Books

Book Review: "Fear Itself: The New Deal and the Origins of Our Time"

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A man works in a Tennessee Valley Authority chemical plant near Muscle Shoals, Alabama, in a 1942 photograph by Alfred T. Palmer. Photo: Courtesy of the Library of Congress, Farm Security / Office of War Information Color Photographs

It has taken a long time for Americans to calm down about Franklin Delano Roosevelt. Seven decades after his death, histories of the New Deal era still tend to

be partisan. FDR's defenders credit him with having saved capitalism (even if they are seldom fans of capitalism in the first place). FDR's detractors claim that, in an authoritarian age, the New Deal was, unsurprisingly, an authoritarian program. The possibility that both sides might be correct has rarely been considered. In an ambitious history, Ira Katznelson '66CC, the Ruggles Professor of Political Science and History at Columbia, highlights the radical achievement of FDR, but grants that it owed much to "illiberal political orders, both within and outside the United States."

One illiberal order that Katznelson is thinking of in particular is the European systems of charismatic leadership — Nazism, communism, and fascism — which were more sympathetically viewed in the US than we care to remember. Columbia was not immune: Nicholas Murray Butler told students that such regimes were producing "men of far greater intelligence, far stronger character, and far more courage than the system of elections." It was Italian fascism that most influenced the New Deal, Katznelson believes. Roosevelt sent his Committee on Administrative Management to Rome to study Mussolini's government. Roosevelt did not manage to defang the regulatory agencies as Mussolini had done, but only because Congress stood in his way.

Katznelson explicitly rejects the view that the New Deal was itself a dictatorship, but he approvingly notes the remarks of *New York Times* journalist Anne O'Hare McCormick describing Washington's atmosphere in the months after Roosevelt took power as "strangely reminiscent of Rome in the first weeks after the march of the Blackshirts." In discussing the National Recovery Administration (NRA), the New Deal agency that sought to steer much of the country's commerce until the Supreme Court ruled it unconstitutional in 1935, Katznelson notes that FDR "made use of instruments that had largely been invented and sponsored by antidemocratic regimes."

The other illiberal order that most influenced the New Deal was closer to home. It was the Southern system of racial segregation that we know as Jim Crow. The South protected its racial order through a one-party state, and FDR was its national beneficiary. In 1936, he got 97 percent of the vote in Mississippi and 99 percent in South Carolina. Never during his administration did Southerners make up less than 41 percent of the Democrats in either house. Southerners were eager to "harness Yankee finance capital that had helped impoverish their region ever since the Civil War." Early on, they voted almost unanimously for the most progressive parts of the New Deal. And the South was as eager as FDR to regulate business and finance. The

Banking Act of 1933 was sponsored by Virginia senator Carter Glass and Alabama representative Henry Steagall. The New Deal would not have passed without Southern support, and that support came at a price. The Southern states demanded local discretion on any federal welfare, development, and regulatory programs that might disrupt the segregationist racial order. Farm workers and maids, for instance, were excluded from the Fair Labor Standards Act of 1938 because in the South most were black.

The alliance could not last forever. In the course of the 1930s, Northern Democrats began losing patience with the South — either that or they had got what they needed out of it. They voted for anti-lynching legislation that they had previously helped quash. Starting with the Wagner Act of 1935, they pushed to spread trade unions, which Southerners saw as having the potential to integrate labor markets. Southerners began to see that they could not get federal money without federal involvement in their local institutions. That seemed to stop the New Deal in its tracks.

But only seemed to. Katznelson's book alters our view of the relationship between the New Deal and World War II. FDR lovers have always looked at the conduct of the war as the *second* great thing the president did. FDR haters have claimed the New Deal failed and the economy was rescued only by wartime production. Katznelson makes the bold claim that FDR's conduct of the war was an extension of his conduct in the economic emergency. FDR certainly saw it that way, warning in his 1939 State of the Union address, "All about us rage undeclared wars — military and economic."

In Katznelson's view, the war gave the New Deal a new lease on life. It permitted a second "radical moment." The South, the most pro-war part of the country, rejoined the president's coalition for many of the key votes. FDR, not always constitutionally, created whole agencies by executive order, including the Fair Employment Practices Committee, seed of the entire civil-rights enforcement bureaucracy. He froze prices, capped salaries at $25,000, imposed a "victory tax," regulated large corporations in ways the NRA had only aspired to, and so extensively stepped up military production that, by the end of the war, the federal government owned 40 percent of the country's capital assets.

The consolidation of economic activity in World War II appeared to be leading toward a social-democratic "planning" state of the sort Western European countries favored until very recently. That didn't happen, largely because the coalition that passed the

New Deal had booby-trapped it with all sorts of local prerogatives. Parts of the New Deal have endured for three quarters of a century. But much of it has proved possible to undo. That is due in part to the way the New Deal was built. It was, Katznelson shows, a collaboration between a president acting on leadership principles that cannot now be avowed and legislators defending a racial order that cannot now be countenanced.

This book is gripping, anecdotal, erudite, and sophisticated in its deployment of political theory — though *Fear Itself* is a misleading title. Katznelson invokes “the ambit of a permanent fear” a lot, following worries over communist subversion and nuclear weaponry all the way up to the inauguration of Dwight Eisenhower in 1953. But the book is not about fear. It is about the dark side of the New Deal, for which Katznelson believes we pay a price even today.

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