

Political Response to Capitalist Crisis: Neo-Marxist Theories of the State and the Case of the New Deal

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DESPITE all that has been observed since Marx's time, as to the operations of elites, bureaucracies, etc., Marxists generally seek to reduce political phenomena to their "real" class significance, and often fail, in analysis, to allow sufficient distance between the one and the other. But in fact those moments, in which governing institutions appear as the direct, emphatic, and unmediated organs of a "ruling class" are exceedingly rare, as well as transient. More often these institutions operate with a good deal of autonomy, and sometimes with distinct interests of their own, within a general context of class power which prescribes the limits beyond which this autonomy cannot be safely stretched, and which, very generally, discloses the questions which arise for executive decision. Attempts to short-circuit analysis end up by explaining nothing.

E. P. Thompson¹

This essay uses the history of New Deal politics during the Depression of the 1930s in the United States to assess the strengths and limitations of several kinds of neo-Marxist theories of the capitalist state. One purpose of the essay is to compare some alternative neo-Marxist approaches, asking which raises the most fruitful questions and offers the best explanations of New Deal politics. More basically, the essay sketches some of the ways U.S. political institutions shaped

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1. E. P. Thompson, *The Poverty of Theory and Other Essays* (London: Merlin Press, 1978), p. 48.

and limited the accomplishments of the New Deal and argues that neo-Marxists of all varieties have so far given insufficient weight to state and party organizations as independent determinants of political conflicts and outcomes. The formulations here are meant to be suggestive rather than conclusive. Theoretical debates on the state and politics in capitalist societies are still wide open. An exploratory essay that probes the interface between theories and a concrete historical trajectory may help to push discussion away from abstract conceptual disputes toward meeting the challenge of explaining actual historical developments.

EXPLAINING THE NEW DEAL

Recent historiographical disputes have worried about the "conservative" versus "radical" nature of the New Deal, often asking, in effect, whether or not the New Deal was intended to "save capitalism." In truth, U.S. capitalism was not fundamentally challenged—not by the leaders of the New Deal and not by any powerful oppositional political forces. While the question of why there was no such challenge remains an important problem, we need to devote more attention to understanding what actually did change politically and socially during the 1930s and to understanding the limits placed on concretely present tendencies within the New Deal.

The massive Depression of the 1930s not surprisingly stimulated important political transformations in the United States. The Democratic party triumphed electorally and incorporated new popular groups into its coalition. An unprecedented plethora of federal agencies was established to implement new welfare and regulatory policies. Labor militancy spread in the mass production industries. The Congress of Industrial Organizations enrolled millions of workers in industry-wide unions. And the federal government was transformed from a mildly interventionist, business-dominated regime into an active "broker state" that incorporated commercial farmers and organized labor into processes of political bargaining at the national level.

Still, certain changes that were conceivably possible failed to occur in the New Deal. Although urban-liberal elements gained major new ground within the Democratic party, they were not able to implement a truly social-democratic program. And increased state intervention in the economy, however significant as a break with the recent American past, nonetheless failed to achieve its overriding objective of full economic recovery. Not until after the United States had geared up

economically for World War II did extraordinary unemployment disappear and national output fully revive.²

How can we account for New Deal transformations in the American state and politics? And how can we explain why full economic recovery was not induced despite the political changes? The orthodox "pluralist" paradigm in political sociology is not well equipped to handle such questions. Pluralism attempts to explain governmental decisions in terms of the conflicting play of organized group interests in society and as such it offers little that would help to explain major institutional transformations in history. To be sure, some classic pluralist works, such as David Truman's *The Governmental Process*,³ include rich descriptions of U.S. institutional patterns and allude to how they encourage or block governmental access for different kinds of groups and interests. Nevertheless, pluralists fail to offer (or seek) well-developed explanations of how economic and political institutions variously influence group formation and intergroup conflicts. Nor do they feel the need to go beyond vague, evolutionist schemes that posit institutional change in politics as an inevitable progression of ever-increasing democracy, governmental effectiveness, and the specialization of political arrangements, all occurring in smooth, adaptive responses to the "modernization" of the economy and society.⁴ Thus, to explain transformations such as those that occurred in the U.S. during the 1930s, a pluralist would either have to refer to broad, amorphous evolutionary trends at one extreme or to immediate maneuverings of interest groups at the other. Explaining an increase in state intervention, the specific forms this took, and especially the limitations on the effectiveness of such intervention, would not be a congenial undertaking.

More promising than pluralism for explaining the transformations

2. See Lester V. Chandler, *America's Greatest Depression 1929-1941* (New York: Harper and Row, 1970).

3. David B. Truman, *The Governmental Process*, 2nd ed. (New York: Knopf, 1971; originally 1951).

4. Even a very sophisticated developmentalist argument, such as Samuel Huntington, "Political Modernization: America vs. Europe," chap. 2 in *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), still tends to explain macrohistorical change (or its absence) in vague evolutionist terms, referring to the "needs" of society. Thus while Huntington brilliantly describes America's enduringly peculiar "Tudor" polity, his explanation for why America has no strong state is that it hasn't "needed" one, either to maintain national unity or to ensure economic growth. Aside from its crudeness, this explanation leaves one wondering about the Civil War, when unity broke down, and the Depression, when economic growth did. Society's "needs" must not be a sufficient explanation for political structures, their continuities and transformations.

of the New Deal era are neo-Marxist theories of "the capitalist state." They at least raise the right order of issues and establish some of the analytical terms necessary for understanding such periods of institutional change. At the very center of neo-Marxist analysis is the relationship of political processes and state actions to the capitalist economy and to basic class relations in capitalist society. According to neo-Marxists, a period of economic crisis such as the Great Depression is certain to spur socioeconomically rooted political conflicts and to create pressures for unusual degrees and kinds of state action. Moreover, any neo-Marxist explanation of the ensuing political conflicts and state actions would refer (in one way or another) to class actions, class conflicts, class interests, and, above all, in advanced capitalist societies, to the actions, conflicts, and interests of capitalists and the industrial working class.

Beyond such fundamentals, however, there is not much agreement among the various neo-Marxist approaches.⁵ To discuss the usefulness of these theories in any depth it is necessary to identify sub-types and select examples appropriate to the particular purpose at hand. My interest here is in the tools neo-Marxist theories may have to offer for analyzing political conflicts and processes of state intervention within the bounds of advanced ("monopoly") capitalism. For this purpose, I shall explore particular examples of three broad types of neo-Marxist theories: "instrumentalist," "political-functionalist," and "class struggle." For Marxist "instrumentalist" theory, I shall especially emphasize works by U.S. historians of "corporate liberalism."⁶ For Marxist "political functionalism" (my label), I shall use theoretical arguments from the early work of Nicos Poulantzas.⁷ And for one kind of "class struggle" theory, I shall use Fred Block's essay "The Ruling Class Does Not Rule," the arguments of which were developed with reference to twentieth-century U.S.

5. Two good surveys of the literature are David A. Gold, Clarence Y. H. Lo, and Erik Olin Wright, "Recent Developments in Marxist Theories of the Capitalist State," *Monthly Review* 27, no. 5 (October 1975): 29-43, and 27, no. 6 (November 1975): 36-51; and Bob Jessop, "Recent Theories of the Capitalist State," *Cambridge Journal of Economics* 1, no. 4 (December 1977): 353-73.

6. I draw especially upon corporate-liberal arguments about the New Deal by Ronald Radosh, "The Myth of the New Deal," in *A New History of Leviathan: Essays on the Rise of the Corporate State*, ed. Radosh and N. Rothbard (New York: Dutton, 1972), pp. 146-87; and G. William Domhoff, "How the Power Elite Shape Social Legislation," *The Higher Circles: The Governing Class in America* (New York: Vintage Books, Random House, 1971), chap. 6.

7. Nicos Poulantzas, *Political Power and Social Classes*, trans. Timothy O'Hagen (London: New Left Books, 1973); and idem "The Problem of the Capitalist State," *Ideology in Social Science*, ed. Robin Blackburn (New York: Vintage Books, Random House, 1973), pp. 238-53. After these works Poulantzas evolved away from political functionalism toward more of a class-struggle approach. But I am only treating the earlier works here.

history, including the New Deal.⁸ Each of the three theories to be discussed posits a distinctive combination of class and state actions through which a major capitalist economic crisis, such as the Great Depression, should generate political transformations and government interventions sufficient to ensure sociopolitical stability and renewed capital accumulation. For each perspective, my concern will be to see what the theory and the history of the New Deal have to say to one another. Particular emphasis will be placed upon the National Industrial Recovery Act (NIRA) of 1933-35 and the "Wagner National Labor Relations Act, for these acts are especially relevant to any assessment of the interrelations of the capitalist class, the industrial working class, and the national government during the New Deal.

Passed in June 1933 at the end of the first "Hundred Days" of New Deal legislation, the National Industrial Recovery Act was envisaged as a joint business-government effort to promote national economic recovery. To ensure the political support of organized labor, a provision of the NIRA, section 7a, endorsed the right of industrial workers "to organize and bargain collectively through representatives of their own choosing." However, most of the act addressed the declared needs of businessmen. Industries were freed from antitrust restrictions and prompted to draw up "codes of fair competition" to be approved and enforced by a new National Recovery Administration (NRA). The codes regulated hours of work and wage rates for labor, and they raised prices and controlled levels of production in an effort to guarantee profits for capitalists. The idea was to bring about economic recovery by stabilizing levels of production and employment and restoring "business confidence."

The Wagner Act was the most innovative accomplishment of the second, reformist phase of the New Deal. Enacted in July 1935, it reiterated and put teeth into the promises earlier made in section 7a of the NIRA. Industrial workers could join unions and bargain collectively, free from harassment by their employers. A National Labor Relations Board was established with full legal authority to determine collective bargaining units, to hold elections to certify union representatives on a majority basis, and to investigate allegations of unfair labor

8. Fred Block, "The Ruling Class Does Not Rule: Notes on the Marxist Theory of the State," *Socialist Revolution*, no. 33 (May-June 1977), pp. 6-28. Class-struggle versions of neo-Marxism are very diverse, and Block doesn't represent all of them. He just represents an example that I find particularly interesting because the state in Block's theory is not collapsed into class relations, as it appears to be, for example, in the more recent works of Nicos Poulantzas and in some of the German neo-Marxist theories surveyed in John Holloway and Sol Picciotto, eds., *State and Capital: A Marxist Debate* (London: Edward Arnold, (1978).

practices by employers. Through the Wagner Act, in short, the U.S. national government gave legal and administrative support to the widespread establishment of industrial labor unions.

CORPORATE LIBERALISM AND THE NEW DEAL

In any discussion of neo-Marxist theories of the capitalist state, Marxist instrumentalisms are the place to begin, for they have been the take-off point for most recent debates. The somewhat dubious honor of embodying the generic outlines of this much-maligned approach has invariably been accorded to the pioneering book by Ralph Miliband entitled *The State in Capitalist Society*. In truth this book invokes arguments about politics and the state that have since been crystallized into virtually every major neo-Marxist position on these topics. Nevertheless, Miliband's primary purpose in the book is to debunk pluralism by showing that it systematically underestimates the preponderate, self-interested political influence of members of the capitalist class. As Miliband puts it: "What is wrong with pluralist-democratic theory is not its insistence on the fact of competition [that is, open political competition over state policies in capitalist democracies] but its claim (very often its implicit assumption) that the major organized 'interests' in these societies, and notably capital and labour, compete on more or less equal terms, and that none of them is therefore able to achieve a decisive and permanent advantage in the process of competition."⁹ On the contrary, argues Miliband, capitalists, particularly those who control major economic organizations, do enjoy decisive and stable political advantages because of their privileged positions both "inside" and "outside" the state. Inside the state, officials tend either to be from capitalist backgrounds or to enjoy close career or personal ties to capitalists. Such officials, moreover, almost invariably assume the inevitability and the legitimacy of a capitalist economy. Furthermore, says Miliband, "business enjoys a massive superiority *outside* the state system as well, in terms of the immensely stronger pressures which, as compared with labour and any other interest, it is able to exercise in pursuit of its purposes."¹⁰ For capitalists enjoy disproportionate access to organizational resources, and they can credibly clothe their policy demands in "the national interest" and back them up with potent threats of economic or political disruption.

9. Ralph Miliband, *The State in Capitalist Society* (New York: Basic Books, 1969), p. 146.

10. Ibid.

Miliband's purpose is to sketch a broad frame of reference, not to explain any particular kind of political outcome in capitalist societies. However, since the emergence of a New Left historiography in the United States during the 1960s, there has been an especially "strong" variant of instrumentalism specifically designed to explain why and how state intervention has increased during the twentieth century in U.S. capitalism. James Weinstein, William Domhoff, and Ronald Radosh have been among the articulate proponents of this view,¹¹ and James O'Connor relies in significant part upon it in his recent *Fiscal Crisis of the State*.¹² As Fred Block points out, "... the heart of the theory is the idea that enlightened capitalists recognize that crises of capitalism can be resolved through an extension of the state's role."¹³ Corporate liberalism, Block notes,

is a reinterpretation of the meaning of American liberalism. . . . In [the liberal] view, the expansion of the role of the state during the 20th century was a consequence of popular victories that succeeded in making capitalism a more benevolent system. The new theory reversed the old view, arguing that liberalism was the movement of enlightened capitalists to save the corporate order. In this view, the expansion of the role of the state was designed by corporate leaders and their allies to rationalize the economy and society. Rationalization encompasses all measures that stabilize economic and social conditions so that profits can be made on a predictable basis by the major corporations.¹⁴

Corporate liberalism seeks to explain particular episodes of capitalist political intervention, those that occur under crisis conditions and involve the deliberate extension of state action by a class-conscious vanguard. Under normal conditions, capitalists may influence the state in disunified fashion in all of the ways Miliband outlines, often working at cross-purposes through leadership posts in the state, personal ties to particular policy makers, or interest-group pressures from without. But, say the theorists of corporate liberalism, when crises of accumulation occur or political challenges from below threaten, capitalists can be expected to act as a class. As James O'Connor puts it, "by the turn of the century, and especially during the New Deal, it was apparent to vanguard corporate leaders that some form of rationalization of the economy was necessary. And as the twentieth century wore on,

11. James Weinstein, *The Corporate Ideal in the Liberal State: 1900-1918* (Boston: Beacon Press, 1968). For relevant works by Domhoff and Radosh, see note 6. In a private communication, Bill Domhoff has convinced me that his views about the Wagner Act have developed away from a strictly corporate-liberal position in publications subsequent to *The Higher Circles*. Thus my arguments here apply only to the cited parts of that book.

12. James O'Connor, *The Fiscal Crisis of the State* (New York: St. Martin's Press, 1973).

13. Fred Block, "Beyond Corporate Liberalism," *Social Problems* 24 (1976-77): 355.

14. *Ibid.*, p. 352.

the owners of corporate capital generated the financial ability, learned the organizational skills, and developed the ideas necessary for their self-regulation as a class."¹⁵ Enlightened leadership for the capitalist class is likely to come from those holding the most strategic and powerful economic positions. These vanguard leaders will realize the necessity of stepped-up state intervention and will use their great resources and prestige to persuade many capitalists to go along and to pressure politicians to implement the needed programs. If necessary, minor co-optive concessions will be offered to small businessmen and workers. The resulting state intervention will, however, primarily work in the interests of large-scale corporate capital.

For theorists of corporate liberalism, therefore, the New Deal is envisaged as a set of clever capitalist strategies to stabilize and revitalize a U.S. economy dominated by large corporations. "The New Deal reforms," writes Ronald Radosh, "were not mere incremental gestures. They were solidly based, carefully worked out pieces of legislation."¹⁶ Great stress is placed on the ultimate benefits that U.S. corporate capitalism gained not only from government interventions to stabilize particular industries, but also from such widely popular measures as unemployment insurance, social security, and the legalization of unions and collective bargaining. That such measures appeared to be won by democratic pressure only represents an added advantage for capitalists. For in this way, says Radosh, "the reforms were of such a character that they would be able to create a long-lasting mythology about the existence of a pluralistic American democracy. . . ."¹⁷ Business opposition to the New Deal is seen by theorists of corporate liberalism as emanating from "small business types, with their own conservative mentality, [who] responded to the epoch in terms of the consciousness of a previous era."¹⁸ By contrast, far-sighted leaders of big business strongly promoted the necessary reforms. "The moderates in the governing class had to put up a stubborn, prolonged fight until the law would be able to reflect the realities of the new epoch of corporation capitalism."¹⁹

The corporate-liberal explanation of the New Deal is highly misleading. It can only be substantiated through a purely illustrative and selective citing of facts. When the theory is subjected to a rigorous,

15. O'Connor, *Fiscal Crisis*, p. 68.

16. Radosh, "Myth of the New Deal," in *New History of Leviathan*, ed. Radosh and Rothbard, p. 186.

17. *Ibid.*

18. *Ibid.*, p. 187.

19. *Ibid.*

skeptical examination, corporate liberalism fails to explain even those aspects of the New Deal that seem most consonant with it.

There *are* facts that fit the corporate-liberal interpretation of the New Deal; indeed, such facts are repeatedly recounted by proponents of the theory. The self-stated aims of the leaders of the New Deal, including Franklin Roosevelt himself, could easily be described as "corporate-liberal," in the sense that the top New Dealers were all out to sustain American capitalism (and democracy) through reform, not to propel the country toward socialism. More to the point, business leaders and spokesmen were visibly involved in the New Deal. Their presence was all-pervasive with respect to the early, comprehensive measure for economic recovery, the National Industrial Recovery Act of 1933-35,²⁰ and under the National Recovery Administration, businessmen in each industry drafted and enforced the regulatory codes. Later in the New Deal, the Social Security Act was endorsed by a "Business Advisory Council" of prominent bankers and officers of major corporations.²¹ Finally, corporate-liberal theorists correctly point out that throughout the 1930s FDR never ceased wooing business support and that there were always officials with business backgrounds and ties holding high-level positions in the federal administration.

But facts such as these represent only the loosest conceivable evidence for validating the hypothesis that capitalist plans and influence caused the New Deal. (Indeed, by analogous criteria, one could "prove" that Marxist theory was sponsored by capitalists because of Marx's close personal and financial ties to Engels, the son of a capitalist manufacturer!) If we hold corporate liberalism to more rigorous standards of validation, then the key questions become: Was there at work during the 1930s a self-conscious, disciplined capitalist class, or vanguard of major capitalists, that put forward functional strategies for recovery and stabilization and had the political power to implement them successfully? Were most corporate leaders (especially of big, strategic businesses) prepared to make concessions to labor? Did business opposition to the New Deal come primarily from small business? These questions go to the heart of the corporate-liberal claims; if they cannot be answered affirmatively, then the theory does not adequately explain the New Deal.

No part of the New Deal better appears to fit the corporate-liberal

20. See Ellis W. Hawley, *The New Deal and the Problem of Monopoly* (Princeton, N. J.: Princeton University Press, 1966), chaps. 1-3; and Arthur M. Schlesinger, Jr., *The Coming of the New Deal* (Boston: Houghton Mifflin, 1958), chaps. 6-8.

21. Radosh, "Myth of New Deal," in *New History of Leviathan*, ed. Radosh and Rothbard, pp. 157-58.

model than the National Industrial Recovery Act and the National Recovery Administration (NRA) established under it. Capitalists, above all, those who ran the major corporations in each industry, were by all historical accounts able to get exactly what they wanted out of the NRA, that is, fixed prices and stabilized production. Nevertheless, despite the ubiquitous influence of big businessmen in the formulation and implementation of the NIRA, this part of the New Deal does not measure up as a class-conscious strategy for U.S. corporate capitalism. The policies pursued were inadequate to the needs of the economy and to the interests of big business in general. For the most important fact of all about the NIRA, though, curiously, one that is never discussed by corporate-liberal theorists, is that it *failed* to bring economic recovery through business-government cooperation. Yet if we probe a bit into the actual state of consciousness and discipline among U.S. capitalists at the time of the NIRA, this failure becomes more understandable. We can see that, ironically, the failure can be partially attributed to the strong and misdirected political influence of (by corporate-liberal criteria) *insufficiently* class conscious capitalists.

U.S. capitalists were ill prepared to act together as a class in the early 1930s.²² During the height of the Progressive Era (and the heyday of the National Civic Federation), there had been a measure of class unity and discipline, at least among large-scale corporate capitalists. In large part this was because the House of Morgan, autocratically directed by J. P. Morgan himself, enjoyed strong influence on boards of directors of the major corporations in many key industries. By the 1930s, the Morgan hegemony was no longer so absolute. World War I and the patterns of economic growth during the 1920s loosened the dependence of industrial firms upon outside financing. Sheer competitive disunity increased in many industries. Within others there was more unity, as ties among firms were strengthened during the mobilization for World War I and through the trade-association movement sponsored by the Republican administrations during the 1920s. Thus by the end of the decade the highest level of consciousness and discipline that some (by no means all) capitalists enjoyed was focused within single industries, especially those like textiles, where active and reasonably effective trade associations had evolved.²³

22. This paragraph draws especially upon David Vogel, "Why Businessmen Distrust Their State: The Political Consciousness of American Corporate Executives," *British Journal of Political Science* 8, no. 1 (January 1978): 70-72; and Gabriel Kolko, *Main Currents in American History* (New York: Harper and Row, 1976), pp. 100-117.

23. See Louis Galambos, *Competition and Cooperation: The Emergence of a National Trade Association* (Baltimore: Johns Hopkins University Press, 1966); and Robert F. Himmel-

Not surprisingly, therefore, when the Depression struck and business spokesmen began to come forward with plans for government programs to help business, even the most comprehensive visions of "business planning" outlined by Gerard Swope, president of General Electric and Henry Harriman, president of the U.S. Chamber of Commerce, called primarily for coordination within industries.²⁴ The idea was to give government backing to the efforts of trade associations (or other industry-wide bodies) to regulate competition in the interests of all (and especially the more established) businesses. But these plans had very little to say about how problems of interindustry coordination were to be resolved in the interest of the capitalist class, and the accumulation process, as a whole. At most, Swope and Harriman envisaged mutual consultation by representatives chosen from each industry, but they did not say how particular industries (or dominant enterprises within industries) could be persuaded to accept plans not favorable to their short-term interests.

In truth, the supposedly class-conscious capitalists of the early 1930s were mesmerized by false analogies based upon their experience of business-dominated government intervention during World War I.²⁵ The War Industries Board (WIB) of 1918 had been run by businessmen-administrators in the interests of the dominant firms in each industry.²⁶ As William Leuchtenberg puts it, "perhaps the outstanding characteristic of the war [World War I] organization of industry was that it showed how to achieve massive government intervention without making any permanent alteration in the power of corporations."²⁷ U.S. capitalists applauded this experience of "government intervention." Not only was their autonomy respected, but the happy result was economic prosperity and plentiful profits. In the face of another national crisis after 1929, why not revive the methods that had worked so well in World War I? For the capitalists there was the added ad-

berg, *The Origins of the National Recovery Administration* (New York: Fordham University Press, 1976).

24. Gerard Swope, *The Swope Plan* (New York: Business Bourse, 1931); Otis L. Graham, Jr., *Toward a Planned Society* (New York: Oxford University Press, 1976), pp. 24-25; and Kolko, *Main Currents*, pp. 116-20.

25. William E. Leuchtenberg, "The New Deal and the Analogue of War," in *Change and Continuity in Twentieth-Century America*, ed. John Braeman, Robert Bremner, and E. Walters (Columbus: Ohio State University Press, 1964). This article discusses the appeal of "analogies of war" to virtually all of the sets of actors in the early New Deal.

26. Robert D. Cuff, *The War Industries Board: Business-Government Relations during World War I* (Baltimore: Johns Hopkins University Press, 1973).

27. Leuchtenberg, "Analogue of War," in *Change and Continuity*, ed. Braeman, Bremner, and Walters, p. 129.

vantage that appealing to the "analogue of war" could provide an occasion for nationalistic propaganda: it could pull Americans of all classes together "to do battle against the economic crisis," a crisis that otherwise might have been blamed on the capitalists themselves.

Still, there was an enormous difficulty in modeling the NRA on the WIB. Government mobilization of industrial resources for war, which inherently involves increasing production through massive federal spending, is not at all equivalent to using government authority to raise prices and stabilize profits, production levels, wages, and employment. In the WIB, businessmen-administrators were asked to allocate plenty and to control rapid expansion in an orderly way, with government purchases offered as inducements. But in the NRA, the job was to discipline businessmen, and labor, in a situation of scarcity and with few positive sanctions. Such policies were certain to exacerbate and politicize economic conflicts. The WIB was therefore a very poor model for capitalists to draw upon in their plans, and demands, for government intervention in the Depression. Moreover, it was unrealistic to expect that the efforts of individual industries to enhance their own profits by increasing their prices would lead to a rise in total real output and employment. Yet business spokesmen convinced themselves and, initially, many politicians that recovery *would* come in this way. Their "trade association consciousness" and their infatuation with the inappropriate WIB model left U.S. capitalists ill prepared to advocate any other more realistic plan for government intervention in the 1930s. The result was prolonged economic crisis and continuing political uncertainties for capitalists.

If the failure of the NRA raises questions about corporate liberalism by demonstrating the inability of U.S. capitalists to pursue a class-conscious strategy for economic recovery, New Deal labor politics even more directly contradict the corporate-liberal model of political change. The history of these policies shows that major industrial capitalists were not prepared to grant concessions to labor; instead undesired policies were forced upon them through the workings of a national political process that they could not fully control.

Even during the honeymoon between business and government at the start of the New Deal, major capitalists and their spokesmen were very reluctant to make concessions to labor, especially not any that would facilitate independent labor unions. As Arthur Schlesinger points out, in the original passage of the NIRA through Congress, the prolabor section 7a was constantly on the verge of being defined out of existence: "The trade association group, evidently feeling that organization was a privilege to be accorded only to employers, accepted

the idea of 7a with reluctance; even the more liberal among them, like Harriman and Swope, had made no provision for organized labor in their own plans. . . . Only the vigilance of Jerome Frank, Leon Keyserling and Senator Wagner and the fear [in Congress] of provoking labor opposition kept it in."²⁸

Such good friends as labor had in the early New Deal were not from the ranks of major capitalists, but from within the government.²⁹ Labor Secretary Frances Perkins was a rallying point for politicians and professionals who wanted to promote welfare measures and national regulation of working conditions, wages, and hours. And Senator Robert F. Wagner of New York spearheaded efforts to guarantee labor's right to collective bargaining with employers through independent union organizations. Wagner was certainly not anticapitalist, but his ideas about reform, recovery, and the rights of labor went well beyond the notions of even the most far-sighted U.S. capitalists. In August 1933, Roosevelt made Wagner the chairman of a National Labor Board (NLB) that was supposed to promote labor's rights under section 7a. The board tried to persuade employers to bargain with unions that were to be certified, after board-supervised elections, as representing a majority of workers. But major employers adamantly refused, and the NLB could not persuade either Roosevelt or the NRA to enforce its decisions. As Senator Wagner saw that friendly persuasion would not work, he and his staff began planning and lobbying within Congress and the Roosevelt administration for strong legislation to enforce union recognition. These efforts eventually culminated in the (Wagner) National Labor Relations Act of July 1935.

By the second half of 1934, business opposition to the New Deal was spreading and becoming more vocal and organized.³⁰ To be sure, smaller businessmen were among the earliest opponents, as they reacted against the competitive advantages secured for large corporations under the NRA.³¹ But businessmen across the board were souring

28. Schlesinger, *Coming of New Deal*, p. 99.

29. Good background on the labor policies of the New Deal is especially to be found in Irving Bernstein, *The New Deal Collective Bargaining Policy* (Berkeley and Los Angeles: University of California Press, 1950); and Murray Edelman, "New Deal Sensitivity to Labor Interests," in *Labor and the New Deal*, ed. Milton Derber and Edwin Young (New York: DaCapo Press, 1972), pp. 157-92.

30. Ellis Hawley, "The New Deal and Business," in *The New Deal*, ed. Braeman, Bremner, and Brody, vol. 1, *The National Level*, pp. 64-66; and Schlesinger, *Coming of New Deal*, chap. 30; William H. Wilson, "How the Chamber of Commerce Viewed the NRA: A Reexamination," *Mid-America* 44 (1962): 95-108; and Kim McQuaid, "The Frustration of Corporate Revival in the Early New Deal," *The Historian* 41 (August 1979): 682-704.

31. Small business opposition, pressed especially through Congress, is a major theme in Hawley, *New Deal and Problem of Monopoly*, chap. 4.

on "bureaucracy" and were growing increasingly apprehensive about government regulation as political demands were voiced on behalf of farmers, consumers, and industrial labor. While a few major capitalists continued to speak out for the Roosevelt administration as individuals and through the Business Advisory Council, a much larger number of major capitalists were becoming increasingly hysterical in their opposition to the New Deal. The American Liberty League, launched in 1934, drew its most important support from major financial and industrial interests clustered around DuPont Chemical and General Motors—hardly "small business!"³² What is more, the National Association of Manufacturers (NAM), which prior to the 1930s was predominately a spokesman for small and medium businesses, was transformed during the early 1930s into an anti-New Deal vehicle dominated by big businesses.³³ This is important to note because supporters of corporate liberalism repeatedly dismiss NAM opposition to New Deal policies as representing only the stubbornness of small businessmen.

Many U.S. businessmen ended up opposing the Social Security Act, and virtually all large-scale industrial employers unequivocally opposed the Wagner Act.³⁴ To say this is not to deny that, eventually, these measures were accepted by most corporate capitalists in the U.S. Nor is it to deny that these measures ended up, *after* the 1930s, creating conditions favorable to smoother capitalist economic growth and more stable industrial labor relations. But U.S. capitalists did not plan or promote these measures: they could not foresee their ultimately favorable effects, and, in the depressed economic situation and uncertain political climate of the mid-1930s, they feared the immediate ill effects of increased government power within the economy. In the area of labor relations, in particular, U.S. capitalists were comfortably accustomed to running their corporations with a free hand; independ-

32. George Wolfskill, *The Revolt of the Conservatives: A History of the American Liberty League* (Boston: Houghton Mifflin, 1962); and Frederick Rudolph, "The American Liberty League, 1934-1940," *American Historical Review* 56, no. 1 (October 1950): 19-33. Rudolph writes (p. 22): "The membership of its national advisory council was drawn largely from the successful business interests of the industrial states of the North and East. . ."

33. Philip H. Burch, Jr., "The NAM as an Interest Group," *Politics and Society* 4, no. 1 (Fall 1973): 100-105.

34. On social security see Edwin E. Witte, *The Development of the Social Security Act* (Madison: University of Wisconsin press, 1962), pp. 88-90; and Schlesinger, *Coming of New Deal*, p. 311. On the Wagner Act see Bernstein, *New Deal Collective Bargaining Policy*, passim. The resistance of industrial employers is documented in Daniel A. Swanson, "Flexible Individualism: The American Big Business Response to Labor, 1935-1945," (Undergraduate thesis, Harvard College, Social Studies, 1974). See also Vogel, "Why Businessmen Distrust Their State," pp. 63-65.

ent labor unions, they correctly understood, would only circumscribe one of the areas of managerial autonomy that they had enjoyed in the past. That the labor unions would be established through increased federal regulatory powers only made the prospect worse.

To be sure, U.S. capitalists enjoyed great political influence during the 1930s, as they did in previous decades, and have ever since. But corporate liberalism greatly overestimates what U.S. capitalists were able and willing to do during the 1930s to engineer effective, congenial political responses to a capitalist economic crisis. As Ellis Hawley writes:

Since they [capitalists] seemed to have benefited most from the innovations of the period, the temptation was strong to conclude that they must have planned it that way and used the New Dealers either as their tools or as camouflage for their operations. In reality, so the evidence at hand indicates, they had neither the power, the unity, nor the vision to do this. They could, to be sure, push an initial program upon the new administration, limit the efforts at structural reform, and secure desired stabilization measures for certain types of industries. But they could not make the initial program work or retain the initiative; and instead of seeing that their long-range interests lay with the pattern taking shape after 1934 and moving quickly to adopt it, most of them spent the next six years fighting a bitter and expensive delaying action.³⁵

Major New Deal measures were passed and implemented over the opposition of capitalists. Not only did capitalists fail to control the political process during the mid-1930s, they even lost their ability to veto major legislative enactments that touched directly upon their accustomed prerogatives. Corporate-liberal theory cannot explain why or how this could happen, just as it cannot account for the failures of the business-sponsored NIRA.

Quite evidently, U.S. politics in the 1930s was more complex than the corporate-liberal perspective maintains. Let us therefore proceed to the "political functionalism" of Nicos Poulantzas.

POLITICAL FUNCTIONALISM AND THE NEW DEAL

Nicos Poulantzas is well known for some basic disagreements with instrumentalist approaches. For Poulantzas, "the direct participation of members of the capitalist class in the State apparatus and in the government, even where it exists, is not the important side of the matter. The relation between the bourgeois class and the State is an *objective relation*. This means that if the *function* of the State in a

35. Hawley, "New Deal and Business," in *The New Deal*, ed. Braeman, Bremner, and Brody, vol. 1, *The National Level*, pp. 75-76.

determinate social formation [that is, in a given society] and the *interests* of the dominant class in this formation *coincide*, it is by reason of the system itself. . . ."³⁶ In Poulantzas's view capitalists do not need to staff the state apparatus directly; nor must they put deliberate political pressure on government officials. Even without such active interventions, capitalists will still benefit from the state's activities. For the state, by definition, is "the factor of cohesion of a social formation and the factor of reproduction of the conditions of production of a system."³⁷ State interventions will, in other words, necessarily function to preserve order in capitalist society and to sustain and enhance the conditions for capitalist economic activity.

According to Poulantzas, the state and politics work in opposite ways for the dominant capitalist class and for the working class (and other noncapitalist classes).³⁸ Because working-class unity is a threat to capitalism, Poulantzas posits that the state functions most fundamentally to "disunite" the workers. It does this, in part, by transforming them into privatized individual citizens, competitive in their economic relations and members of a classless "nation" in political terms. At the same time, the political system (in a democratic capitalist state) allows workers to vote and form interest groups and political parties through which they may be able to achieve limited concessions through nonrevolutionary political struggles. Thus the capitalist state controls workers (indeed all nondominant classes) by promoting their "individualization" and by making necessary co-optive concessions in ways that tend to divide noncapitalists into competing sub-groups.

Poulantzas' state functions the opposite way for the capitalist class. In sharp contrast to Miliband's instrumentalism and to corporate liberalism, Poulantzas holds that neither the political interventions of self-interested capitalists nor the policies formulated by an enlightened corporate vanguard will ensure that the political system functions in the interests of capitalists. Instead this happens only because of the interventions of a "relatively autonomous" state not directly controlled by capitalists. This state organizes the unity of the capitalist class itself, because it is "capable of transcending the parochial, individualized interests of specific capitalists and capitalist class frac-

36. Nicos Poulantzas, "The Problem of the Capitalist State," in *Ideology in Social Science*, ed. Robin Blackburn (New York: Vintage Books, Random House, 1973), p. 245.

37. *Ibid.*, p. 246.

38. Nicos Poulantzas, *Political Power and Social Classes*, trans. Timothy O'Hagen (London: New Left Books, 1973). See also Simon Clarke, "Marxism, Sociology and Poulantzas's Theory of the State," *Capital and Class*, no. 2 (Summer 1977), pp. 1-31.

tions."³⁹ Simultaneously, the relatively autonomous state also enforces whatever concessions the current state of the political class struggle makes necessary if the dominated classes are to be kept in line.

Poulantzas is not greatly interested in explaining exactly how the capitalist state goes about performing its inherent functions. Historical contingencies such as divisions within the capitalist class and the vagaries of the political class struggle apparently determine, in Poulantzas's view, specifically how the state is structured and how it functions. But, short of revolution, functional outcomes are certain to occur: the bottom line for Poulantzas always seems to be the stability of the capitalist system, the reproduction of capitalist production relations, and the continuation of capitalist class domination. Poulantzas's capitalist state is basically a vehicle of system maintenance.

Corporate-liberal instrumentalists, as we have seen, attempt to explain New Deal measures as the strategies of class-conscious capitalists. More appropriately, Poulantzian theory would stress the political provenance of policies, even of a measure such as the NIRA, which closely conformed to the declared preferences of capitalists. From a Poulantzian vantage point, New Deal economic policies were not simply a response to the demands of capitalists; rather they addressed the interests of competing groups both within the ranks of the capitalist class and between capitalists and noncapitalists. This process of placating competing interests through active state intervention was mediated by the Democratic party after its massive electoral victories in 1932. If business strategies and political influence had been all that was necessary to produce an NIRA-type program, then it should have been enacted by the Republicans in late 1931 or during 1932, when Swope and Harriman were first urging their plans. Instead, the NIRA came only after the Democrats and Roosevelt came to power, and even then, the NIRA was not formulated until the end of the "Hundred Days" of early New Deal legislation. The NIRA itself was presented as a consensual, national effort to help businessmen, workers, and consumers, all together. And it represented the culmination of a sweeping legislative program in which the needs of farmers, bankers, home owners, the unemployed, and local governments had been addressed.⁴⁰

39. Gold, Lo, and Wright, "Recent Developments," p. 38.

40. Actually, those whose needs were addressed earliest and most thoroughly in the New Deal were commercial farmers. This was not incidental in political terms, for Roosevelt had gained the presidential nomination in 1932 only through support from the South and West. Also, given the disproportionate weight of rural areas in the U.S. national political system of the 1930s, Roosevelt was bound to be especially desirous of attracting voters and placating Congressmen from these areas. It is noteworthy that neo-Marxist theories of politics in ad-

Just as Poulantzas's theory would suggest, this over-all process of interest aggregation and consensus building, all within the bounds of a taken-for-granted effort to save the existing capitalist economy, no doubt could be undertaken only by the Democratic party led by Franklin Roosevelt. Compared to the Republicans led by Herbert Hoover, the FDR-led Democrats in 1933 were more popularly rooted and sufficiently "relatively autonomous" from pure business domination to enable them to take strong state initiatives in the economic crisis. These initiatives, in turn, promised benefits for practically everyone and rebuilt national morale.

Within the political context thus created, it was possible to formulate and enact the NIRA. In the drafting process, various proposals for the government action to promote recovery were melded together:⁴¹ business schemes for government-backed industrial cartels were the primary basis for Title I of the act, yet there was also a Title II establishing the Public Works Administration, which incorporated plans calling for major government spending to stimulate industry. Moreover, section 7a of Title I made promises to labor, and there were also rhetorical concessions to consumers and small businessmen.

The origins, the political context, and the legislative content of the NIRA thus fit Poulantzian political functionalism very well: the state undertook to organize business to promote recovery, and it did so with all of the symbolic trappings and concessions to popular groups that were necessary to present the entire effort as a unified, national battle against the Depression. Indeed, if the early New Deal and the NIRA had only quickly achieved their declared purposes of socio-political stability and full economic recovery, then Poulantzian theory would appear to offer a perfect explanation for the New Deal. But in actuality, the NIRA blatantly failed to bring economic recovery, and it deepened conflicts within the capitalist class, between capitalists and the state, and between capitalists and labor. Poulantzian theory predicts functional outcomes of state policies and interventions. It offers little direct theoretical guidance for explaining why and how failures of state policies could occur, especially not failures threatening to capitalists. It offers little guidance for dissecting the concrete course

vanced capitalism tend to ignore farmers, concentrating instead only on industrial workers and industrial and financial capitalists. But a complete analysis of class and politics in the New Deal would definitely have to look at the relationships of farmers and agricultural laborers to industrial capitalists and workers.

41. The best discussion is Hawley, *New Deal and Problem of Monopoly*, chaps. 1-2. See also Schlesinger, *Coming of New Deal*, chap. 6.

of political and social struggles over time, especially not struggles that lead toward deepening political contradictions as opposed to functional resolutions of crises through stabilizing political actions.⁴²

In the context of his polemic against instrumentalism, Nicos Poulantzas has insisted that it does not matter whether capitalists staff or pressure the state. Thus Poulantzas declared in a critique of Ralph Miliband, "If Miliband had first established that the State is precisely, *the factor of cohesion of a social formation and the factor of reproduction of the conditions of production of a system that itself determines the domination of one class over the others*, he would have seen clearly that the participation, whether direct or indirect, of this class in government *in no way changes things*."⁴³ Obviously, this is an extreme formulation. Poulantzas is saying that, no matter what, the state functions automatically to stabilize and reproduce the capitalist system. Yet Poulantzas has also made statements about relations between capitalists and the state apparatus that, if posed as hypotheses about conditions that could vary historically and cross-nationally, would help us explain the failures of the NIRA. The "capitalist State," Poulantzas has suggested, "best serves the interests of the capitalist class only when the members of this class do not participate directly in the State apparatus, that is to say when the *ruling class* is not the *politically governing class*."⁴⁴

We have already seen that the NIRA as a piece of legislation was drafted and enacted in a way that conforms to the Poulantzian notion of a "relatively autonomous" political process producing state policies that both support capitalism and are democratically legitimate. This was possible in 1933 because the electoral system, the Democratic party, the Roosevelt administration, and the Congress operated to produce the "Hundred Days" and the NIRA legislation. But, interestingly enough, the "relative autonomy" of politics was much less evident in the implementation of the NIRA than it was in its enactment. A silent assumption of Poulantzas's functionalist theory is that there will always be a centralized, bureaucratic administrative apparatus to manage economic interventions on behalf of the capitalist class as a whole.⁴⁵ But for understandable historical reasons, the U.S. federal

42. Analogous criticisms (focused on Poulantzas's own concrete analyses of fascism) are offered by a historian in Jane Caplan, "Theories of Fascism: Nicos Poulantzas as Historian," *History Workshop* 3 (Spring 1977): 83-100. As Caplan says (p. 98), "we must . . . not turn history into a prolonged tautology." Poulantzas's functionalism constantly tends to do this.

43. Poulantzas, "Problem of Capitalist State," in *Ideology*, ed. Blackburn, p. 246.

44. *Ibid.*, p. 246.

45. This is obviously a very "French" assumption!

government in the early 1930s lacked any such administrative capacity. The failures of the NIRA to promote economic recovery and to stabilize relationships among businessmen can be attributed in significant part to the absence of effective capacities for autonomous economic intervention on the part of the U.S. federal administration.

The national government with which the U.S. entered the Great Depression was basically formed during the Progressive Era partly in reaction against, and partly upon the foundations of, the uniquely "stateless" governmental system that had held sway in America during the nineteenth century.⁴⁶ This nineteenth-century system has aptly been called a "state of courts and parties," because its basic governmental functions were divided between, on one hand, a potent judiciary branch and, on the other, a network of government offices staffed by locally rooted political parties according to their electoral fortunes and patronage requirements. In the expanding, decentralized capitalist economy of nineteenth-century America, this governmental system functioned remarkably well. The courts regulated and defended property rights, and the party-dominated electoral-administrative system freely handed out economic benefits and loosely knit together a diverse society. With the advent of corporate concentration and the emergence of a truly national economy and society, the government of courts and parties began to face national-administrative and policy-making tasks for which it was poorly suited. But the old system managed to remain intact, and block governmental "modernization," as long as its mass-mobilizing political parties were relatively balanced in their political competition (at the national level and in many states outside the South). Only after the massive electoral realignment of 1896 decreased party competition in many formerly competitive states and created a national imbalance strongly in the Republicans's favor, was the way opened for the building of new national administrative systems.

Such administrative expansion came slowly and in fragmented ways during the Progressive Era. Unlike Continental European nations with bureaucratic states inherited from preindustrial, monarchical times, the U.S. national government, starting late in the game and from a low level, developed autonomous administrative capacities only imperfectly and under central executive coordination and control. Presidents (along with groups of professionals) took the lead in promoting federal admin-

46. This and the following two paragraphs build on Stephen Lee Skowronek's excellent "Building a New American State: The Expansion of National Administrative Capacities, 1877-1920" (Ph.D. diss., Department of Political Science, Cornell University, January 1979), to be published soon by Cambridge University Press.

istrative expansion and bureaucratizing reforms. But Congress resisted efforts at administrative expansion and, at each step, contested the executive branch for control of newly created federal agencies. For, by the early twentieth century, the U.S. had, if anything, even more of a "Tudor polity"⁴⁷—a polity of divided sovereignty among the legislative, executive, and judicial branches and among federal, state, and local governments—than it had during the nineteenth century. In the earlier government of courts and parties, political party discipline had provided a kind of coordination in government. But once parties were weakened and once administrative realms began to be set up beyond the direct patronage controls of the parties, institutional struggles between the president and Congress were unleashed, above all, over how much administrative expansion should occur and under whose control.

In this context, no centrally coordinated, executive-dominated national bureaucratic state could emerge, not even during World War I. Administrative expansion during that crisis was ad hoc and staffed by officials predominately recruited from business.⁴⁸ Moreover, it was rolled back by Congress right after the end of the war. What remained were a few (increasingly uncontrollable) independent regulatory agencies and some restricted realms of federal administration with overlapping, cross-cutting lines of control and access to the executive and to Congress. During the 1920s, the Republicans governed within this system, making minimal efforts at institutional innovation and undertaking few federal interventions in the affairs of states, localities, or the private economy. When the Depression hit, therefore, the U.S. had (for a major industrial nation) a bureaucratically weak national government, and one in which existing administrative capacities were poorly coordinated.

This historical background on the U.S. state can help us understand what happened in the implementation of the NIRA during 1933-35 in two main ways. First, it becomes easy to see why the National Recovery Administration, set up under Title I of the NIRA to regulate the industrial economy, had to be created from scratch and through the emergency recruitment of administrators from business backgrounds. There was no pre-existing federal bureaucracy with the manpower and expertise needed to supervise a sudden, massive effort to draw up hundreds of codes to regulate wages, working hours, prices,

47. This phrase comes from Huntington, "Political Modernization: America vs. Europe," in *Political Order in Changing Societies*, chap. 2.

48. Cuff, *War Industries Board*.

and production practices in every U.S. industry from steel and automobiles to textiles and consumer services.

The head of the NRA appointed by Roosevelt was General Hugh Johnson, a man with business experience and connections, who had served in the WIB during World War I. Johnson moved quickly to set in motion the process of approving and enforcing codes of fair competition for the various industries. Not taking time to define regulatory standards, Johnson appointed many "deputy administrators." He followed the WIB precedent of recruiting officials from business, very often drawing his deputies from the same industries with which they were then supposed to negotiate over the codes. Moreover, once the codes were approved by the NRA, their enforcement was typically delegated to code authorities dominated by representatives selected by trade associations or other major interests within each industry.⁴⁹

Hastily assembled in these ways from extragovernmental sources of manpower, expertise, and organization, the NRA ended by being, as a contemporary observer noted, little more than "a bargain between business leaders on the one hand and businessmen in the guise of government officials on the other."⁵⁰ Obviously there was no "autonomy of the state" in relation to capitalists within the Recovery Administration. In consequence, economically powerful corporations and established trade associations were able briefly to gain legal backing for their own short-term interests, disregarding the legislated provisions for labor to have its own union organizations and representatives on code authorities and overriding the interests of smaller businesses or beleaguered competitors.⁵¹ Yet these short-term advantages came at a price. Government regulation without state autonomy soon left businessmen quarreling among themselves, with the winners unable to enforce their will except through cumbersome legal procedures, and with the losers able to bring counterleverage on the NRA through Congress and courts. (Indeed, the NIRA was eventually declared unconstitutional in response to a suit brought by a small poultry-processing company!) And the NRA codes, once captured by big business, simply functioned to freeze production, guarantee monopoly prices to dominant firms, and undermine general economic expansion. Arguably, a more auto-

49. Good accounts of NRA administration include Hawley, *New Deal and Problem of Monopoly*, chap. 3; Schlesinger, *Coming of New Deal*, chap. 7; and Leverett S. Lyon et al., *The National Recovery Administration: An Analysis and Appraisal*, 2 vols. (Washington D.C.: The Brookings Institution, 1935), chap. 4-9.

50. Quoted in Hawley, *New Deal and Problem of Monopoly*, pp 56-57.

51. On the economic and political consequences of the NRA, see *ibid.*, pp. 66-71 and chaps. 4-6; Chandler, *America's Greatest Depression*, pp. 229-39; and Schlesinger, *Coming of New Deal*, chaps. 8-10.

nomous form of state regulation could have kept prices down and facilitated expanded production. In any event, when businessmen themselves became the state, government intervention could do little more than reinforce and freeze the economic status quo, while simultaneously politicizing conflicts among businessmen.

The limited capacities of the U.S. federal government can be used to explain the failure of the NIRA in a second way. Title II of the act called for massive federal expenditures on public-works projects, something that supporters felt would provide employment and help stimulate industry through construction contracts and purchases of materials. General Hugh Johnson fondly hoped to head both the NRA and the Public Works Administration (PWA), and he envisaged quickly spending the \$3.3 billion PWA appropriation to help expand the economy even as the industrial regulatory codes were put into effect. Historians often imply that Roosevelt made a mistake in putting the gung-ho General Johnson in charge of the NRA, while handing the PWA to "Honest Harold" Ickes, who proceeded to spend his agency's appropriation very slowly and only on projects of unquestionable soundness.⁵² Apparently, historians dream (a bit anachronistically) of a quick, Keynesian fix to the Depression—if only the PWA had had the right man as director. But this fails to take sufficient account of the given administrative and political realities of the time. The administrative means to implement a huge, speedy public-works program were simply not available, as Herbert Stein points out in his remarks on the proposals for \$1 billion- to \$8.5 billion-dollar programs that were offered from 1929 on:

As proposals of amounts of money to be spent for federal construction in a short period, perhaps a year or two, these suggestions could not be taken seriously. The federal government could simply not raise its construction expenditures quickly by one or two billion dollars a year, for instance, and have any structures to show for it. Federal construction expenditures were only \$210 million in 1930—a small base on which to erect a program of several billion dollars. The larger proposals were intended to finance expansion of state and local public works expenditures, in addition to federal. . . . But even combined federal, state, and local construction expenditures in 1930 were less than \$3 billion.⁵³

Arguably, the Roosevelt administration should have thrown administrative regularity to the winds and, in the interests of promoting economic recovery, simply handed public-works funds to businesses or

52. Schlesinger, *Coming of New Deal*, pp. 103-9, is the *locus classicus* of the Johnson-versus-Ickes comparison.

53. Herbert Stein, *The Fiscal Revolution in America* (Chicago: University of Chicago Press, 1969), pp. 23-24.

to local governments. This might or might not have rapidly expanded productive economic investments. But politically it would have been disastrous. Virtually everyone inside and outside government at the time believed in "balanced budgets," and especially in a time of national economic crisis, federal expenditures were subject to close critical scrutiny for signs of waste or corruption. In choosing the cautious Harold Ickes to head the PWA, Roosevelt acted in the knowledge that conspicuously wasteful or foolhardy public works expenditures could put the entire program in danger in Congress and perhaps raise doubts about other New Deal legislation as well, including relief expenditures.

The NIRA, in short, failed to regularize relationships among businessmen and failed to promote the economic expansion needed by the capitalist class as a whole in significant part because there was little autonomous administrative capacity in the U.S. national government of the early 1930s. Insofar as Poulantzian theory tends to assume that all capitalist states will automatically have this capacity, or will rapidly generate it if it is needed, the theory becomes misleading. Governmental capacities vary with the political histories of various countries; in turn, these governmental capacities affect what can be done for capitalist economies and for capitalists both in "normal" times and in crisis situations. Functional, adaptive state interventions do not always occur, and a large part of the explanation for whether they do or not, and for the exact forms of state interventions, lies in the prior histories of the state structures themselves.

If Poulantzas's functionalist theory overestimates the automatic ability of capitalist states to unify, organize, and serve the class interests of capitalists, it also underestimates the extent to which political struggles and state actions in capitalist democracies can actually stimulate or accelerate challenges to capitalist prerogatives from below, rather than merely averting challenges from below through minimal, non-threatening concessions. For labor policies under the NIRA ended up promoting the emergence, through bitter conflicts, of independent industrial labor unions. These unions not only encroached upon the formerly near-absolute control of capitalist managers over the workplace, they also organizationally unified industrial workers to a greater degree than ever before in U.S. history.

Of course, the NIRA as originally passed in 1933 was intended to pacify labor, not to encourage industrial conflicts. But the actual effect of the act was to intensify conflicts over its labor provisions among workers, businessmen, and politicians.⁵⁴ In part, the declared

54. See Chandler, *America's Greatest Depression*, pp. 231-32; and, in general, the references cited in note 49.

goals of the NIRA were simply not implemented in the business-dominated NRA. Labor representatives appeared on less than 10 percent of the industrial code authorities, and the probusiness NRA administrators refused to disallow the company unions that managers organized to circumvent section 7a's declaration of labor's right to organize. In many industries, workers went on strike in efforts to secure their rights under the NIRA. Indeed, the impact of the NIRA upon labor was not simply the denial of promises in the actual administrative practices of the NRA. The mere passage of the act raised hopes among labor-union organizers and industrial workers, who redoubled their efforts in the field. Given employer resistance, the predictable result was an accelerating strike wave. Thus the NIRA and the NRA, by their mere existence, tended to encourage and politicize industrial labor disputes—hardly a “functional” outcome for capitalists.

Finally, and perhaps most important of all, the NIRA set in motion an effort to put the full legal backing of the state behind independent labor unions. During the life of the NRA Senator Wagner failed to get cooperation from businessmen, or backing from Hugh Johnson, for his plan to have the National Labor Board supervise elections and certify labor unions on a majority basis as representatives for workers in negotiations with employers. But Wagner's failure simply spurred him to redouble his efforts to legislate this solution over business opposition. And given the independent political leverage available to members of the Congress, Wagner was able to pursue a policy-making strategy at odds with the official attitude of the Roosevelt administration.

For the sake of organized labor, it was a good thing that Wagner was able to push ahead of official New Deal policies. If Roosevelt as president or as head of the Democratic party had been able to control all policy initiatives, the stance of the U.S. state toward labor in the New Deal might have better conformed to Poulantzas's theoretical expectations. For FDR and his labor secretary, Frances Perkins, favored only “paternalistic” concessions to labor, such as legislative measures to regulate wages, hours, and working conditions. They were not particularly friendly to organized labor; nor would they sponsor government measures to increase its power.⁵⁵ Roosevelt invariably wanted to “balance” existing pressures from capital and labor, even though capital's economic and organizational power was vastly preponderant. During 1934, Roosevelt intervened in the NRA's consideration of

55. Edelman, “Sensitivity to Labor Interests,” in *Labor and the New Deal*, ed. Derber and Young, pp. 161-64, 178-82.

disputes in the auto industry, essentially backing up management's position in favor of "proportional representation" for company versus independent unions, rather than supporting the policy of Wagner's National Labor Board in favor of unified representation through majority election.⁵⁶ Not until Wagner had carried his proposals to the verge of sure Congressional victory did FDR endorse strong pro-labor measures.

Robert Wagner was a politician bred in the New York Tammany Machine during a period when the machine had begun to sponsor some measure of social reform.⁵⁷ During his political career, Wagner developed ties to the American Federation of Labor and to liberal policy associations. And as a senator during the 1920s, he was one of the first congressmen to build an independent staff and to employ and consult professional experts in drafting legislation. Wagner established himself even before the Depression as a major formulator of national economic policies, and he was unusually effective in piloting bills through the Senate.

Thus Wagner had the policy-formulating capacity, the political connections, and the legislative skills to promote what eventually became the Wagner National Labor Relations Act. His frustrations with the NRA sharpened Wagner's perception of the need for strong, one-sided legislation in favor of unions. And the looseness of presidential control over Congress and of discipline on policy matters within the Democratic party allowed him the political space to move aggressively ahead of Roosevelt. From a capitalist point of view, this meant that the U.S. political system not only inadvertently stimulated industrial conflict, as an unintended effect of the NIRA, but also generated an autonomous political effort, spearheaded by Wagner, to array state power against capitalist prerogatives and preferences. This kind of development does not seem to be envisaged by Poulantzas's theory, which predicts that the capitalist state will invariably act to make the working classes less, not more, threatening to capitalists. Poulantzas's perspective probably underestimates the potential democratic responsiveness of elected politicians in all capitalist democracies. It certainly underestimates for the U.S. political system of the 1930s both the responsiveness of liberals such as Wagner and the autonomous room for maneuvering that members of Congress could enjoy within the U.S.

56. Bernstein, *Turbulent Years*, pp. 172-85.

57. This paragraph (and other discussion of Wagner) draws on J. Joseph Huthmacher, *Senator Robert F. Wagner and the Rise of Urban Liberalism* (New York: Atheneum, 1971); and Leon H. Keyserling, "The Wagner Act: Its Origin and Current Significance," *The George Washington Law Review* 29, no. 2 (December 1960): 199-233.

"Tudor polity." In effect, "the state" did not act in a unified way toward labor, and some elements within it were prepared to promote an entirely new system of industrial labor relations for the USA.

This system would ultimately—a decade later—prove acceptable to U.S. capitalists. But in the meantime, as the accompanying figure suggests, New Deal labor legislation (especially section 7a and the Wagner Act) tended to stimulate rather than dampen labor disputes. From 1934 through 1939 labor disputes were primarily about union recognition. Leftist scholars sometimes interpret union recognition as a conservative goal, because they treat struggles for socialism or total workers' control of industry as implicit alternatives, or because they anticipate the stabilizing functions that unions eventually came to play in the U.S. political economy. But in the context of the U.S. in the 1930s, the growth of (noncompany) unions threatened capitalist prerogatives in the workplace, and the disproportionate expansion of industrial as opposed to craft unions united broader sectors of industrial labor than at any previous period in U.S. history. Capitalists (with very few exceptions) regarded all of this as threatening and believed that the federal government was encouraging labor offensives whose results were not fully predictable or necessarily controllable. For the decade of the Depression, the capitalists were correct in their analysis: "functional" outcomes were by no means certain.

How shall we draw the balance on Poulantzas's political functionalism as an approach to explaining the New Deal? A very welcome aspect of this variant of neo-Marxism is its stress upon what politics and the state do "relatively autonomously" for the economy, for the capitalist class, and for (or to!) the noncapitalists, especially workers. But, unfortunately, what the theory offers with one hand it immediately takes back with the other, for it wants us to believe that the state and politics always do just what needs to be done to stabilize capitalist society and keep the economy going. If this were really true, then state structures, state interventions, and political conflicts would not really be worth studying in any detail, and politics as such would have no explanatory importance. All that we would need to know about the New Deal, or about the NIRA, would be that these were part of a flow of history that eventually worked out splendidly for U.S. capitalists. But, of course, this is not all we need to know, or all we need to explain. To penetrate more thoroughly into the political dynamics of the 1930s, we need a perspective that pays more attention to class and political conflict and assigns greater importance to the autonomous initiatives of politicians. Fred Block's "The Ruling Class Does Not Rule" meets these criteria, and we turn now to an exploration of the strengths and limitations of this third neo-Marxist approach.

CLASS STRUGGLE, STATE MANAGERS, AND THE NEW DEAL

Like Poulantzas, Block launches his attempt to build a theory of the capitalist state with a critique of instrumentalism. Block accepts the reality of capitalist influence in the political process but argues that Marxists must "reject the idea of a class-conscious ruling class" and posit instead "a division of labor between those who accumulate capital and those who manage the state apparatus."⁵⁸ Within this division of labor, capitalists are conscious of the specific, short-term economic interests of their firms or sectors, but "in general, they are not conscious of what is necessary to reproduce the social order in changing circumstances."⁵⁹ Capitalists do not directly control the state, however, for the state is under the direction of the "state managers," defined as "the leading figures of both the legislative and executive branches—[including] the highest-ranking civil servants, as well as appointed and elected politicians."⁶⁰ Once we accept the idea of a real division of control between the economy and the state, Block asserts, "the central theoretical task is to explain how it is that despite this division of labor, the state tends to serve the interests of the capitalist class."⁶¹ It is not sufficient simply to posit the "relative autonomy of the state." Instead, an adequate structural theory must spell out causal mechanisms in two distinct areas. "It must elaborate the structural constraints that operate to reduce the likelihood that the state managers will act against the general interests of capitalists."⁶² And the theory must also try to explain why, on occasion, state managers actually extend state power, even in the face of capitalist resistance, in order to rationalize or reform capitalism. Rationalization and capitalist reform, Block tells us, refer "primarily to the use of the state in new ways to overcome economic contradictions and to facilitate the [nonrepressive] integration of the working class."⁶³

According to Block, it is fairly easy to explain why state managers would normally be very reluctant to act against capitalist interests, even without assuming that class-conscious capitalists run the state. The state in a capitalist society does not directly control economic production, and yet the state managers depend for their power and security in office upon a healthy economy. The state needs to tax and borrow, and politicians have to face re-election by people who are likely to hold

58. Block, "The Ruling Class Does Not Rule," p. 10.

59. *Ibid.*

60. *Ibid.*, p. 8 (fn.).

61. *Ibid.*, p. 10.

62. *Ibid.*, p. 14.

63. *Ibid.*, p. 7 (fn.).

them responsible if the economy falters. Thus state managers willingly do what they can to facilitate capital accumulation. Given that most economic investment decisions are controlled directly by private capitalists, state managers are especially sensitive to the overall state of "business confidence," that is, "the capitalist's evaluation of the general political/economic climate." "Is the society stable; is the working class under control; are taxes likely to rise; do government agencies interfere with business freedom; will the economy grow? These kinds of considerations are critical to the investment decisions of each firm. The sum of all of these evaluations across a national economy can be termed the level of business confidence."⁶⁴ Normally, state managers will not want to do anything that might hurt business confidence, and so instead of pursuing social reforms or attempting to expand the state's role in the economy, they will confine themselves to formulating policies that are generally supportive of capital accumulation and not seriously objectionable to any major sector of the capitalist class.

But "if the state is unwilling to risk a decline in business confidence, how is it then that the state's role has expanded inexorably throughout the twentieth century?"⁶⁵ Block is unwilling to accept the answer offered by corporate-liberal instrumentalists. On the contrary, Block holds that capitalists are almost by definition too short-sighted initially to accept, let alone to promote, major reforms or extensions of state power. Such changes come primarily in opposition to capitalist preferences. And they mostly come when, and because, state managers are strongly prodded to institute reforms by the working class. Class struggle, says Block, pushes forward the development of capitalism. It does this economically by raising wages and thus prompting capitalists to substitute machinery for workers. It does it politically by pressuring state managers to institute economic regulations and social reforms.

According to Block, the biggest spurts forward in state activity come during major crises such as wars or depression. During wars capitalists cannot easily undercut state managers, and during depressions the decline of business confidence is not such a potent threat. Moreover, especially during economic crises, class struggle and pressures from below are likely to intensify. Thus state managers may find it expedient to grant concessions to the working class. Yet they will do so only in forms that simultaneously increase the power of the state itself. What is more, over the longer run, especially as economic

64. *Ibid.*, p. 16.

65. *Ibid.*, p. 20.

recovery resumes or a wartime emergency ends, the state managers will do the best they can to shape (or restructure) the concessions won by the working class in order to make them function smoothly in support of capital accumulation and existing class relations. Thus it can come to pass that reforms and extensions of state power originally won through "pressure from below" can end up being "functional for" capitalism and accepted by many of the very capitalists who at first strongly resisted the changes.

Block's theory of the capitalist state, especially his explanation of major thrusts of capitalist rationalization, is elegant and powerful. In a number of ways, Block's ideas add to our understanding of why the New Deal occurred as it did. Where imprecisions or ambiguities do remain in Block's approach as applied to the New Deal, we can readily pinpoint some promising lines for future theories about political reforms and rationalization within capitalism.

Thinking first about the early New Deal—the "Hundred Days" of legislation culminating in the NIRA—the Block perspective shares some inadequacies with Poulantzian political functionalism, yet also improves upon it in significant ways. To take the inadequacies first: Block does not seem to do any better than Poulantzas in explaining why the NIRA failed to achieve its objectives. Like Poulantzas, Block pitches his theorizing at a high level of abstraction, talking about capitalism in general, and does not investigate existing state structures as constraints upon what state managers can do when they attempt to facilitate capital accumulation (whether through reform or not).

Compared to Poulantzas, the strength of Block's approach as (it might be) applied to the early New Deal lies in Block's greater attention to specific causal mechanisms. Instead of merely positing that the state "must" intervene to save capitalism, Block suggests that U.S. governments during the Depression were spurred to do all they could to facilitate capitalist economic recovery because public revenues and politicians' electoral fortunes depended on such efforts. It also makes sense in terms of Block's theory that both the Hoover administration and, at first, the Roosevelt administration tried to promote recovery in close cooperation with capitalists. For Hoover and Roosevelt wanted to revive business confidence and thus resuscitate private investments.⁶⁶

What is perhaps less clear from Block's perspective is why only FDR and the Democrats (and not Hoover and the Republicans) were willing to promote recovery specifically through increased state intervention in the economy. We can, however, derive a kind of explanation

66. Stein, *Fiscal Revolution*, chaps. 2-5, *passim*.

from Block's theory—one that resembles Poulantzas's tendency to root the relative autonomy of the state from capitalists in the pressures generated by "political class struggle" in favor of concessions for non-capitalists. We can argue that the Democratic victory over the Republicans in the elections of 1930 and 1932 was an expression, albeit highly politically mediated, of class-based pressures from below on the U.S. federal government. In response to this pressure, the argument would go, the Democrats were urged, and enabled, to use state power for reformist and regulatory efforts well beyond what the business-dominated Republicans had been willing to undertake, even after the crash of 1929. Since at first hopes were high for quick economic recovery through revived business confidence, Roosevelt made every effort to fashion his first "Hundred Days" of legislation (including the bold National Industrial Recovery Act) not only to meet the reformist demands of farmers, workers, and the unemployed, but also to meet the preferences of many specific groups of capitalists and to enhance the general confidence of businessmen as rapidly as possible. In short, a judicious use of Block's theoretical perspective can go a long way toward explaining the special blend of popular responsiveness and willingness to cooperate with capitalists that characterized the fledgling Roosevelt administration in 1933-34.

Yet, of course, where Block's theory really comes into its own is in the analysis of the major social welfare and labor reforms of the New Deal era. Using Block's theory, there is no need to attribute measures such as the Social Security Act and the Wagner Act either to the far-sighted planning of the capitalist class or to the automatic intervention of a capitalist state smoothly functioning to preserve order and promote economic recovery. Instead, according to Block, these measures were made possible by a conjunction of working-class pressures with the willingness of state managers to increase their own institutional power at a time when capitalist veto power was unusually weak. The reforms provided benefits to many members of the working class, strengthened the state in relation to the working class, and increased the state's capacity to intervene in the capitalist economy. The eventual result was that working-class struggle ended up contributing to the further development of American capitalism.

As a general "explanation sketch" of the causes of the major social reforms of the New Deal and their eventual consequences, this is impeccable. Still it must be emphasized that at the very points where Block's class struggle theory of capitalist rationalization becomes most analytically relevant, it also becomes quite vague. What exactly is meant by "class struggle" or "working-class pressure" for reforms?

How do varying forms and amounts of working-class pressure affect political and economic outcomes? Equally important, what are the likely interrelationships between working-class pressures and the activities of state managers? Do the latter only respond, or are they likely, under certain kinds of circumstances, to *stimulate* pressure from noncapitalists as well?

Merely raising questions such as these suggests that to go from the general "structural" dynamics outlined by Block to actual causal explanations, one would need to specify cross-nationally and historically variable patterns in such things as: the occupational and community situations of the industrial working class; degrees and forms of union organization; the actual and potential connections of working-class voters and organizations to political parties; and the effects of party systems and state structures on the likelihood that politicians' responses to working-class unrest or demands will be reformist rather than repressive.

In the case of the New Deal labor reforms, a number of conditions influenced the nature and pattern of change. The U.S. industrial working class entered the Depression without strong unions and without a labor-based political party. There was, however, a large semiskilled manufacturing labor force consisting of relatively settled immigrants and their children—a force ripe for mobilization into industrial unions.⁶⁷ The Democratic party, meanwhile, was "available" to come to power in the Depression. And insofar as its leadership took a reformist course, it was splendidly positioned to attract industrial working-class votes into a national political party that, nevertheless, could and would remain procapitalist and in many ways quite conservative.

Working-class pressure leading to reforms can entail very different scenarios. It can mean that strong labor unions and a labor or social-democratic or Communist political party impose a more or less anti-capitalist reform program on (and through) the government. Or it can mean that spontaneous working-class "disruption," especially strikes, forces specific concessions out of a reluctant government.⁶⁸ Neither of

67. On the industrial working class see David Brody, "The Emergence of Mass-Production Unionism," pp. 223-62 in *Change and Continuity in Twentieth Century America*, ed. John Braeman, Robert Bremner, and E. Walters (Columbus: Ohio State University Press, 1964); Irving Bernstein, *The Lean Years* (Baltimore: Penguin Books, 1966); Bernstein, *Turbulent Years*; Derber and Young, eds., *Labor and the New Deal*; and Ruth L. Horowitz, *Political Ideologies of Organized Labor: The New Deal Era* (New Brunswick, N. J.: Transaction Books, 1978). I draw generally on these works in the discussions of labor that follow.

68. Such a portrayal of the process of change is offered by Frances Fox Piven and Richard Cloward in *Poor People's Movements: Why They Succeed, How They Fail* (New York: Pantheon Books, 1977), chap. 3. An excellent critique of Piven and Cloward's analyses of events in

these scenarios really fits what happened in the United States during the 1930s. Obviously the industrial working class was organizationally too weak for the first scenario to happen. And we have already seen enough historical evidence on what happened with labor reforms in the New Deal to see that the "disruption" scenario is also inaccurate. Section 7a of the NIRA was originally achieved not by working-class disruptions, but by political lobbying by the American Federation of Labor and by the legislative efforts of Senator Robert Wagner. Once enacted, even though not successfully implemented, section 7a as a specifically political measure had a strong positive impact on labor-union growth in two main ways. First, it encouraged union organizers and emboldened rank-and-file workers with the belief that the national government would now support their efforts to unionize and bargain for economic gains. Second, it started Senator Wagner and others on the road toward the formulation of the Wagner Labor Relations Act, which ended up enforceably legalizing labor unions.

While labor's experiences under the NRA also fueled a growing strike wave in 1933-34, it cannot be plausibly argued that these strikes directly produced the Wagner Act of 1935. By 1934, rising numbers of labor disputes, and the inability of the National Labor Board (set up under the NIRA) to resolve them, did cause Roosevelt and Congress to become increasingly concerned with legislating new means for managing such disputes.⁶⁹ But, as the figure on page 188 shows, the immediate fruit of this concern, passed just as strikes came to a peak in mid-1934, was not the Wagner Act. Rather it was Public Resolution number 44, a measure cautiously designed to offend as little as possible major industrialists and conservative politicians.⁷⁰ A National Labor Relations Board was set up under the resolution, but it enjoyed no greater power to make employers accept independent unions than had the National Labor Board. Nevertheless, for whatever reasons, strikes fell off significantly (see the figure on page 188) from the time of the resolution until after the enactment of the Wagner bill a year later, in July 1935.

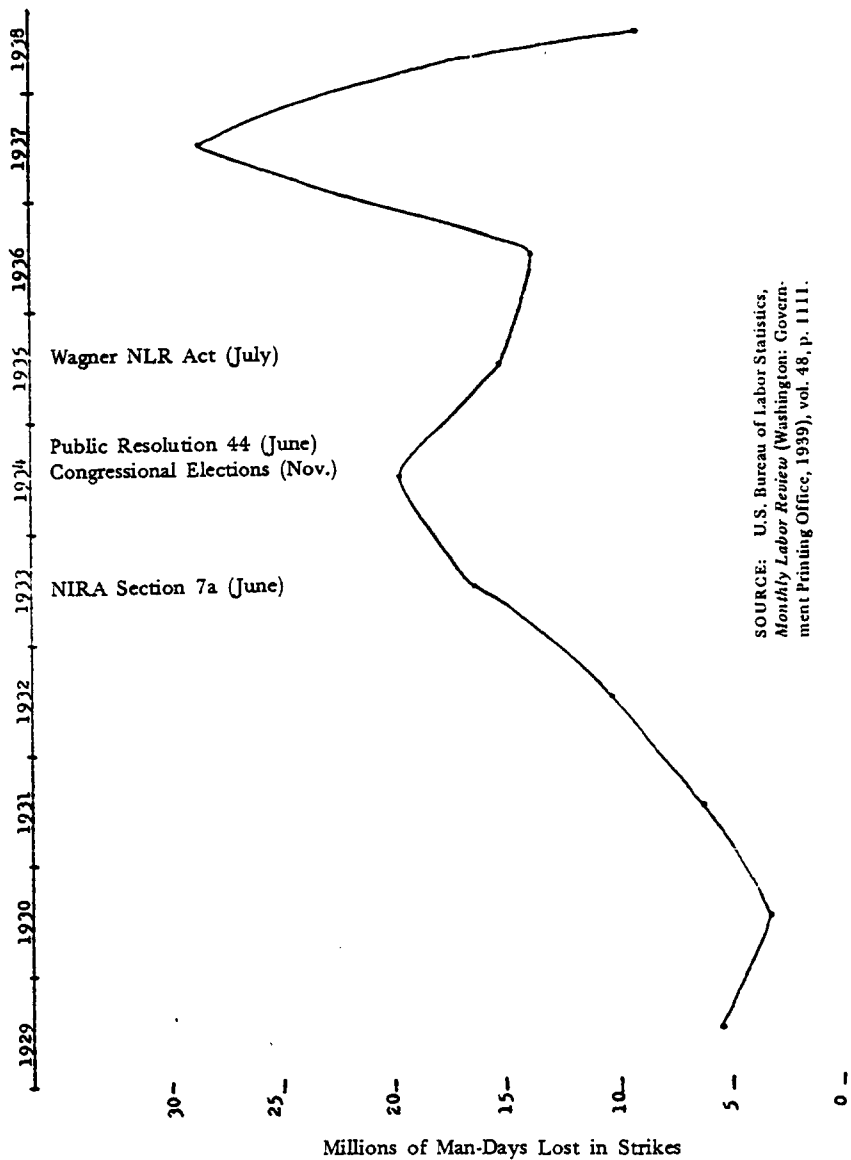
If working-class pressure helped to produce the Wagner Act, it was pressure registered not only through strikes but also through the major Democratic electoral victories in Congress during the fall elections of

the 1920s is offered in Timothy George Massad, "Disruption, Organization and Reform: A Critique of Piven and Cloward" (Undergraduate thesis, Harvard College, Social Studies, March 1978).

69. Bernstein, *New Deal Collective Bargaining Policy*, pp. 71-72, 77.

70. On the equanimity of a U.S. Steel vice president about Public Resolution no. 44, see the quotation in *ibid.*, p. 81.

Strikes and New Deal Labor Legislation



SOURCE: U.S. Bureau of Labor Statistics, *Monthly Labor Review* (Washington: Government Printing Office, 1939), vol. 48, p. 1111.

1934. This election strengthened liberals in the Congress and virtually eliminated right-wing Republicans.⁷¹ It came, moreover, just as business opposition to the New Deal was becoming bitter and vociferous. Half a year later, in June 1935, the Supreme Court declared Title I of the NIRA—the early New Deal's major piece of recovery legislation—unconstitutional. It was at this extraordinary political conjuncture, one marked by rhetorical class conflict as well as by FDR's last-minute conversion to the Wagner Act (both because of its Congressional support and because he saw it as a partial substitute for the NIRA), that the various politicians and labor-board administrators who had all along pushed for pro-union legislation were finally able to carry the day and put through Congress the single most important reform of the New Deal era.

Block's theory fits these historical developments, to be sure, but with the important provisos that independent initiatives by liberal politicians within the Democratic party were decisive in the entire sequence from section 7a of the NIRA to the Wagner Act and that the significant working-class pressures were registered electorally as well as expressed in industrial unrest. The U.S. industrial working class of the 1930s was not strong enough either to force concessions through economic disruption alone or to impose a comprehensive recovery program through the national political process. It depended greatly on friendly initiatives and support from within the federal government and the Democratic party. It got these not simply through disruption, but because it represented an attractive potential for electoral mobilization and an interest group that, among others, FDR wanted to conciliate if possible. It also helped labor enormously that business panicked about the New Deal after 1933 and, by going into political opposition, gave liberals like Wagner even more space for legislative maneuver.

Turning from the causes to the consequences of the labor reforms of the New Deal, we arrive at other important queries that can be raised about Block's general explanation sketch. Do reforms enacted partially in response to demands from below invariably end up "rationalizing" capitalism by allowing state power to be used "in new ways to overcome economic contradictions and to facilitate the integration of the working class?" What determines and, possibly, limits the capacities of state managers to turn reforms and the concomitant enhance-

71. It is highly unusual for a party in power to gain in "off-year" Congressional elections, yet the Democrats did this in 1934. See John M. Allswang, *The New Deal and American Politics* (New York: Wiley, 1978), p. 30; and James T. Patterson, *Congressional Conservatism and the New Deal* (Lexington: University of Kentucky Press, 1967), pp. 32-33.

ment of state power into effective supports for the capitalist economy as a whole?

In his theoretical statements on these issues, Block is not only imprecise; he actually points in contradictory directions. At various places in his article, he asserts that state managers almost by definition have the capacity to work for the general good of the capitalist class and economy:

Unlike the individual capitalist, the state managers do not have to operate on the basis of a narrow profit-maximizing rationality. They are capable of intervening in the economy on the basis of a more general rationality. In short, their structural position gives the state managers both the interest and the capacity to aid the investment accumulation process.⁷²

The more power the state possesses to intervene in the capitalist economy, the greater the likelihood that effective actions can be taken to facilitate investment.⁷³

But, at other points, Block admits that the pattern in which working-class pressures that ultimately enhances the state's capacity to manage capital accumulation "is not a smoothly working functional process."⁷⁴ He rather weakly alludes to "time lags" and "friction" in the over-all process, yet also offers some stronger antifunctionalist formulations:

There might, in fact, be continuing tensions in a government program between its integrative interest and its role in the accumulation process. [S]ome concessions to working-class pressure might have no potential benefits for accumulation and might simply place strains on the private economy.⁷⁵

The increased capacity of state managers to intervene in the economy during these periods [of crisis and reform] does not automatically rationalize capitalism. State managers can make all kinds of mistakes, including excessive concessions to the working class. State managers have no special knowledge of what is necessary to make capitalism more rational: they grope toward effective action as best they can within existing political constraints and with available economic theories.⁷⁶

With this last statement, Block has come 180 degrees from the notion that the state managers are "capable of intervening in the economy on the basis of a more general rationality" because "their structural position" gives them "both the interest and the capacity to aid the investment accumulation process."⁷⁷ Obviously, Block can't have it both ways. Either state managers enjoy the automatically given capac-

72. Block, "Ruling Class Does Not Rule," p. 20.

73. *Ibid.*, p. 26.

74. *Ibid.*, p. 23.

75. *Ibid.*

76. *Ibid.*, pp. 25-26.

77. *Ibid.*, p. 20.

ity to rationalize capitalism or their capacities are determined by "existing political constraints." Given that Block footnotes the final quote reproduced above with a reference to the New Deal, it is apparent that he believes "existing political constraints" were important then.⁷⁸

Indeed, during the New Deal, U.S. state managers could not automatically use state power to ensure full economic recovery (and thereby ensure social and political stability). Their efforts were always channeled, shaped, and limited by existing state and party structures not conducive to fully effective state interventions. We have already seen the limitations that an absence of strong, autonomous administrative institutions placed upon the effectiveness of the National Industrial Recovery Act of the early New Deal. Furthermore, even after pressures from below and state initiatives had combined to put through the major social and labor reforms of the post-1934 New Deal, "existing political constraints" still stymied the efforts of the state managers to turn such measures and the political and state power generated by them into effective means for promoting capitalist economic recovery.

Block's theory of capitalist rationalization through class struggle and state-sponsored reforms silently assumes that social democracy is the highest evolution of capitalism and that any major crisis of advanced capitalism resulting in important reforms will ipso facto entail a breakthrough toward what C. A. R. Crosland once called a "full employment welfare state."⁷⁹ Perhaps the pattern of state intervention implied here could aptly be called "social-democratic Keynesian," because state interventions, regulatory and fiscal together, would promote private accumulation of capital and, at the same time, further the social welfare, the full employment, and the political-economic leverage (that is, through strong unions) of the working class. Now, the interesting thing about the reformist phase of the New Deal (1935-38) is that, although tendencies existed that might conceivably have added up to a social-democratic Keynesian breakthrough, the existing governmental and party structures so patterned political conflicts and so limited the possibilities for political transformations as to prevent any such breakthrough from actually occurring. Instead, the direct consequence of

78. Ibid., p. 26.

79. From C. A. R. Crosland, *The Future of Socialism* (London: Jonathan Cape, 1956), p. 61. I have taken the expression via Andrew Martin, "The Politics of Economic Policy in the United States: A Tentative View from a Comparative Perspective," Sage Professional Paper: Comparative Politics Series (Beverly Hills: Sage Publications, 1973). My thinking has been greatly influenced by Martin's paper.

the labor reforms, and of the enhanced labor and liberal power that accompanied them, was not economic recovery through social-democratic Keynesianism but increased social and political tension, leading by 1938-39 to an insecure impasse for the domestic New Deal.

What were the tendencies present in the reformist New Deal that pointed toward a social-democratic Keynesian breakthrough? For one thing, as Block's theory would suggest, the social and labor reforms of the New Deal generated new nexes of political power and interest, binding liberal-Democratic politicians into symbiotic relationships with the welfare and relief agencies of the federal government and binding both urban-liberal politicians and trade-union leaders into a symbiotic relationship with another new organ of state power, the National Labor Relations Board (NLRB). NLRB administrators achieved their entire *raison d'être* through the spread of labor unions; they had a natural institutional bias (as well as a legal mandate) in favor of protecting all legitimate unions and union drives.⁸⁰ Labor unions, in turn, certainly benefited from the protections thus afforded them. Union membership had declined to below 3 million in 1933 but started rising thereafter and shot up, especially from 1935, to over 8 million in 1939.⁸¹ Both labor unions and the NLRB depended upon liberal-Democratic support in Congress and within presidential administrations. And, of course, liberal-Democratic politicians benefited from monetary contributions and from the electoral mobilization of workers' votes. This mobilization was organized, from 1936 on, through political committees established by union leaders grateful for benefits from the Roosevelt administration and hopeful that further gains could be made for workers (including those unemployed and on relief) through the strengthening of liberal forces in the Democratic party.⁸² Indeed, it did seem that liberal Democrats, workers, unemployed people, people on welfare, and federal administrators could all work together fruitfully after 1935-36. Voices like Robert Wagner's called for economic recovery through bolstering the spending power of the working class. Urban liberals in general advocated increased welfare and public works expenditures and proposed substantial new efforts in public housing.⁸³

Another major tendency that might have helped produce a breakthrough to social-democratic Keynesianism came from the president

80. Edelman, "New Deal Sensitivity to Labor Interests," in *Labor and the New Deal*, ed. Derber and Young, pp. 170-72.

81. Derber and Young, eds., *Labor and the New Deal*, pp. 3, 134.

82. On unions' political activities, see esp. J. David Greenstone, *Labor in American Politics* (New York: Vintage Books, 1970), chap. 2.

83. Huthmacher, *Wagner and Urban Liberalism*, chaps. 12-13.

himself. After the 1936 election, Roosevelt introduced an executive reorganization plan drafted by a committee of academic experts on public administration. As drafted, this plan was well designed to overcome many built-in obstacles to any strategy (whether social-Democratic or not) of coordinated state intervention in the society and economy.⁸⁴ The reorganization plan called for the consolidation of federal administrative organs (including formerly independent regulatory bodies) into functionally rationalized, centrally controlled cabinet departments. It would have enhanced presidential powers of planning and policy coordination by: increasing executive versus Congressional control over the expenditure of budgeted federal funds; establishing a National Resources Planning Board for comprehensive, long-range planning and coordination of federal programs; and greatly expanding the White House staff directly responsible to the president. All of these measures, taken together, would have gone a long way toward reversing the historically inherited fragmentation of the U.S. federal administration. Since the start of the New Deal, the U.S. federal bureaucracy had, of course, expanded significantly. But the expansion had been piecemeal and, given the competing lines of authority between Congress and the president and the paucity of institutional means of executive coordination available to Roosevelt, the expanded federal government was becoming increasingly unwieldy.

Given that FDR and the Democrats were re-elected by huge popular margins in 1936, the time looked ripe to enhance the Roosevelt administration's ability to institutionalize and expand its reforms. And, to engage in a bit of counterfactual historical speculation, imagine that such a system not only could have been achieved but also that it could, in turn, have been harnessed to a disciplined and thoroughly liberal Democratic party, one devoted to the pursuit of full economic recovery through social spending. Then the institutional and political conditions for a true social-democratic Keynesian breakthrough in the U.S. would have been established. But, of course, things did not turn out this way, largely because of the nature of the Democratic party and the structure of the U.S. national government. The Democratic party absorbed, contained, and rendered partially contradictory the political gains of organized labor and liberals in the 1930s, and the national government blocked FDR's comprehensive scheme for administrative reorganization.

84. Richard Polenberg, *Reorganizing Roosevelt's Government: The Controversy over Executive Reorganization 1936-1939* (Cambridge: Harvard University Press, 1966). Polenberg writes (p. 26): "A powerful president equipped with the personnel, planning, and fiscal control necessary to implement his social program—this was the Committee's aim."

To begin with the failure of comprehensive reorganization, Roosevelt's plan met defeat in Congress above all because it threatened to disrupt well-established patterns of institutional power.⁸⁵ Senators and representatives were jealous of Congress's traditional power to "pre-audit" the expenditures of federal agencies, for through such power individuals and committees in Congress could influence programs affecting their state or local constituencies. In addition, both members of Congress and administrators of federal agencies were very nervous about administrative reorganizations that would disrupt existing symbiotic relationships among Congress, bureaucrats, and organized interest groups in the society at large. Predictably, the most intense opposition came from conservatives, for these people worried about the kinds of programs Roosevelt (and the New Dealers in general) might generate through a reorganized federal executive. But not only conservatives opposed the plan; some of Roosevelt's own Cabinet members, acting like any traditional U.S. cabinet heads jealous of their bureaucratic domains, opposed reorganization or failed to support it. Interestingly enough, the "urban liberal" par excellence, Senator Robert Wagner, also opposed the reorganization plan. He was worried about Congressional prerogatives and the administrative independence of the National Labor Relations Board.⁸⁶

The Democratic party also functioned as an obstacle to a social-democratic Keynesian breakthrough in the 1930s. The most basic fact about the New Deal Democratic party was simply that it worked pretty much as all major U.S. political parties have done since about the 1830s.⁸⁷ U.S. parties do not formulate explicit, coherent national programs that their members in Congress are then disciplined to support. Rather U.S. parties "aggregate" blocs of voters through very diverse appeals in different parts of the country. Their overriding function is to compete in single-member-constituency, majority-take-all elections in order to place politicians in office from the local to the state to the national level. Once in office, parties exhibit some discipline (especially on procedural matters), but members of Congress are

85. *Ibid.*, pts. 2, 3. Eventually, parts of the original executive plan were passed by Congress, but these parts simply strengthened the president's staff and modified the cabinet departments somewhat. The changes accomplished were piecemeal—far from the original plan for comprehensive reorganization.

86. *Ibid.*, pp. 139-40. Polenberg cites Keyserling, "Wagner Act," pp. 203, 207-8, 210-12, on Wagner's views on the NLRB's administrative location. See also Huthmacher, *Wagner and Urban Liberalism*, pp. 243-45.

87. Theodore J. Lowi, "Party, Policy, and Constitution in America," in *The American Party Systems*, ed. William Nisbet Chambers and Walter Dean Burnham, 2nd ed. (New York: Oxford University Press, 1975), pp. 238-76.

remarkably free as individuals (or ad hoc coalitions) to pursue whatever legislation or whatever administrative measures they believe will appeal to local constituents or to organized groups of financial contributors and voters. Members of Congress may, of course, be unusually attentive during periods of crisis to directives from the president and from House and Senate leaders; this was the case during the "Hundred Days" of 1933. But such extraordinary coordination rarely lasts for long, and there is still unlikely to be a disciplined pursuit of an over-all party program, if only because U.S. presidents, senators, and representatives are elected in diverse ways and by differently structured constituencies.

These institutional givens meant that as liberals, especially from northern urban areas, made gains within the national Democratic party, they could hope to gain *some* legislative and administrative leverage for their various constituents. They could not expect, however, to formulate comprehensive national strategies for a Democratic president and Congress to enact. The existing Congressional-executive system would frustrate any such efforts. Even more important, the Democratic party could maintain a semblance of national unity only by avoiding too many head-on clashes between its entrenched, overwhelmingly conservative southern wing and its expanding liberal urban-northern wing. There were also nonsouthern rural interests in the party, and their representatives were willing to support government programs for farmers but were usually not sympathetic to the needs of urban areas or labor.

Franklin Delano Roosevelt, an immensely popular President, gained the Democratic nomination in 1932 through southern and western support. By 1936 he also enjoyed strong support in urban areas and from organized labor.⁸⁸ But it became increasingly difficult for Roosevelt to manage all of these diverse interests under the Democratic umbrella. For a brief time in 1938, he attempted to make the party more consistently liberal by "purging" various very conservative Democrats who had opposed New Deal reforms.⁸⁹ But machines or special agglomerations of organized interests at local and state levels control nominations within U.S. parties, which are "national" only in label and for the purpose of electing presidents. So FDR's purge failed, and liberalism—even as an attitude, let alone as a comprehensive pro-

88. Allswang, *New Deal and American Politics*, chaps. 2-4, *passim*.

89. On the attempted purge and the reasons for its failure, see *ibid.*, pp. 121-26; and Patterson, *Congressional Conservatism*, chap. 8. On the paradoxical explanation for the one apparent success that FDR had in purging a conservative, see Richard Polenber, "Franklin Roosevelt and the Purge of John O'Connor: The Impact of Urban Change on Political Parties," *New York History* 49, no. 3 (July 1968): 306-26.

gram of recovery and reform—could not take over the Democratic party.

Moreover, given the way that the operations of the Democratic party (and the Republican party) intersected with the operation of Congress, liberals (especially urban liberals) were unable to translate electoral support into truly proportional Congressional leverage. Ironically, efforts by labor and liberals to elect Democrats could even hurt politically, as Edelman explains:

Both the House and the Senate greatly underrepresent urban areas. The emphasis on local needs therefore means that labor groups are underrepresented, for constituency pressures are more often exerted disproportionately on behalf of farmers and dominant local industries rather than on behalf of worker residential areas in the cities. This bias is greatly emphasized because the constituencies that are "safe" in the sense of predictably returning incumbents to office are also to be found almost entirely in predominantly rural areas: the South, Vermont, Maine, and some parts of the Middle West. Because an individual's influence in Congress depends so enormously on his seniority there, the congressmen from these areas gain disproportionately in influence when their parties win control. Thus a hard-fought Democratic victory in Pennsylvania, New York, Illinois, and California sufficient to enable the Democrats to organize the House and Senate does not benefit these states nearly as much as it benefits Alabama, Mississippi, Florida and other states in which there is little hard campaigning. To this extent AFL and CIO activity in congressional campaigns in the urban areas places some of the anti-labor rural congressmen in a stronger position.⁹⁰

By the very nature of politics, conflicts intensify as a formerly weak interest in a situation of diverging interests grows stronger. As labor and liberal interests gained ground in U.S. politics during the 1930s, conservatives, whether businessmen or rural interests, were bound to oppose them, whatever the institutional arrangements had been. Yet above and beyond this inevitable opposition, the structure and operations of Congress and the Democratic party facilitated the formation of a "conservative coalition" to obstruct or modify many liberal New Deal measures, even as these arrangements made it difficult for liberals to become a national policy-making force.⁹¹ Nor, as we have seen, could liberal programs supported by members of Congress always count on solid support from Roosevelt or his administration. For Roosevelt and his administrators had to worry about maintaining broad support in Congress and about balancing pushes and pulls within the Democratic party as a whole.

90. Edelman, "New Deal Sensitivity to Labor Interests," in *Labor and the New Deal*, ed. Derber and Young, pp. 185-86.

91. Patterson, *Congressional Conservatism*, pp. 334-35.

Given the structures of politics within which they had to operate, liberals during the New Deal had to settle for doing what pays off in the U.S. political system. They carved out domains of legislation and administration favorable to well-organized constituents and then did their best to defend these against bureaucratic encroachments or opposition within Congress or from the administration.⁹²

In sum, "existing political constraints"—specifically, the U.S. government and political parties of the 1930s—limited the possibilities for politicians to use the new political energies and the new domains of state power generated by the reformist New Deal for the successful resuscitation of capitalist accumulation through state spending for (new or much expanded) domestic social programs. By the late 1930s, full economic recovery still eluded the national economy under the New Deal. In the absence of recovery, who could say where U.S. politics might go? Conservatives in Congress were gaining political strength and were increasingly able and willing to block policy initiatives coming from "urban liberals" inside and outside the government and to whittle down welfare and public-works measures sponsored by the president.⁹³ Labor unions were still not accepted by many industrial employers, and the NLRB and the Wagner Act were coming under increasingly vociferous political attacks.⁹⁴

Yet, of course, the basic social and labor reforms of the liberal New Deal did survive. And full recovery, indeed, spectacularly accelerated growth, was achieved by the U.S. economy. But the intransigent structural forces specified in Block's theory, that is, working-class pressures plus the initiatives of state managers, were not alone responsible for this outcome of the 1940s and after. Of the three neo-Marxist theoretical perspectives examined in this paper as a whole, only Block's repeatedly alludes to ways in which transnational structures and conjunctures affect the course of domestic politics in advanced capitalist nations. Even Block, however, fails to accord such transnational factors the systematic explanatory weight they deserve. It is not only the interplay of capitalists' economic decisions, working-class pressures, and state managers' initiatives that shapes political conflicts and trans-

92. On the resulting patterns of power see esp. Morton Grodzins, "American Political Parties and the American System," *Western Political Quarterly* 13, no. 4 (December 1960): 974-98; and Grant McConnell, *Private Power and American Democracy* (New York: Vintage Books, 1966).

93. Patterson, *Congressional Conservatism*, chaps. 6-10; and Richard Polenberg, "The Decline of the New Deal," pp. 246-66, in *The New Deal*, ed. Braeman, Bremner, and Brody, vol. 1, *The National Level*.

94. *Ibid.*, pp. 315-24; and Huthmacher, *Wagner and Urban Liberalism*, chap. 14.

formations in advanced capitalism. International economic and politico-military relations also matter.

The case of the New Deal certainly dramatizes the importance of both international economics and international politics. Without the virtual collapse of the international monetary system and the sharp contraction of international trade in the early years of the Depression, it is highly doubtful that "political space" could have opened up in the United States for the pursuit of economic recovery and reforms through greater state intervention. Even more important was the impact at the end of the New Deal of the coming of World War II, starting in Europe. Everyone knows that "military Keynesianism"—growing federal expenditures on military preparedness and then war—jolted the national economy out of the lingering Depression at the end of the 1930s.⁹⁵ What is perhaps less well known are the crucial ways in which the turn toward military and foreign policy preoccupations and then into war overcame many of the domestic social and political impasses of the later New Deal.⁹⁶ There were several key developments. As the Roosevelt administration planned for (and later implemented) wartime industrial mobilization, it sought a rapprochement with big businessmen and tacitly agreed to cease pushing for new labor and social reforms in return for business cooperation. The institutionalization of labor unions was, at the same time, solidified during the war. In return for a no-strike pledge from union leaders, the government required employers to deal with unions and facilitated the enrollment of union members in industries doing war production. Finally, the issues of politics in Congress were partially transmuted from the domestic and economic questions that exacerbated conflicts between rural-conservatives and urban-liberals into more foreign-policy and military related issues that averted (or delayed) some of the old disputes over social reform. Reformers could no longer use economic crisis as a rationale for social welfare measures. Instead, both liberals and conservatives had to maneuver with the symbols of national unity evoked to sustain the wartime efforts at home and abroad.

What all of this, taken together, amounted to was not at all a defeat or a roll back for the reforms of the New Deal. Rather, most of the reforms were consolidated and retained, but within a new national political context in which business and government were again

95. Robert L. Heilbroner, with Aaron Singer, *The Economic Transformation of America* (New York: Harcourt, Brace Jovanovich, 1977), pp. 205-7.

96. David Brody, "The New Deal and World War II," pp. 267-309 in *The New Deal*, ed. Braeman, Bremner and Brody, vol. 1, *The National Level*. See also Richard Polenberg, *War and Society: The United States, 1941-1945* (Philadelphia: J. B. Lippincott, 1972).

reconciled. Capitalists learned to live with and use many aspects of the New Deal reforms, even as they retained leverage in the U.S. political system to counter the power of organized labor and to limit future advances by liberals and labor. The full economic recovery, the new governmental tasks, and the new political climate brought by the war, all were important in allowing this denouement. Without the timely arrival of the war, the basic reforms of the New Deal might not have survived—and they might not have proved so “functional” for U.S. capitalism.

CONCLUSION

At the outset I declared three basic aims for this exploratory essay: to show that some current lines of neo-Marxist analysis are more promising than others for explaining the New Deal as an instance of political conflict and transformation within advanced capitalism; to argue that, for such explanatory purposes, no existing neo-Marxist approach affords sufficient weight to state and party organizations as independent determinants of political conflicts and outcomes; and to sketch some of the ways in which U.S. political institutions shaped and limited the accomplishments of the New Deal. In closing, I shall summarize my conclusions on each of these major themes and point out important areas for further investigation and critical discussion.

The evidence of the New Deal reveals the basic inadequacy of those lines of neo-Marxist reasoning that treat political outcomes in advanced capitalism as the enactments of a far-sighted capitalist ruling class or as the automatically functional responses of the political system to the needs of capitalism. Yet there are also more promising lines of analysis within neo-Marxism. Those theorists who assign explanatory importance to class struggle recognize that conflicts between capitalists and noncapitalists affect politics in capitalist societies. They also recognize that politicians (especially in liberal democracies) must respond to the demands of noncapitalists as well as to the demands of capitalists and the conditions of the economy. Moreover, those theorists who refer to the “relative autonomy of politics” or who assign “state managers” an independent explanatory role are moving toward an approach that can take seriously the state and parties as organizations of specifically political domination, organizations with their own structures, their own histories, and their own patterns of conflict and impact upon class relations and economic development.

Nevertheless, so far, no self-declared neo-Marxist theory of the capitalist state has arrived at the point of taking state structures and

party organizations *seriously enough*.⁹⁷ Various ways of short-circuiting political analyses have been too tempting. Political outcomes are attributed to the abstract needs of the capitalist system, or to the will of the dominant capitalist class, or to the naked political side-effects of working-class struggles. It is often assumed that politics always works optimally for capitalism and capitalists, leaving only the "how" to be systematically explained. Even those neo-Marxists who have tried to incorporate state structures into their modes of explanation tend to do so only in functionalist or socioeconomically reductionist ways. What is more, almost all neo-Marxists theorize about "the capitalist state" in general, thus attempting to explain patterns of state intervention and political conflict in analytic terms directly derived from a model about the capitalist mode of production as such.

But capitalism in general has no politics, only (extremely flexible) outer limits for the kinds of supports for property ownership and controls of the labor force that it can tolerate. States and political parties within capitalism have cross-nationally and historically varying structures. These structures powerfully shape and limit state interventions in the economy, and they determine the ways in which class interests and conflicts get organized into (or out of) politics in a given time and place. More than this, state structures and party organizations have (to a very significant degree) independent histories. They are shaped and reshaped not simply in response to socioeconomic changes or dominant-class interests, nor as a direct side-effect of class struggles. Rather they are shaped and reshaped through the struggles of politicians among themselves, struggles that sometimes prompt politicians to mobilize social support or to act upon the society or economy in pursuit of political advantages in relation to other politicians. In short, states and parties have their own structures and histories, which in turn have their own impact upon society.

The New Deal is a difficult case, almost ideal for developing a macro-analytic perspective that points to all of the necessary factors to be considered in explaining transformations of the state and politics within advanced capitalism. Real political changes occurred in the

97. There are, however, some very promising pieces of comparative-historical analysis, including Martin, "Politics of Economic Policy in the United States"; Ira Katznelson, "Considerations on Social Democracy in the United States," *Comparative Politics* 11, no. 1 (October 1978): 77-99; Peter J. Katzenstein, ed., *Between Power and Plenty* (Madison: University of Wisconsin Press, 1978), esp. conclusion; and, perhaps the nicest example of all of an approach that combines class and political-structural analysis, Susan S. Fainstein and Norman I. Fainstein, "National Policy and Urban Development," *Social Problems* 26, no. 2 (December 1978): 125-46.

New Deal: the inclusion of some popular interests in a more interventionist "broker state," the incorporation of the industrial working class into the Democratic party, and the expansion of urban-liberal influence within the party. But the political changes that occurred did not please capitalists or ensure capitalist economic recovery or consolidate the basic reforms that were enacted—not until World War II intervened to transform the over-all political and economic context. By using various neo-Marxist explanatory approaches as foils for probing the politics of the New Deal, I have argued that many of the limitations on effective state intervention and on liberal reforms in the New Deal can be traced to the existing U.S. national administrative arrangements, governmental institutions, and political parties. These same structures, moreover, shaped the piecemeal reforms and the partially successful efforts to proffer relief and to promote recovery in response to the Depression. Capitalists, industrial workers, and farmers certainly helped to shape and limit the New Deal, as did the contours of the massive economic crisis itself. But economic and class effects were all mediated through the distinctive structures of U.S. national politics. The immediate changes were not fully intended by anyone, were not consistently in conformance with the interests of any class, and were not smoothly functional for the system as a whole. But the changes did make sense as the product of intensified political struggles and undertakings within given, historically evolved structures of political representation and domination. Such structures are the keys to any satisfactory explanation of the New Deal—and to other episodes, past, present, and future, of political response to economic crisis within capitalism.