

Rethinking the New Deal

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Revisiting the history of the New Deal, Ira Katznelson argues that it was a key moment in the reinvention of American democracy. Placing the South and the Congress at the heart of his narrative, the American historian reconsiders a period about which everything seemed to have been said.

Reviewed: Ira Katznelson, *Fear Itself: The New Deal and the Origins of Our Time*, New York, W.W. Norton, 2013.

Is there still something new that can be said about the New Deal? This question, which is posed in the introduction to *Fear Itself: The New Deal and the Origins of Our Time*, is not simply rhetorical. Ira Katznelson, a reputed political scientist and historian who teaches at Columbia University in New York, knows the extent of the literature on the topic—dozens of books and hundreds of articles, which make the 1930s and 40s a carefully mapped territory. Over the last thirty years, the traditional view of the New Deal as orchestrated by Roosevelt and his “brain trust”¹ has given way to new perspectives, which have called attention to the role of social mobilization, reformer networks originating in the Progressive Era (1890-1920), businessmen seeking to rationalize the American economy, and the artists and authors who shaped the period’s culture. Along the way, a powerful idea has been advanced. Rather than emphasizing the coherence of Roosevelt’s political action and its effectiveness against the economic crisis, this literature argues that the New Deal represents a rupture in American political culture: it was a period in which American freedom was redefined, with the state becoming, through its intervention, the guarantee of a form of security founded on social rights, which completed the political rights already inscribed in the Constitution.

Yet Katznelson has pulled off a *tour de force* in writing a book that is innovative in a number of respects. To recognize this, one must renounce any expectation of finding a new analysis of the mechanics of the 1929 crisis, or an original account of the economic development policy that was the Tennessee Valley Authority. Roosevelt’s four successive elections are not mentioned, nor is his well-known confrontation with the Supreme Court judges in 1937. *Fear Itself* nonetheless manages to reshuffle the deck of New Deal historiography by offering an innovative and stimulating analysis that places the South and the Congress at the center of its account of the 1930s and 40s, casting it as a struggle between democracy and totalitarianism.

¹ Used for the first time in 1932 by the *New York Times* journalist James Kieran, the term “brain trust” refers to the group of academics who gathered around Roosevelt during the presidential campaign. It evokes the atmosphere of intellectual ferment and the reliance on experts that characterized the policies pursued beginning in 1933.

² Sectionalism refers to the assertion of a particular interest on the part of a region that constitutes an historical unit, politically as well as socially and economically. Traditionally, southern sectionalism expressed itself in the defense of slavery, the opposition to tariffs, and, of course, the Civil War.

³ Elizabeth Sanders, *Roots of Reform: Farmers, Workers, and the American State, 1877-1914*, Chicago, The

Congress's New Deal

The title of *Fear Itself* is drawn from the famous inauguration speech that FDR delivered on the steps of Congress on March 4, 1933. At the height of the crisis, the Democratic president called upon his fellow citizens not to lose confidence, affirming his belief that “there is nothing to fear but fear itself.” In the way that it symbolized the voluntarism of the White House’s new occupant, this inaugural address marked the beginning of an unprecedented legislative session, which seemed to place Congress directly under the president’s authority. Yet *Fear Itself* does not adopt the line of argument found in some books, which emphasizes the growth in executive power that accompanied the redefinition of the mission and responsibilities of the American state during the 1930s and 40s. Katznelson shifts focus to Congress in order to show the persistence of a form of southern sectionalism inherited from the nineteenth century and its political and institutional manifestations in political action.²

When he was elected in 1932, Roosevelt could, of course, rely on a party that had just won majorities in the House and the Senate. Yet partisan dynamics does not help us understand the mechanics of political action in Congress at the time. Katznelson reminds us that Congress is a decentralized institution, in which power is fragmented and distributed among many autonomous committees, each with powerful chairmen. Since the Democrats were in the majority, they received the chairmanships, but in many cases, these prestigious positions were inherited by representatives from the Old South: in 1933, they chaired 29 out of 47 committees in the House and 13 out of 33 committees in the Senate, including the most important ones, such as the House Ways and Means Committee, which handles legislation dealing with taxation, and the Senate’s Budget, Commerce, and Finance Committees. The influence of southern representatives on the legislative process is thus tied to their number (they never represented less than 44% of Democrats in the Senate and 41% in the House), but also to their seniority, which was a font of knowledge and useful connections. In other words, even in 1936, when the Democrats had 76 senators and 336 representatives, no bill could succeed without the approval of the southern Democrats, who controlled 32 seats in the Senate and 144 in the House. The New Deal, Katznelson argues, could not have happened without the South’s active participation.

Katznelson concedes that the South was not politically homogeneous. Some southern representatives and senators, such as the Virginian senator Howard Smith, were conservatives who remained opposed to the New Deal throughout the 1930s. But they amounted to no more than a minority. From 1933 to 1937, which Katznelson sees as the New Deal’s first phase, southern and northern Democrats approved major New Deal legislation unanimously, with southerners often sponsoring key bills. The 1934 Wall Street regulation known as the Security Exchange Act, which was defended by Sam Rayburn, a congressman from Texas, and Duncan Fletcher, a Florida senator, is a good example. When they were not sponsoring bills in Congress, southern elected officials collaborated with their northern counterparts in opposing the dilatory tactics used by some Republicans to obstruct the legislative process. Without this support, Katznelson explains, a number of the New Deal’s flagship laws, such as the Social Security Act, which gave birth to the American welfare state, and the Wagner Act,

² Sectionalism refers to the assertion of a particular interest on the part of a region that constitutes an historical unit, politically as well as socially and economically. Traditionally, southern sectionalism expressed itself in the defense of slavery, the opposition to tariffs, and, of course, the Civil War.

which established collective bargaining in factories, would no doubt have never seen the light of day.

For some, southern support was primarily due to the fact that the New Deal served the interests of this region, where the average annual income barely reached \$314 in 1937, whereas the national average was \$604. All the evidence suggests that southern politicians did not want to let subsidies slip through their fingers at a time when the federal government was investing to stimulate the economy. Yet this is not Katznelson's position. To understand it, it is important to remember that the 1896 election had created a new political map: the Republicans became dominant in the North and the West, while the Democrats acquired lasting control over the South. At the same time, Democrats embraced the reformist tradition that began with the Populist movement, which lasted from the 1870s to the 1890s. At this time, in the South and the West, citizens mobilized to demand the regulation of banks and large corporations, particularly railroad companies, which resulted in the creation of the first federal agencies responsible for economic regulation. As the political scientist Elizabeth Sanders has shown, it was the reaction to these pressures on the part of elected officials in the South and West that produced the legislation on which the modern administrative state is based: namely, federal agencies that control the currency, regulate trusts, and oversee worker-management relations.³ Katznelson endorses this analysis, going so far as to claim that all the reforms promoted by Woodrow Wilson—a progressive Virginia Democrat—were manifestations of this reformist current. If Congress—and notably its southern members—played an essential role in creating the New Deal, it is because they were still, according to Katznelson, the spokespersons for this statist-reformist trend, which, when the 1932 realignment⁴ gave the Democratic Party a majority, was in fact in its heyday, rather than its beginnings.

In this way, Katznelson manages to “de-presidentialize” the New Deal, to the point of practically confining the White House to the political margins. But he also proposes a novel chronology of the New Deal, one that is more consistent with Congress' political rhythms than the story of the “three New Deals” found in analyses emphasizing the decisions of Roosevelt and his brain trust. The years 1933-1938, which Katznelson sees as the New Deal's first phase, was a “radical moment,” in which collaboration between northern and southern Democrats paved the way for building a state that could transcend particular interests and intervene in the economic realm in the name of the public good. In subsequent years, however, this option was blocked by southern politicians.

The New Deal in the South

Paradoxically, the South is not democratic. Unlike the social historians who, for the past twenty years, have tried to de-compartmentalize northern and southern history to better emphasize their similarities in terms of race relations,⁵ Katznelson insists on everything that made the Old South different from the rest of the United States. The South, he explains, was

³ Elizabeth Sanders, *Roots of Reform: Farmers, Workers, and the American State, 1877-1914*, Chicago, The University of Chicago Press, 1994.

⁴ A political realignment is a last redefinition, at an election, of the social and geographic basis of the two major political parties. See, in particular, Gary Gerstle and Steve Fraser, *The Rise and Fall of the New Deal Order*, Princeton, Princeton University Press, 2009.

⁵ See, notably, Thomas Sugrue, “Crabgrass Politics: Race, Rights, and the Reaction Against Liberalism in the Urban North, 1940-1964”, *Journal of American History*, vol. 82, n°2, September 1995, p.551-778; *Sweet Land of Liberty*, New York, Random House, 2009; and Joseph Crespino and Matthew Lassiter, *The Myth of Southern Exceptionalism*, New York, Oxford, 2009. These works demonstrate the importance and extent of racial segregation in the North, as it relates to employment as well as residency.

“American with a difference.” An aristocracy of plantation owners still benefited from a cheap labor force. Segregation, which was triply institutionalized, reinforced the racial segmentation of the labor market. Blacks were, in the first place, deprived of their civil rights, subject to a segregation regime that pervaded every aspect of civil society. Moreover, they were also the victims of regular lynchings, intended to preserve the racial hierarchy by force. The one-party system ensured that representatives and senators were elected who would maintain this racial order. Throughout the years covered in the book, southern Democrats thus constituted a reactionary minority which, due to Congress’ decentralized organization, forced northern Democrats into a political compromise: the New Deal could never threaten segregation. To this end, laws were drafted in a way that excluded African-Americans (notably by excluding agricultural laborers and domestic employees) or gave local authorities discretionary power in implementing New Deal programs to ensure that white supremacy was preserved. One of the book’s most magisterial chapters shows how southern politicians, at the height of the war effort against Nazi Germany, managed to amend a bill on absentee voting for soldiers on the front so that it excluded southern Blacks.

In this way, *Fear Itself* reiterates the argument Katznelson made in an earlier work, *When Affirmative Action Was White*.⁶ While other historians have emphasized the emergence of a civil rights movement in the 1930s and 40s, showing how black and white activists invoked various New Deal programs to promote the interests of African-Americans and to fight segregation, Katznelson called attention to the lasting consequences of the heightened institutionalization of racial hierarchies that the New Deal had authorized.⁷ Laws such as the 1944 G.I. Bill, which was intended to facilitate the reintegration of veterans into economic life by providing them with technical training, university education, loans, and housing excluded many Blacks from the postwar prosperity, which resulted in the crisis of the 1960s.

In his new book, Katznelson again asserts the primacy of political over social factors, but he turns the question historians have traditionally asked on its head: rather than trying to understand the New Deal’s impact on the American racial order, he wants to show the extent to which this racial order limited the scope of the reforms it launched. In the late 1930s, southern politicians worried about the rapid rise of American labor activism, which benefited fully from the legislative framework created by the Wagner Act and representing henceforth 30% of the agricultural labor force. While the old American Federation of Labor (AFL), which consisted primarily of professional unions, preserved segregation in its ranks, the newer Congress of Industrial Organizations (CIO) spread progressive ideas and encouraged Whites and Blacks to challenge racial segregation in the South, where strikes were breaking out and pro-labor sentiments were even developing in the textile and tobacco industries. Meanwhile, in the North, black Americans were abandoning the party of Lincoln and turning to the Democrats, who now seemed more attentive to their demands. Finally, in 1944, the Supreme Court fired the first shot at the constitutional edifice protecting segregation by declaring that the exclusion of black Americans from southern primaries was contrary to the Fourteenth Amendment.

⁶ Ira Katznelson, *When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth Century America*, New York, Norton, 2005.

⁷ Robert Korstad, *Civil Rights Unionism: Tobacco Workers and the Struggle for Democracy in the Mid-Twentieth Century South*, The University of North Carolina Press, 2003; Patricia Sullivan, *Days of Hope, Race and Democracy in the New Deal Era*, Chapel Hill, The University of North Carolina Press, 1996; Karen Ferguson, *Black Politics in New Deal Atlanta*, Chapel Hill, The University of North Carolina Press, 2002.

At this point, the alliance between northern and southern Democrats began to crack. While it was true that the war effort led the federal government to engage in economic planning, southern politicians were opposed to maintaining these structures in peacetime. Already heated up by the tumultuous debate that preceded the adoption of the Wage Labor and Standards Act of 1938, they feared the homogenization of the labor market that dirigist policies might foster, in addition to being careful not to allow the creation of a system of economic organization that would give an important role to labor leaders favoring racial equality, at a time when the latter were launching a major campaign to organize the South.

The second phase of the New Deal, from 1939 to 1945, is that of a path not taken, when the defection of members of Congress sounded the death knell of the New Deal's reformist impulses. By the end of the war, a conservative conception of political economy, retrenched around Keynesianism, came to predominate. The National Resources Planning Board was eliminated by 1944. In 1946, Congress rejected the full employment policies favored by some Democrats, and, with the Employment Act, created the Council of Economic Advisers, which saw its role as confined to ensuring economic stability. Finally, in 1947, the Taft-Hartley Act, which was adopted when a coalition of Republicans and southern Democrats overrode Truman's veto, limited the right to strike and gave southern states the possibility of opting out of the legal framework established by the Wagner Act. The local and decentralized character of the American state was thus preserved.

Katznelson's conclusion is unambiguous. The reactionary South shaped a state that was incapable of organizing the economy in a manner consistent with democracy and equality. In many respects, *Fear Itself* follows logically in the wake of Stephen Skowronek's *Building a New American State*, which showed that the construction of the American state's administrative capacities between 1877 and 1917 was a "patchwork" process, in which state and political structures that were already in place limited the possibilities of reform.⁸ From a similarly neo-institutionalist perspective, Katznelson demonstrates, in turn, that bipartisanship and Congressional organization limited the reform the New Deal was able to carry out. While the New Deal paved the way to building a state that could articulate and implement a clear and coherent vision of the general interest in economic and social affairs, the state that was constructed was limited to being the arbiter of private and regional interests.

While this thesis is highly stimulating, it nonetheless raises an important question: was the South really the sole obstacle to social democracy in the United States? In this respect, it is unfortunate that Katznelson does not debate historians such as Alan Brinkley, who, in *The End of Reform*, maintained that interventionist policies entailing a form of economic planning, which were considered during the 1930s, no longer seemed relevant by the war's end and that between 1937 and 1947, the New Dealers had all converted to Keynesianism.⁹ The significance of the South's defection can also be relativized if one considers the "deradicalization" of left-wing intellectuals like Daniel Bell during the 1940s, as intellectual historians have shown. Influenced by European events, particularly the Holocaust, intellectuals responded to totalitarianism's challenge with increasing pessimism about state power. While they supported the New Deal's achievements, they began to emphasize the protection of individual liberties and the need to support the capitalist system without

⁸ Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities, 1877-1920*, New York, Cambridge, 1982.

⁹ Alan Brinkley, *The End of Reform: New Deal Liberalism in Recession and War*, New York, Norton, 1994.

strangling it.¹⁰ Conservatism is another factor missing from Katznelson's account. Recent contributions to the field have shown how company owners mobilized against the New Deal, in the North as well in the West, notably in states like Arizona, and this allows us to question the notion that a social and political consensus prevailed in the war's immediate aftermath.¹¹ Finally, how can one impute the failure of American social democracy entirely to southern politicians in the 1940s when it is known that one of the main effects of McCarthyism, at a time of rising Cold War anxieties, was to deprive the American left of its most activist elements?¹²

Towards a Transnational History of the New Deal

While he criticizes its limitations, Katznelson has no hesitations about seeing the New Deal as a key moment when American democracy was reinvented. He explains: "I ascribe to the New Deal an import almost on a par with the French Revolution" (p. 9). What might seem to be a paradox is not actually one, as *Fear Itself* aspires to reconsider the New Deal from a transnational as well as a local perspective. Too often, he observes, historians lose sight of the extreme gloom in which the New Dealers found themselves. Rather than embracing the determination and trust that Roosevelt embodied in his fireside chats, many harbored deep doubts as to liberal democracy's ability to respond to the challenge of totalitarianism. According to Katznelson, what characterized the 1930s and 40s was not only the fear provoked by the economic crisis, but the dread felt by American elites as the retreat of European democracy was measured out in massacres and deportations, ranging from Japan's invasion of Manchuria to the Soviet Great Terror and the German death camps. Thus the New Deal was a "journey without maps" undertaken in the midst of the greatest uncertainty: was the liberal state, as Mussolini declared in 1932, "destined to perish ... [as] all the political experiments of our day are antiliberal" (p. 5)? For Katznelson, democracy today would enjoy neither the same prestige nor the same legitimacy if the United States had not managed, in the 1930s, to take up this challenge.

Considering the New Deal at these multiple levels gives *Fear Itself* undeniable historical depth and originality. It allows Katznelson, on the one hand, to better grasp the compromise forged between northern and southern Democrats from 1933 to 1938: at a time when there was an urgent need to ensure the continuity of political institutions, this compromise, according to Katznelson, constituted an inevitable renunciation, without which the legislature could no longer have operated. On the other hand, the transnational perspective that Katznelson adopts complements other recent work on the reconfiguration of citizenship and freedom by showing the extent to which competition with the totalitarian powers influenced the minds of New Deal reformers, who, until now, have been analyzed in terms of purely domestic considerations, such as the urgency of the economic crisis, the solution to the social question, or the building of a federal government with a capacity to intervene that was adapted to twentieth-century economic and social issues.¹³ As Walter Lippmann explained in 1935, "The issue [in recent times] has turned upon whether the Western democracies,

¹⁰ Howard Brick, *Daniel Bell and the Decline of Intellectual Radicalism*, Madison, University of Wisconsin Press, 1986

¹¹ Elizabeth Fones Wolf, *Selling Free Enterprise: The Business Assault on Labor and Liberalism, 1945-1960*, University of Illinois Press, 1995; Elizabeth Tandy Shermer, *Sunbelt Capitalism*, Philadelphia, The University of Pennsylvania Press, 2013; Kimberley Philips-Fein, *Invisible Hands*, New York, Norton, 2009.

¹² Ellen Shrecker, *Many Are the Crimes: McCarthyism in America*, Princeton, Princeton University Press, 1998.

¹³ See, notably, David M. Kennedy, *Freedom from Fear: The American People in Depression and War, 1929-1945*, New York, Oxford, 1999.

adhering to their way of life, could demonstrate that they were better able than the Eastern despotisms to restore security to the people.”¹⁴

That said, the use of fear as a foundational trait in conceptualizing the New Deal is not self-evident. First, it is not really compatible with the part of the book dealing with the South, in which the issue of fear vanishes and its place is taken by that of segregation. Indeed, what drove the actions of Old South politicians was certainty, rather than its opposite. It is also difficult to reconcile this fear with the isolationism that Roosevelt confronted throughout the 1930s, which suggests that many Americans saw the threat to democracy as a European problem. Finally, Katznelson is very ambiguous about the extent to which fascism was a real danger in the United States in the 1930s: “Of course,” he admits, “it would be an exaggeration to say that the United States was on the verge of joining the democratic collapse that was spreading like domino effect during the 1930s. But there were plenty of dangers at home and a continuing atrophy for liberal democracy abroad.”¹⁵

Historians who have addressed this question have tended to be categorical. Despite some New Dealers’ interest in Fascist Italy, the similarities that can be identified between the New Deal and some of the policies pursued in Italy or even Germany reveal the extent to which the economic crisis legitimated the principle of state investment and economic regulation. Of course, the moderate success of a play like *It Can’t Happen Here*, an adaptation of Sinclair Lewis’ novel, which imagined the election to the presidency of a fascist leader very similar to the populist Huey Long, the Louisiana governor, is testimony to contemporary interrogations. These were fostered by the American right which, from Hoover to Reagan, has often compared the New Deal to fascism. Yet the United States never had the Black Shirts and the National Recovery Administration, which could be compared to policies in Fascist Italy, was declared unconstitutional in 1935. As for workers’ mobilization during these years, they contributed above all to rehabilitating some of the iconic figures of the American political tradition, such as Jefferson and Madison, which the labor movement appropriated as it fought for collective bargaining rights and industrial democracy.¹⁶

In short, what *Fear Itself* presents us with is something that is specifically American (a point that is also emphasized by the historian Nelson Lichtenstein¹⁷). If there was a place in the United States where freedom was denied and where militias like the Ku Klux Klan used violence and lynching to preserve a racist and anti-democratic political order, with the support of a section of the working class that clung to a purified conception of the American people, it was the Old South. But southern elites did not need to march on Washington. They were

¹⁴ Quoted in Maurizio Vaudagna, “Social Rights and the Definitions of Liberty: America, Europe, and the Dictators”, in A. Kessler Harris and M. Vaudagna, eds., *Democracy and Social Rights in the “Two Wests”*, Turin, Otto, 2009, 29.

¹⁵ Katznelson, *Fear Itself*, p. 39.

¹⁶ John A. Garraty, “The New Deal, National Socialism, and the Great Depression,” *The American Historical Review*, vol. 78, n°4, October 1973, p. 907-944; Wolfgang Schivelbusch, *Three New Deals, Reflections on Roosevelt’s America, Mussolini’s Italy and Hitler’s Germany, 1933-1939*, New York, Metropolitan Books, 2006, 166.

¹⁷ Nelson Lichtenstein, “The United States in the Great Depression: Was the Fascist Door Open?,” *A Contest of Ideas: Capital, Labor, Politics*, Urbana, The University of Illinois Press, 157-166. It is worth noting the originality of this position, given that the historiography emphasizes the southern Democrats’ participation in a conservative coalition beginning in the late 1930s and their defection to the Republican Party in the 1960s. See, notably, James Patterson, “A Conservative Coalition Forms in Congress,” *The Journal of American History*, vol. 52, no. 4, March 1966, 757-772 and Kari Frederickson, *The Dixiecrat Revolt and the End of the Solid South, 1932-1968*, Chapel Hill: The University of North Carolina Press, 2001.

already there. And Ira Katznelson demonstrates with brio the extent to which they managed to use this institutional position to direct, and ultimately slow down, the New Deal.

Books&Ideas.net, June 29th, 2015.

First published in laviedesidees.fr, January 29, 2015. Translated from the French by Michael C. Behrent with the support of the Institut français.

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