

INTRODUCTION

# RETHINKING THE NEW DEAL IN AMERICAN HISTORY

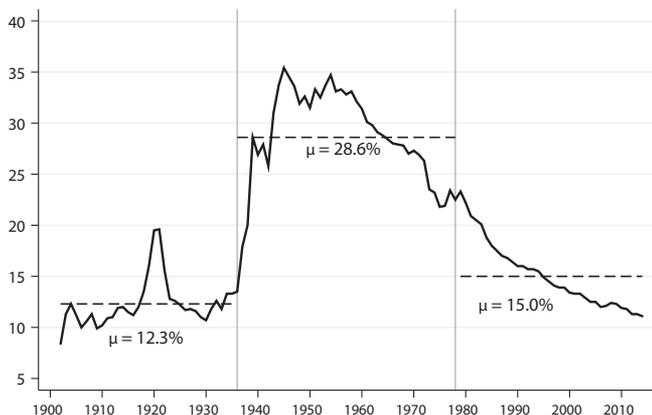
My argument can be stated boldly and succinctly: the political era between the 1930s and the 1970s marks what might be called a “great exception”—a sustained deviation, an extended detour—from some of the main contours of American political practice, economic structure, and cultural outlook. During this period, the central government used its considerable resources in a systematic, if hardly consistent, fashion on behalf of the economic interest of nonelite Americans in ways that it had not done before or since. The depth of the Depression and the crisis of World War II forced clear realignments of American politics and class relations, but those changes were less the linear triumph of the welfare state than the product of very specific, and short-lived, historical circumstances. American liberalism has had many “protean” forms, but the version generated by the trauma of the Depression and World War II proved extraordinary because it was not about morality or individual rights or regulation alone, but about *collective economic rights*.<sup>1</sup>

The power of labor liberalism in this period proved distinct and commanding, but also truncated and brittle. The “fragile juggernaut,” a phrase coined by the historian Rob-

ert Zieger to describe the industrial labor movement of the day, might be the best description of the combination of power and vulnerability inherent in the political alignments that burst upon the national stage during the 1930s and 1940s. The New Deal alliances seemed to come together in an all-powerful force capable of implementing progressive liberal policies with limited regard for conservative opposition. Yet when challenged, this same juggernaut crumbled, its internal contradictions pushed to the breaking point by the compromises it made with the very complexities of American history and politics.<sup>2</sup>

The great exception is strikingly clear in a series of graphs that chart its rise and fall. A variety of measures form an anomalous historical hump or trough that begins in the 1940s and returns back in the 1970s: economic equality improves and then tumbles, union density climbs and then falls, working people's income goes up before dwindling, and the percentage of wealth possessed by the most affluent dips before roaring back with a vengeance. There is even a unique and measurable pattern of bipartisanship—the “liberal consensus”—in the postwar era that appears neither before nor since. The minimum wage, created under the New Deal, follows the same pattern, rising to close to a living wage in the late 1960s before falling well behind the rate of inflation. Seen in statistical form, the New Deal order (roughly 1935 to 1978) appears sandwiched between eerily similar periods in terms of the relationship between the power of business and the role of the state. Paul Krugman called it an “interregnum between gilded ages.”<sup>3</sup>

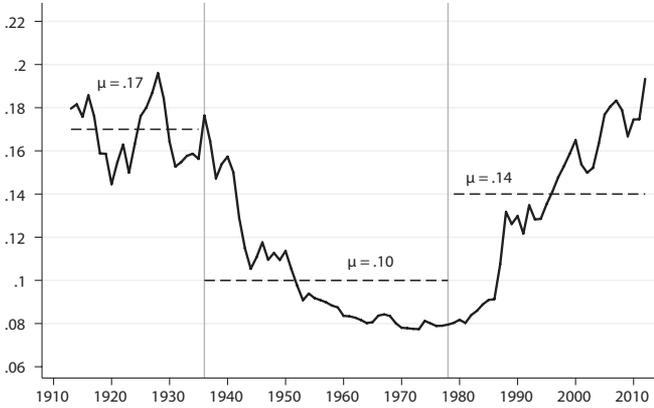
The New Deal gave the illusion of permanence—for many, the inevitable domestication of capitalism—yet marbled throughout its very creation were a series of social and political fissures that help to explain its ultimate fall four decades later. That list includes a number of themes to be



Union density in the United States (1902–2014).

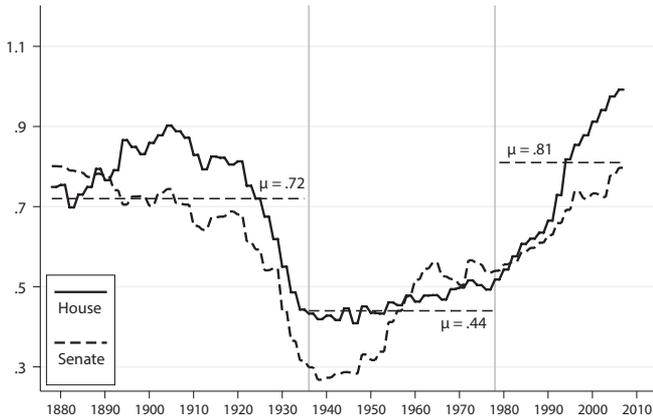
Data: Leo Troy, “Introduction to Trade Union Membership, 1897–1962,” *Trade Union Membership, 1897–1962* (UMI, 1965; G. Mayer, 2004), n.p.; *Union Membership Trends in the United States* (Washington, DC: Congressional Research Service, 2004); Barry Hirsch and David Macpherson, “Union Membership, Coverage, Density, and Employment among Private Sector Workers, 1973–2013.” Unionstats.com (accessed 5 June 2015).

developed throughout the rest of this book: the massive but temporary transformation of the role of the state; the historic fragility of organized labor even at the height of its power; the tensions between native-born and immigrant workers; the profound racial costs and complications of the New Deal; and the broader issues of culture and religious politics. Wrapping around all of these issues were the complex *ideologies* of a Jeffersonian individualism, which were muted but never resolved even as the New Dealers waded cautiously into collective waters.



Share of annual income earned by the top 1 percent (1913–2012).

Data: Emmanuel Saez, “Income Inequality in the United States.” <http://eml.berkeley.edu/~saez/> - income (accessed 5 June 2015).



Political party polarization in the U.S. Congress (1878–2008).

Data: Keith Poole, “The Polarization of the Congressional Parties.” [Voteview.com](http://Voteview.com) (accessed 5 June 2015).

Grappling with these core themes requires keeping two seemingly contradictory ideas continually in mind: the Depression caused a key rupture in American politics, and simultaneously, the rupture of the 1930s was never permanent but always connected to and permeated by earlier historical problems. These core issues, long central to understanding American history, underwent an incomplete suspension, a mitigation, during the period of the great exception. But they never fully went away.

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Historians have long argued about how best to think about the bundle of legislative achievements and political alliances that we call “the New Deal.” As early as 1968, the noted historian Richard Kirkendall found himself in a quagmire of confusing questions about the New Deal and its interpretive complexity. “Was the New Deal a radical innovation or a continuation of earlier themes in American life?” he asked. “Was it a revolution or part of a long-term evolutionary development? Was it a watershed in American history or a deepening and widening of a stream that had its sources in earlier periods? Should historical interpretations of the New Deal stress change or emphasize continuity?” Out of Kirkendall’s snarl of questions, three broad interpretive approaches have emerged. By connecting the New Deal’s founding to its decline, the circumstances of its birth to the causes of its death, this book advances an argument that challenges existing frameworks.<sup>4</sup>

From the perspective of liberal historians, perhaps the most dominant view in the field, the post–World War II decades constituted the new mainstream of the nation’s politics: the final product of a long struggle for American reform. Postwar liberals might differ on whether FDR had led

the “third American Revolution” or a “halfway revolution,” but there was a sense that a version of the industrial democracy, called for since the nineteenth century, had finally arrived. The new “liberal consensus” recognized that state involvement in social and economic policy was now a proven benefit in redistributing wealth, propping up consumption, and bolstering the foundation for the future expansion of the liberal project. Its permanence at the time seemed obvious to many. As the literary critic Lionel Trilling famously and prematurely noted in 1950, “In the United States at this time liberalism is not only the dominant but even the sole intellectual tradition. For it is the plain fact that nowadays there are no conservative or reactionary ideas in general circulation.”<sup>5</sup>

A sharply different view emerged from the turmoil and heightened political expectations of the New Left of the 1960s. For scholars influenced by the new social movements, New Deal liberalism was simply a form of “corporate liberalism” that sought not to transform society but merely to prop up capitalism in its time of need and, more importantly, to contain and control a deeper, more popular, and more radical threat to the system. Despite the changes the New Deal did bring, as the argument is developed by one of its leading proponents, Barton J. Bernstein, the New Deal “failed to solve the problem of depression, it failed to raise the impoverished, it failed to redistribute income, it failed to extend equality and generally countenanced racial discrimination and segregation.” Rather than a transformative moment, Bernstein argues that New Deal policy “was profoundly conservative and continuous with the 1920s.”<sup>6</sup>

From the resurgent political right has come a third interpretive stream, one quite critical of the New Deal. Those gathered around the person and the ideas of Fredrick von

Hayek, William F. Buckley's *National Review*, and a grassroots conservative movement shared a core belief: Franklin Roosevelt and his New Deal policies undermined traditional American values of individualism and the free-market economy, a view that received its intellectual validation with the 1963 publication of Milton Friedman and Anna Schwartz's analysis of the New Deal and Great Depression, *A Monetary History of the United States*. This school of thought argues that government intervention—in regulating monetary policy, intervening in financial markets, meddling in industry, governing labor relations, and intruding in ever-broader swaths of daily life—actually deepened rather than solved the economic crisis. Pundit Amity Shlaes updated this view to widespread applause from conservative commentators by arguing that the “deepest problem” of the Depression Era was government intervention due to “the lack of faith in the marketplace.”<sup>7</sup>

In contrast to all three of these approaches, I argue that the New Deal can more accurately be understood as a positive but unstable experiment. The New Deal was a triumph of redistributive policy, not the failure that the New Left would have it. It was hardly the unnecessary intervention that the conservative right claims, since it fostered what many still see as a model for our own time. Yet the New Deal was also far from being a revolution that permanently vanquished the savageries of the labor market, as old-school liberals would have it. The New Deal reforms played a transformative role in working people's lives, fostering what many call the “golden age” of American capitalism for the white, male industrial working class.

One might readily argue that this extraordinary period was simply a by-product of the unique structure of global capitalism at the time, but I find this perspective far too re-

ductive. A crisis hit, the argument goes, reforms were implemented, and then the glory days of an American economy facing little international competition afforded high-paying jobs in geographically sticky industries that served as the foundation for a Fordist bonanza. Yet on close examination, this falls apart. First, most economic crises do not end in empowering workers—quite the opposite, as business more typically gains the upper hand in an economic downturn. Second, those much vaunted “good manufacturing jobs” used to be terrible manufacturing jobs prior to the 1930s. The labor uprisings of the Great Depression and World War II made bad jobs into good jobs. Third, even though the New Deal order was created in a period of “deglobalization,” one merely has to think of the days of the McKinley protectionism of the 1890s, when tariffs on manufactured goods averaged 49.5 percent, to realize that insulation from foreign competition does not necessarily equate with employers being receptive to workers’ demands.

In short, the economic structure may have been a *necessary* component of the postwar order, but it was in no way a *sufficient* one. The relationship of labor and capital is not one of simple exchange. As the old axiom goes, it is a relationship of political power. As Thomas Piketty has shown so clearly, capitalism naturally tends toward inequality—unless there are forces and mechanisms that encourage the distribution of wealth. Those forces are a political, not an economic, question. The presence of a set of countervailing powers to that of business was crucial to the postwar paradigm. And if the politics matters then political culture must be foundational to that story. This book is about the social foundations of that political culture.<sup>8</sup>

One final interpretive note: *The Great Exception* ought to be clearly distinguished from the “consensus” school of

American history. One of the most rightfully maligned sets of beliefs about the American past, best illustrated by Louis Hartz's *The Liberal Tradition in America* (1955), claims that a deeply ingrained commitment to individualism, limited government, and property rights prevented the development of class consciousness and political conflict in American history. While acknowledging the presence of those values in American culture, this book flips that interpretation by arguing that a strong Hamiltonian state actively intervened on behalf of capital, suppressing the demands of an often-contentious working class. The profound hostility of the state (through the laws, courts, and troops) to workers' collective voice, and, in marked contrast, the power of business to pursue its own collective interests through the power of incorporation, proved a remarkable mismatch. Solidarity often failed not because of workers' abstract devotion to some Lockean social contract but because of deep divisions in the polity by party, skill, ethnicity, race, gender, and immigrant status. American political culture is not one of consensus of values as much as a contest over them—and an often bloody one at that.

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The main body of this book proceeds as a narrative reinterpretation, a broad historical sketch, of the place of the New Deal in American history. I would like to clarify each of the themes that will be embedded in that story as a sort of road map through the arc of this story from Reconstruction to Obama. I briefly develop all six touchpoints of the argument here:

First, consider the radically transformed role of the state. The dire need of the Depression years catalyzed many im-

portant social and political trends in such a way as to overcome the nation's historical ambivalence about using the state as a champion for the interests of working people. While many historians stress the continuity of the New Deal reforms with earlier reform traditions—from the populists of the nineteenth century through the progressives of the early twentieth—most are unaware of just how drastic the moment of departure was. Harry Hopkins, one of FDR's closest advisors, suggested this when he described the unprecedented process of creating national relief as being “almost as if the Aztecs had been asked suddenly to build an aeroplane.” As partisan a champion of the New Deal as Arthur Schlesinger, Jr., described its dawning as a “unique episode” in the nation's history “which grew out of a unique crisis”; historian Richard Hofstadter echoed this tone when he noted that it marked a “drastic departure” from the anti-statist, anti-monopoly traditions of American reform. The contemporary political scientist Ira Katznelson argues that the policies of the 1930s had previously been “outside the scope of imagined possibilities” for Washington insiders.<sup>9</sup>

Nothing emerges out of nowhere, of course, and the New Dealers built upon a number of historical trends: the Progressive Era labor struggles, Theodore Roosevelt's demand for the regulation of big corporations, and, above all, the massive federal mobilization during World War I. The new corporate paternalism of the 1920s, known as “welfare capitalism,” raised expectations of what the employment relationship could and should offer—just before it all collapsed following the economic crash of 1929. All that said, and it is admittedly not a short list, the New Deal made as clear a break with policy tradition as any in American history. Herbert Croly had already declared as early as 1920 “the eclipse of liberalism or progressivism as a force in

American politics,” and much of that politics had been more moral than economic. There is no doubt that many aspects of the New Deal had been worked out prior to 1933, but, as one historian put it, “a significant emancipation from past inhibitions” remained the necessary ingredient to establish the new order. Earlier reform trends, it can be imagined, never would have found traction within American politics without the massive structural crisis of the Great Depression or the subsequent wartime emergency.<sup>10</sup>

Yet as much as Roosevelt famously “betrayed his class” by wagging his presidential finger at the “economic royalists” at mid-decade, he did so only briefly. The window for substantive collective economic policies opened late in FDR’s first administration and closed less than three years later, making 1935–1938 the *anni mirabiles* in U.S. public policy. The subsequent 1938–1939 period made up the forgotten years of the Roosevelt administration: the years of defeat and retreat; then the return of hard times; then the possibility that the 1936–1937 industrial organizing and strike wave, which had opened up a generation of working-class affluence to come, would be just another noble failure like so many that pockmark the labor history of the United States.

Still, it took the state’s role in the total mobilization for World War II to consolidate these achievements, especially then-vulnerable union strength, while simultaneously marking an end to the most vibrant era of experimentation and reform. As the war ended, macroeconomic planning for mass consumption and full employment began to overtake the chaotic inventiveness of the Progressives and the New Dealers. Though New Deal reforms continued to play a transformative role in working people’s lives, the nation ended up with a much tamer postwar politics that Alan

Brinkley calls “more coherent, less diverse, and on the whole less challenging to the existing structure of corporate capitalism than some of the ideas it supplanted.”<sup>11</sup>

The second major theme flips the scholarly preoccupation with immigration to suggest the importance of the relative *absence* of immigration. Political and social tensions around nativism span American history from before the birth of the republic to our own time. One prominent American leader, for example, complained about disorderly droves of the “most ignorant and stupid” immigrants who “beat their mothers” and were prone to “abusing and insulting their teachers.” “Few of their children in the country learn English,” he continued, and “unless the stream of their importation could be turned they will soon so outnumber us that all the advantages we have will not be able to preserve our language, and even our government will become precarious.” Those were the 1753 lamentations of Benjamin Franklin, who was complaining about Germans coming to America. After more than a century and a half of open immigration (with important Asian exclusions), the 1924 suspension of immigration from anywhere other than Northern Europe and the Americas meant that tensions between native born and immigrant, long and deeply embedded in American politics, had been temporarily relieved.<sup>12</sup>

Historian Matthew Frye Jacobsen’s description of the period between immigration reforms of 1924 and 1965 as “the ascent of monolithic whiteness” suggests the homogeneity, however problematic, of the period. As a result, when the 1929 crash hit, nativism was largely at bay and the workers living in this country were presumed to be here to stay. This in itself was enough to engender more of a sense of unity among working people than before. By effectively neutralizing one of the most common reasons why a sense of unity or shared economic destiny had fallen apart in the

past, the mitigation of the nativist impulse helped shape an age of greater equality.<sup>13</sup>

When immigration resurfaced slowly in the generation after the 1965 immigration reforms, so did neo-Know Nothings and the militant nativism of an earlier age, returning “the” working class to historical patterns of internecine hostilities and political divisions reminiscent of the pre-New Deal Era. As throughout much of the twentieth century, few issues generate more visceral and divisive political reactions among native-born citizens than immigration—be it the immigrant cauldron of Five Points in New York in the 1830s or tensions along the militarized Arizona border today. To put it plainly, for most of American history, battle lines have been drawn around the social reality and policy issues of immigration—except during the period of the New Deal order.

The dip in centrality of the third theme, the divisiveness of religion, revivalism, and cultural values, also played a central role in making space for New Deal politics. As so many historians are aware, American religious identity “has not merely been epiphenomenal, simply an analytical category separable from the *real* class identity at the core of all social life, but has instead been a central, constitutive component of American culture from the seventeenth century to the present.” Salience and centrality has also meant conflict. The term “culture wars” may be a contemporary one, but it defined the nineteenth and early twentieth centuries as well as post-1960s America. Populist “culture war” challenges to the rise of the New Deal were evident, but even the most devoted Christian believers and moralists embraced the new role of the state in the midst of the economic crisis. Religious moralism, a powerful, central, theme in American political history, declined so dramatically during the New Deal period as to make it, as James A. Morone put it in *Hellfire*

*Nation*, “the great American alternative” to the long-conflicted political history of Puritan morality. A vague Judeo-Christian faith, even at a time of very high church attendance and declared religiosity, was enough to define Cold War Americanism. The great exception maps onto what the historian of religion Garry Wills calls the “Great Religious Truce” of the postwar era.<sup>14</sup>

During the 1930s, religious frictions within the American community subsided, making way for broader understandings of the worldly needs of the broadest version of congregation. Although evangelicals, Catholics, and even Jews would chip away at that consensus in the postwar era, it would finally fall apart in the 1970s as cultural issues like abortion, busing, prayer in school, pornography, and birth control began to repoliticize religion’s place in American life and undermine the coherence of the New Deal coalition. The death rattle of economic liberalism arrived hand-in-glove with the return of Protestant revivalism of the Moral Majority and other Christian groups as echoes of earlier crusades against secularism and evolution in the early twentieth century reverberated into the new millennium.

The fourth central problem is that of black-and-white race relations. Historically, U.S. politics rested on a consensus based on the systematic exclusion of African Americans (Jim Crow) or roiling divisions over inclusion (Reconstruction, Civil Rights Era). The central role of the Solid South in shaping politics meant that the New Deal did not mean some minor set of accommodations to segregation, but that race was central to the politics of the New Deal. The Democratic Party’s political success required the support of the Solid South, which meant that the New Deal limited African Americans’ right to participate in most of its pro-

grams by the explicit exclusion of domestic and agricultural labor as a sop to the very powerful Southern bloc. Several familiar issues account for the South's power: Southern political apportionment was inflated by African Americans who were counted as citizens but could not vote; the extraordinary longevity of Southern congressmen in a one-party system allowed the region to control the all-important congressional committee structure; and, finally, a militant commitment to racial hierarchy that ran deeper than their opponents' commitment to most anything else. The tragedy and the irony of the New Deal was how such an advance in economic democracy required compromise with "the most violent and illiberal part of the political system."<sup>15</sup>

Yet the story of race was not just about the exclusion of African American occupations from much of the New Deal, as the more interesting dimension is how the 1930s and 1940s marked a tenuous moment of transition in Democratic politics with regard to race. The power of the Roosevelt coalition depended not just on the white Solid South but also on African American voters who began to switch their historic allegiance from the party of Abraham Lincoln to that of FDR in the 1930s. And while the Congress of Industrial Organizations (CIO) devoted itself to a massive organizing drive in the North, boldly challenging workers to move forward together without regard to race, its project at times was hamstrung on the racism of the white rank and file—not to mention the continued segregation of much of the older American Federation of Labor (AFL). Once the civil rights questions moved more centrally into the Democratic Party, the once Solid South proved a tenuous ally to the New Deal coalition and often an obstacle to its further advancement. In short, the 1930s and 1940s marked a very

rare moment of racial politics when Democrats could have it both ways—simultaneously embracing segregation and gaining the allegiance of African American voters. It was not a balance that could long endure.

The burden of America's racial history, in sum, forms one of the most fatal cracks built into the New Deal juggernaut. When pressure was applied to this fracture—as when the Democrats introduced a civil rights plank in 1948 or when African Americans rose up across the South and the urban North in the postwar era—the entire Democratic edifice cracked, as Southern whites bolted from the party and politics in the urban North cleaved along racial lines. The fragile unity crumbled, and many whites abandoned the politics of their class for those of their race. Left behind in the process was the hope of a shared economic identity. Simply put, the New Deal would not have happened without the white South, but, at the same time, the white South would not remain in the coalition when racial justice moved to the center of the party's agenda. Most problematically, the weakening of the South's support for the Democratic Party crippled the party's ability to sustain a viable political coalition after the 1960s.

This collection of historical circumstances—changes in the state, immigration, culture, and race—made possible the fifth theme: a limited but powerful sense of working-class unity. The white, male, industrial working class gained, for the first time, a sense of economic citizenship under the New Deal. As much as it was a great leap forward, it was also based on a blinkered sense of solidarity, grounded as it was in white, male, industrial privilege. Nonetheless, the working-class successes of the New Deal Era stand in bright contrast to the rest of American history. For most of the U.S. past, the courts and state, local, and federal governments

have been largely anti-labor, often militantly so. From 1877 through 1934, in almost every instance from the Knights of Labor through the great Southern textile strikes of 1934, the government made it its job to keep employment rights an individual, not a collective, matter.

Yet the 1935 National Labor Relations Act (or Wagner Act) suddenly burst through the fog, despite FDR's own ambivalence about organized labor, and made it federal law to "encourage" the act of collective bargaining. The subsequent rise of industrial unionism created the most powerful change in American political and economic organizations since the industrial revolution itself. For three years between the passage of the Wagner Act and the conclusion of the CIO's heroic period of industrial organizing, labor won, and won big, bringing steel, auto, electrical, rubber, and numerous other core industries into the union fold. Yet, this "culture of unity" rested on some unstable alliances—not the least of which was federal policy that recognized labor rights primarily as a means of boosting consumption.<sup>16</sup>

"Labor did it!" Harry Truman famously exclaimed to the press about the secret behind his improbable 1948 victory. Indeed, the unions seemed capable of most anything in the late 1940s. Yet organized labor, one of the great redistributive agents in the postwar era, was less empowered than contained by the state; capital proved less committed to embracing workers' rights than engaging in a tactical and temporary recognition of them. While the new industrial unions formed the political backbone of the New Deal coalition and transformed the distribution of wealth in the country for decades to come, the real story is labor's legislative game of defense for most of the postwar era, relying almost exclusively on its one-time massive breakthrough during the Depression and war.

By the end of the twentieth century, the once vaunted Wagner Act had become worse than null and void—it had become, as David Brody put it, a “tool of management.” Attempts to revitalize labor law failed under every Democratic administration from Harry Truman in the 1940s to Barack Obama in 2009. Union density, and thus the redistributive role unions played, slipped back to levels comparable to the bad old days before the New Deal. Radically confiscatory marginal tax rates of the 1950s, once over 90 percent, dropped. After decades of restricted success, labor drifted into the dark night of a declining and dysfunctional industrial relations system, trapped in old and dying industries as capitalism moved on to new projects. The ferment that did take place was often outside of the old New Deal mechanisms—much of it unsuccessful.<sup>17</sup>

The sixth and final theme is the ideology, though hardly the reality, of an American individualism that served as a key foil to the entire New Deal story. For centuries, Americans embraced a reflexive, complicated, and ongoing commitment to various incarnations of Jeffersonian individualism even in the face of a bureaucratized, corporate world. This preindustrial ideology has proven as archaic as it has enduring. The collective dimensions of the New Deal, however limited they may have been to begin with, were never able to take root in the uniquely challenging ideological soils of the United States where “individualism for the masses” remained one its most powerful contradictions.<sup>18</sup>

Even Roosevelt never offered a clear alternative to the individualist ethos so deeply embedded in himself and America’s public culture. In fact, so persuasive were FDR’s evocations of that American ideology that Brain Truster Rexford Tugwell thought that even when Roosevelt tried to construct a new vision of individualism suitable for modern

society, those efforts “too had not been immune to our national myths.” Bristling at the limits on policy and politics, Tugwell “learned that there would be no quick change from an individualist to a more collectivized society, that the New Deal would comprise measures that, from his standpoint, were essentially superficial.” Still, the scale of the revival of “Jefferson and Jesus” in the postwar era would have astounded even those who struggled to make sense of the durability of the ideas of individualism even in the midst of the collective crisis of the 1930s.<sup>19</sup>

The success of the new social movements of the 1960s and 1970s expanded the individual rights tradition, gaining long-denied individual rights and opportunities for uplift to excluded peoples. Less about redistributing the economic pie, post-1960s liberalism ended up more about providing people with the skills to compete for a decent slice—even as the competition grew more desperate in the new millennium. While demands for “diversity” would eventually mesh easily with corporate-driven ideas about “meritocracy,” leaders from Richard Nixon to George W. Bush would continue to call upon the same stark gods of nineteenth-century individualism as they avidly sought to steer and enlarge a mammoth governmental entity that, partnered with massive corporations, overtly betrayed the quaint picture of individual uplift they so often campaigned upon. In many ways, the 1960s celebration of the social individual made the 1980s celebration of the economic individual possible.

In the long arc of the twentieth century, the 1970s stand as a sort of “anti-1930s” bookend to the New Deal order. Labor declined, the ideology of individualism became central to all things, race divided politics, tensions over immigration returned, and the state flipped back to being hostile

to workers' rights. Inequality of the type many believed long since vanquished returned with a vengeance. After 1978, economic gains became concentrated at the top in a sustained way, limited benefits and raises accrued to the nonrich, income flat-lined for working people, and the promise of upward mobility stagnated. Workers turned to two-income households, then borrowing on credit, to fill the void. The efforts of New Deal liberals descended into defensive battles, trying to shield and protect Social Security from attack, while the National Labor Relations Act withered further in relevance. Democrats have since surrendered issues of collective economic justice in order to focus on their commitment to progressive pushes for social issues and the expansion and democratization of individual rights. The dual movement of the 1970s—the rise of the new social movements and the decline of labor—meant that those left out of the original New Deal package, women and minorities, sought their citizenship outside of the realm of collective economic rights.

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Many historians and political scientists point to a host of variables to understand the “fall” of the New Deal order in the late postwar period, including racial backlash, the attack on labor unions, stagflation, identity politics, the Southern strategy, deindustrialization, family values, and globalization, to name but a handful. Each of these forces has much explanatory power, depending on the framing of the question, but each ignores the extent to which understandings of the New Deal's decline may be evident already in the historical circumstances of the New Deal's creation. Liberal breakthroughs of the 1930s and 1940s remained so deeply

conflicted in their original articulation—grounded as they inevitably were in the contours of the American past—that their public rupture decades later appears, on reflection, to be quite understandable, perhaps even axiomatic.<sup>20</sup>

Liberals of the 1970s and 1980s hoped, often presumed, there would be a return to what they regarded as the normality of the New Deal order, but the nation was drifting back to a contemporary version of Grover Cleveland's America, not FDR's. Framed in this light, conservative achievements seem all the more inevitable and postwar liberal economic victories seem all the more extraordinary. Given the intense brevity of the New Deal's "fragile juggernaut," it might therefore be more accurate to think of the ensuing "Reagan revolution" as the "Reagan restoration"—a return to a more sharply conservative, individualistic reading of constitutional rights and liberties; a return to economic policies in which the state looks after the corporation; and a return to a working class fragmented by race, religion, immigration, and culture. It is very important to note that this "restoration" was in no sense a return to small government as Reagan and others had so forcefully advertised. The issue never really was—and rarely ever is—whether that ever-expanding government was large or small, as political rhetoric might have us believe. The real issue is toward what ends and whose interest those massive institutions are to be driven.<sup>21</sup>

An understanding of the New Deal order as an exceptional period returns us to one of the thorniest and notoriously complex issues in U.S. historiography: the weakness of social democratic traditions in the United States, or what some more awkwardly called "American exceptionalism." Within the diverse spectrum of comparative national political cultures (all of which could be regarded as "exceptional")

in different ways), the United States' distinction is the lack of a labor-based or social democratic party tradition, the absence of a complete national health care system, and the historical weakness of working-class mobilization or representation. As Daniel Rodgers has noted, the United States has no major modern party with the word "labor" or "socialist" in it. Many, but not all, commentators on this puzzle point to the challenges to collective mobilization fostered by this country's cultural, racial, and ethnic heterogeneity, by its deep tradition of individualism, and by the diffuse nature of U.S. working-class identity.<sup>22</sup>

The irony of American history (with apologies to Reinhold Niebuhr) may be that its most successful economic era for the nation's working people came concurrently with the suspension of some of the most defining aspects of U.S. history. The cultural homogeneity of the postwar era—while deeply flawed, problematic, and forced—made the United States just a bit closer to Northern European-style politics, providing, in Richard Hofstadter's terms, a "social-democratic tinge" where it existed neither before nor after. This is not to say that all of American politics can be defined by any one thing or set of things. But in the vigorous, sometimes violent, contest of ideas in American politics, the values of collective economic security tended to lose rather consistently to other forces. Except once. For just one period, Americans found sources of unity, however distasteful elements of them were. Finding another source, hopefully one not based on exclusion, is necessary if we are to once again challenge the problem of economic inequality.<sup>23</sup>

The New Deal's emphasis on collective economic rights also makes it unique even as compared with the list of other major American political achievements. The most important democratic advances of U.S. history—for instance, the

Emancipation Proclamation and the Civil Rights and Voting Rights Acts—stand as milestones in a continuing struggle to expand individual rights. Although collective economic rights were part of the debate that led to those achievements, they were ultimately absent from the policies that passed the U.S. Congress. Eric Foner titled his short book on emancipation and Reconstruction after the remarks of a contemporary observer that slaves had received “nothing but freedom.” This tradition of liberty, one defined by freedom from restraint, has long overshadowed another definition of freedom in the United States: that derived from freedom and capacity to act based on a position of economic security—“freedom from want” and “freedom from fear.” Liberty without work, good pay, and occupational rights is an empty promise.<sup>24</sup>

For readers in search of a “usable past,” the idea that there was only a one-time mitigation of a long history of U.S. inequality presents a problem. Many pundits, strategists, and scholars point to a return to New Deal politics as the route out of present difficulties. As political linguists explain, people tend to think in metaphor, and there has been no bigger metaphor in progressive politics than the singular success of the New Deal. Yet that metaphor looms too large, like a great and crumbling edifice that obstructs the view of other useful elements of the past, blinding us to the possibility of what Barrington Moore once called “suppressed historical alternatives.” If a way out of the decades of inequality is to be charted, and this is the most urgent of projects, we must begin by stripping away stale political analogies—however seductive they may be. If economic democracy is to be part of our future, we must try to understand the core problem: that Americans seem to like to fight with each other more than they do with the economic pow-

ers that rule them. Simultaneously, what can happen once can perhaps happen yet again in some other, as of yet unconsidered, form.<sup>25</sup>

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This extended historical essay—more theory and sketch—tends toward the interpretative rather than the exhaustive. It is designed to be brief and provocative, skimming above much of the fray to make a set of old-fashioned, broad claims about American politics. By imprinting a broad argument over the drama and turmoil of U.S. history since the end of Reconstruction, I necessarily condense the richness and detail of American history. I can only hope that it does so in a useful way.

By my values, the thesis of this book is an American tragedy. I am a historian, not a political cheerleader, however, so I am compelled to call it like I see it—not how I would prefer it to be. The themes of this book connect with a rich tradition of American letters that struggles with the distance between the promise and the disappointments of American democracy. The ideas here come from wading into the muddy tributaries of skepticism fed by Melville rather than walking the sunny fields of Whitman; its sentiments are more allied with the sparks in the twilight of Eugene O'Neill rather than intense fires of brotherhood of Clifford Odets; its kinship is with the burdens of the past carved into Lincoln's visage rather than the indefatigable smile of FDR. The United States is a complex and conservative place. As much as I would wish to lighten the load of the American past for those looking to map ways toward a better future, it cannot be easily done. There is no "magic door," leading to a "lost Kingdom of peace" as O'Neill told us. We can

only struggle forth, feeling our way, charting anew, with a clearer map of where we have been.<sup>26</sup>

It is my hope that *The Great Exception* places the reader in a struggle with the American past. It is my desire that this work not be taken as any kind of final word, but a spur to further exploration, deeper thinking, and point of reflection for the future of American politics.