Americans, Hispanics, Muslims, women, Racism, xenophobia, homophobia, and misogyny are all believed to be defects in the victimizer. The battleground of the technocrat is language. Political correctness is the manner in which technocrats as the ascendant class reshaped the world. The white working class exists in a world of received morality, learned from their parents and churches. Their condition is now similar to that of African Americans in the 1970s. Technocrats regard them as the problem, while they see themselves as just as deserving as African Americans or Hispanics. Not until Trump did they have someone who finally understood and would speak out for them.

Pressure on the technocracy will build. America is heading for an institutional crisis in which the competence of technocracy and the institutions of the federal government will be questioned. Hillary Clinton was the candidate of the technocracy. She won the heartland of the technocracy and lost the heartland of the country—the declining industrial base. Her decision to depose another dictator (in Libya) flew in the face of what had been learned in Iraq. The State Department saw this as a morally necessary intervention that carried little risk, but it was the incoherence of the policy that hurt her the most.

The argument for expertise as the basis for political authority depends on the experts’ success at managing their small niche and society as a whole. If they fail, their claim to authority and justification to rule dissolve. The more they move into the business of governing, the less their expertise matters. Intelligence by itself is insufficient to govern. The technocrats laid claim to acquired knowledge while those who argued for common sense and their notion of morality opposed them.

The year 2008 was the breaking point where the impact of the subprime crisis hit the declining class more directly than the technocracy. The white industrial class believed that both the technocracy and the federal government had turned against their cultural values and ideology. For them, America was, in fact, in decline because their own position was becoming increasingly tenuous. What the rest of the Republican field failed to understand was the degree to which the conventional politician was held in contempt.

Trump was incomprehensible to the technocrats because the white industrial class was incomprehensible to them. In the same way that the Democrats could not fathom Reagan’s victory or the Republicans Roosevelt’s, Trump was incomprehensible. Trump does not represent the transition to the new era. He is instead the first tremor who appeared decisive to his supporters and frightening to his opponents.

In the 1970s Carter discussed the American “crisis of confidence.” In the 1930s Roosevelt said, “The only thing we have to fear is fear itself.” Socioeconomic cycles are shaped by social and economic failure. Institutional crises are shaped by wars. In the 2020s the sense of failure will be deep, even as the solution to the economic and social problems grind through the system.

The first institutional cycle created the federal government, the second redefined its relationship to the states, the third redefined its relation to the economy and society, and the fourth cycle will redefine its relationship to itself. In the third and current cycle, the federal government divided between elected officials with their subordinates and the unelected managers in the ideology of expertise.

Expansion in the mission of the federal government has created a belief in its effective power. Its ineffectiveness is therefore seen as the result of a deliberate failure designed to benefit the powerful and harm the many. There will be an increasing belief in the coming decade that it is in the hands of conspirators. The source of the problem is the idea that because expertise is essential, it should govern. The person who understands the public, the one who tries to consolidate the myriad parts, and the experts who craft solutions all find each other incomprehensible. The result is, by default, government by experts.

As we have seen, the 3 prior institutional cycles emerged from war. The fourth is now starting to emerge from both a war and a massive geopolitical shift. In the inability of the government to frame the war in such a way that it might be won, the institutions of the US revealed their fundamental weaknesses. War requires a simplification, an understanding of a desired end, clarity on strategy, and allocation of resources appropriate to both. The government proved incapable of the clarity needed for a war because it couldn’t simplify. The complexity trapped the warriors in a confusion that undermined their mission.

Some feel that the State Department is a superb instrument of power. Others despise it. The inclination to use military power as a first response has proven unsustainable. This is not a case where a new policy is needed, but rather a new institutional structure to manage global interest vastly different from WW2. The difficulty in bringing closure to our wars and adjusting to our new status flows from the same source. We are governed by people who know a great deal about narrow subjects, but few who can see the whole. This is the difference between knowledge and wisdom. It is wisdom that is lacking and there is no civil service code for the wise.

The growth in the size of the federal government ended about 1988. The problem is the relationship of the federal government to itself. It is the same model that drove General Motors into bankruptcy. General Motors was superbly managed. What it could not do was create a system that was
simultaneously creative, requiring that the parts ultimately constitute a marketable whole. The federal government distributed authority based on specialty, fragmenting itself into countless agencies or informal structures. By their very incoherence, government actions increase the likelihood that projects will fail, succeed at an unacceptable cost, or undermine the success of other projects.

For example, there were federal agencies designed to facilitate mortgage lending and others responsible for managing the economy. But the agencies didn’t work with each other. Had they done so; the problem would have become apparent. The crash was a surprise to all.

The complexity of the federal government is not comprehensible even to those in it. This inevitably leads to distrust. When the term “deep state” is used it assumes this must be intentional. As we close the third cycle, the representatives of the public are unable to supervise the operation of the federal government. The problem is over-complexity, with subgroups of experts who do not cooperate, trust each other, or work well together. The problem is cultural. Experts can understand and feel solidarity with other experts. But the elected official, who does not understand the language of the expert, is incapable of executing the responsibilities of his office.

It is impossible for the federal government to retreat from its deep involvement with society. It would leave too many links broken and too many operations unmanned. To improve efficiency, new programs of centralized identification and verification must be developed. These is a rising tension between protecting the safety of American citizens and invasion of their right to privacy. These tensions will spill over into social issues and become hot political issues. Before WW2, the government was run by people whose legitimacy arose from election based on political skills and loyalty. The key was using common sense. The rise of a class based on expertise attacks common sense.

Common sense that oversaw the first phase was marginalized in management. The sum of expertise was less, not greater, than the parts. For the Affordable Care Act, common sense did not allow someone to understand it. For most of American history, Supreme Court justices were lawyers but not necessarily judges. They were selected for political reasons and common sense. An example, Earl Warren, Chief Justice when Brown v. Board of Education came before the court, recognized that history required the end of segregation in schools. Because he had been a politician, he understood that this was not a legal issue but a political one, and he focused on persuading all members of the Court to vote for it.

None of today’s Supreme Court judges have ever held political office, nor run a business or farm. All are experts in the current technical controversies over law—technicians of law educated at schools superb at educating technicians. As a result, there is deep rigidity and predictability in the Court. Their definition of the law does not entail the kind of common sense the Warren Court exercised in 1954. It is now a legal and political institution run by technicians, utilizing nonideological methods for ideological ends. This problem permeates the federal government and makes it increasingly unable to govern. Common sense, the ability to see consequences far removed from the technical issues, has been banished.

Certainly, experts are needed, but they cannot govern because their perspective is limited by their expertise. Congress passes laws that are basically intentions funded with federal dollars. President Obama meant it when he said his health plan would allow Americans to keep their doctors. But once the details of the legislation were written, not all participants were, in fact, able to keep their doctors. Many outcomes were unintended.

In 2019 only 17% of the public claimed to have confidence in the government vs 75% during the Eisenhower years. In the 2020s there will be a revolt against the primary system as it is captured increasingly by ideologues in both parties. Conflict will build between expertise and common sense, compounded by mutual distrust and disgust. The technocracy is as much a social class as a governing body. For example, journalists have lost their standing as only 27% now trust them. The most highly trusted institutions are the military at about 75% and police at 58%—institutions perceived to not be drawn from the technocracy.

Because expertise invents new ways of doing things and assumes that progress comes from intellectual activity, the technocracy is also seen as a revolt against tradition and traditional values. The crisis will strike most deeply in American technology and education.

Electricity transformed the traditional experience of night, extending time people had to read and learn as it contracted time they had to sleep and dream. Ever since the Industrial Revolution, the technologist has become a center of wealth, cultural influence, and power. The automobile framework took about 45 years from introduction to mass market to maturity. The microchip took from 1980 to 2020 to achieve maturity, about 40 years. We are now in a situation opposite of the 1970s. Then there was a capital shortage. Now there is a capital surplus. Interest rates are historically low because of a large pool of money for investment and contracting business opportunities to invest in.

The emerging transformations of the 2020s crisis will revolve around the institutions of higher learning. Individuals get 3 things in the university: a broad array of knowledge, credentials, and the opportunity to develop the connections
that may support them throughout their lives. The issue is access to the center of gravity of the technocracy, the leading universities that not only teach subjects but train you in the social rituals that allow you to belong.

The culture of technocracy in which merit is defined by top universities and expectations on marriage and family continue to deviate from historical norms in various ways. At the center of the opposition will be the children of the white industrial working class, particularly those born after 2000. They will be joined by unanticipated allies from among those who share needs--African American, Hispanic, and others. The US will face a crisis of education and opportunity ignited by the economic and social pressures of the 2 cycles colliding.

The cost of universities is stunning and unsustainable. Just as mortgage derivatives were bundled and sold, that’s happening now with student loans. Not going to college guarantees a bad outcome because those without credentials are mostly locked out of any upward mobility. There is no inherent reason why a college education requires such lavish facilities and a university professor is among the highest-paid part-time work in the world. The university is at the heart of both the problem and the solution and the center of a political battle.

The 1787 Northwest Ordinance required every state to fund a university. Their graduates would serve as the educated leaders of the community and inventors of the future. If the social bureaucracy is going to change, it must first happen with a change in the universities. How the university looks is how the technocracy will look. Many universities are on extraordinarily valuable land that could be sold, the teaching load could be increased as a better definition of research is provided. More rigorous credit standards will force the university to open its doors.

Either the rapidly declining white working class will gain access to the credentials needed to rise, or a permanent underclass will be created. The danger in the 1930s of such a class was real, as it is now. One of the powerful aspects of American society is that those who are economically desperate and socially displaced get to vote, and those who will be falling into the abyss are a large, multiracial, multiethnic class.

For most of the 2020s, the driving economic force will be low productivity growth, decreased opportunities for investment of accumulated capital, and low interest rates. Technocrats are obsessed with returning the system to the norm they think of as the natural condition.

New cycles are often disorderly until they sort out and transition to the new solution. Consider the 1930s or 1970s, each of which was one side or another of a socioeconomic shift. The solution will be to introduce a new governing principle. Oddly, a principle already in the largest bureau-
There is a need for massive revolution in biological research applied to medical care. And as we’ve seen in past cycles, need drives technological productivity. At all levels, there will be a loosening of bonds. The tight and stifling bonds of the federal government will be broken. The most important, the rituals of life such as birth, marriage, being a man, and being a woman, are fraying in the fifth cycle. The changing of particular obligations calls into question all obligations. This at first liberates and then leaves you alone.

If birth and death are at the center of the age, and the rituals for both are in tatters, the hunger for companionship is still there asserting itself constantly. An aggressive reassertion community will happen with a culture that has at its center the avoidance of loneliness. Loneliness is one of the most powerful forces in the world. As those in their 30s with no children and/or no partner grow older and face half a century more of their life, they will have to answer that question, and the discovery that there is no answer will be terrifying. The sixth cycle will accept the collapse of old rituals and create new ones. There are dangers of growing old healthfully, as there were in dying too soon.

All human societies have rituals, and many of them concern obligations to family and larger groups. It is also in the nature of those honoring traditions to want to universalize their principle and rituals, first through persuasion and then through law. One struggle will be around the issue of the tax code. Just as tax cuts drove the microchip economy, so they will, in the 2050s, drive the transformation of medical care. Children of millennials will find the computer and internet old-fashioned and creating powerful family ties modern. The temptation to legislate moral ends transcends all cycles.

Given that there is no comprehensive model of the climate, it is possible that an unknown variable might moot the findings of global warming. We know that at one point in the past the Sahara was a rich and fertile garden and is now a desert. In 1970 the prestigious Club of Rome said that the population explosion would lead to global starvation by the year 2000. This was falsified by their failure to account for something that happened (miracle grains) and something in the very early stage of happening (declines in birth rate). The model they should have been looking at was too broad and complex to manage. Models like climate change tend to be faulty. I have neglected the subject because the significant action is a political matter which won’t happen. Most people measure their concerns by distance in time. Climate change may not come, and if it does, will come after I’m dead, so I’m not going to pay the price for an uncertain solution. And the people most concerned about it are the least trusted.

The foundation of the American empire is not the military or even the economy. It is a conference of people from 20 countries, with everyone speaking perfect English because it is the only language in common. It is the computer and programming languages that exist only in English. It is people resenting and even hating the US yet hoping their children might attend an American university. The foundation of an empire is money and the envy it brings. All lasting empires are empires of the mind and soul, empires that cause others to crave or emulate them. The US was not found to be one. Yet it is—held together not only by imperial force but by the benefits the colonials obtain, an instrument for cultural transfer and evolution.

The challenge facing the US globally is to devise a sustainable policy of empire in a nation where power, wealth, and innovation are being constantly increased through the cyclical process we have developed. Except for Desert Storm, the US has failed to win a war since WW2. Imperial wars exhaust the homeland when fought against forces not organized as regular armies and cannot be defeated by superior forces. A mature national strategy minimizes conflict because an empire with forces in 150 countries has an endless possibility for conflict, and war is often initiated by its opponents. This can destroy a nation’s dynamism.

Access to the world’s resources, markets and innovation creates a dynamic society. Empire can’t be abandoned, nor embraced. It must be managed with maturity. The elderly have wisdom but not always the latest knowledge or technology. As we live ever longer with some regularity, the country may become wiser but less knowledgeable. The solution for the institutional cycle will cause the rigidity of regulation to give way to the use of increasing judgment among decision makers. There will be a resurrection of local political systems.

The extension of old age may be the consequence on which the 21st century pivots. With maturity comes wisdom. But with that wisdom may be the lack of energy needed to maintain the resilience of the US that leads to cycles. The founders were mature, prudent men. It was the nation that was immature and imprudent—not very different today. In the US it is possible to reinvent or relocate yourself. This makes the US unique. No other countries have institutionalized chaos as has the US. At the heart of this is the culture of technology. It is not unique to America, but is quintessentially American. The world, even in the 1930s, thought of America as a country capable of extraordinary feats of technological brilliancy.

A nation dominated by the elderly could paralyze the cycles that move American along. Youthful ignorance makes the impossible possible. Medicine will solve the problem of declining population size and then create a socioeconomic crisis that will deeply divide the country. The power of a country like the US, a vast economy and military and seduc-
tive culture, does not decline because it is hated. All empires are hated and envied. Power is not diminished by either.

[This is the most useful explanation I’ve found of the rhythms of American history and its likely future. The unity of the utterly divers—cowboy, scientist, inventor-businessman, warrior—constantly reinvents. Socioeconomic cycles are shaped by social and economic failure. Institutional crises are shaped by wars. To date there have been 5 socioeconomic 50-year cycles: 1) Washington to Adams; 2) Jackson to Grant; 3) Hayes to Hoover; 4) Roosevelt to Carter; 5) Reagan to whomever will be elected in 2028. Institutional 80-year cycles have historically been driven by war: The Revolutionary War, Civil War, and WW2. The next cycle is emerging from the war against jihadists since 2001. The first institutional cycle created the federal government, the second redefined its relationship to the states, the third redefined its relation to the economy and society, and the fourth cycle will redefine its relationship to itself. The source of the current problem is the notion that because expertise is essential, it should govern. We are governed by people who know a great deal about narrow subjects, but few who can see the whole. This is the difference between knowledge and wisdom. The rise of a class based on expertise attacks common sense. The emerging transformations of the 2020s crisis will revolve around the institutions of higher learning. The concept of common sense will have to be reintroduced. The financial problem that will frame the sixth cycle is a surplus of money in the economic system and its distribution. The extension of old age may be the consequence on which the 21st century pivots.]