

ROBERT HARRISON



STATE AND SOCIETY

IN TWENTIETH-CENTURY AMERICA

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Preface

'We regard the state as an educational and ethical agency whose positive aid is an indispensable condition to human progress', proclaimed a group of young American economists in 1885. Nearly a century later, President Ronald Reagan told the nation that, 'In the present crisis, government is not the solution – it is the problem'.¹ These two statements frame the outer limits of the period to be covered by this book. They also indicate its central subject-matter. For much of the twentieth century, progressives and liberals believed, like the founder members of the American Economic Association, that the powers of the modern state could be harnessed to resolve social conflicts, alleviate social injustice and promote social progress. By the 1970s and 1980s, not only conservatives like Reagan but many who called themselves liberals had come to doubt whether the exercise of government power could ever provide solutions for America's mounting social and economic problems. The liberal project that lasted for a better part of a century seemed to have lost its way.

Two central themes run through this book. One is the development of the tradition of liberal reform, from progressivism to the New Deal and beyond, which has long preoccupied historians of twentieth-century America, such as Richard Hofstadter in his classic *The Age of Reform*. The other is the growth of the state, which has more recently occupied the attention of historically orientated social scientists like Stephen Skowronek and Theda Skocpol. These political developments, which form the thematic spine of the work, are set against the dramatic changes in American society that occurred during the twentieth century. Although the book focuses

1. Quoted in George E. Mowry, *The Era of Theodore Roosevelt and the Birth of Modern America, 1900–1912* (New York, 1958), p.22; *Guardian*, 21 Jan. 1981.

particularly on two principal eras of reform, the Progressive Era and the New Deal, pointing out both the continuities and the differences between them, attention is also paid to the 1920s, in order both to challenge the conventional image of a period of unmitigated reaction and to show how the politics of the decade reflected the conflicts and tensions of a society in change, and to the post-Second World War period, in which the New Deal tradition was both reinvigorated and challenged. It closes with an examination of the problems of contemporary American government and considers whether recent political developments foreshadow 'The End of Liberalism'. A number of themes are kept in the foreground throughout, including the control of big business, social and urban policy, labour relations, and the problem of civil rights.

List of abbreviations

AAA	Agricultural Adjustment Act
AABA	American Anti-Boycott Association
AALL	Association for the Advancement of Labor Legislation
ACW	Amalgamated Clothing Workers
ADC	Aid to Dependent Children
AFBF	American Farm Bureau Federation
AFDC	Aid to the Families of Dependent Children
AFL	American Federation of Labor
AMA	American Medical Association
ASL	Anti-Saloon League
CAP	Community Action Program
CES	Committee on Economic Security
CIO	Congress of Industrial Organizations
CORE	Congress of Racial Equality
COS	charity organisation society
CP	Communist Party
CWA	Civil Works Administration
EEOC	Equal Employment Opportunities Committee
FBI	Federal Bureau of Investigation
FERA	Federal Emergency Relief Administration
FHA	Federal Housing Administration
FSA	Farm Security Administration
FTC	Federal Trade Commission
GDP	gross domestic product
GNP	gross national product
GFWC	General Federation of Women's Clubs
ICC	Interstate Commerce Commission
IWW	Industrial Workers of the World
NAACP	National Association for the Advancement of Colored People

NAM	National Association of Manufacturers
NCF	National Civic Federation
NCL	National Consumers' League
NCLC	National Child Labor Committee
NIRA	National Industrial Recovery Act
NLB	National Labor Board
NLRB	National Labor Relations Board
NRA	National Recovery Administration
NWLB	National War Labor Board
OAA	Old Age Assistance
OAI	Old Age Insurance
OASI	Old Age and Survivors' Insurance
PAC	political action committees
RA	Resettlement Administration
RFC	Reconstruction Finance Corporation
SCLC	Southern Christian Leadership Conference
SEC	Stock Exchange Commission
SPA	Socialist Party of America
STFU	Southern Tenant Farmers' Union
TVA	Tennessee Valley Authority
UAW	United Automobile Workers
UMW	United Mine Workers
WCTU	Women's Christian Temperance Union
WPA	Works Progress Administration
WTUL	Women's Trade Union League

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CHAPTER ONE

Introduction

State and society

'It is not always necessary, though better, to make an engagement to see the President', a Washington correspondent suggested in 1900.¹ Such was the informality with which President McKinley's White House, with its minuscule staff, operated. It was not unknown for his predecessor, Grover Cleveland, to answer the telephone himself or to open the door to callers. In contrast, any reporter, never mind a casual visitor, wishing an audience with President Bill Clinton might, even if successful, have to wait days for the briefest of appointments. Layers of bureaucracy separate the president from the people whom he serves, while the whole apparatus of government has become almost unfathomably massive.

At the simplest level the growth of the American state can be measured in terms of the expansion of the federal government (see Table 1.1). Whereas in 1900 federal outlays amounted to \$521 million, three-quarters of which were accounted for by defence, military pensions and the postal service, the sum expended in 1994 was no less than \$1,460,914 million, an increase, even allowing for inflation, by a factor of 132. The latter sum absorbed 21.7 per cent of the gross national product (GNP) of the United States (and nearly 5 per cent of the gross domestic product of the entire globe), as against 2.8 per cent in 1900. To express the figures another way, whereas at the beginning of the century the federal government spent \$28, at 1958 prices, for each citizen, in 1994 it spent \$1,086. The United States does not carry out all the responsibilities of

1. Walter Lord, *The Good Years: From 1900 to the First World War* (New York, 1960), p. 5.

TABLE 1.1 *Outlays of United States Government, 1900–1994*

<i>Year</i>	<i>At current prices (x \$1 million)</i>	<i>At 1958 prices (x \$1 million)</i>	<i>At 1958 prices per capita (\$)</i>	<i>As percentage of GNP</i>
1900	521	2 144	28.17	2.8
1905	567	2 172	25.92	2.3
1910	694	2 361	25.55	2.0
1915	946	2 324	23.12	1.9
1920	6 358	9 722	91.29	6.0
1925	2 924	5 634	48.65	3.1
1930	3 320	6 734	54.66	3.7
1935	6 497	15 251	119.71	9.0
1940	9 468	21 567	163.26	9.5
1945	92 712	155 296	1 110.05	43.8
1950	42 562	53 070	349.37	14.9
1955	68 444	75 296	456.06	17.2
1960	92 191	89 246	495.81	18.3
1965	118 228	106 608	550.95	17.3
1970	195 649	144 711	709.37	19.4
1975	332 332	177 149	822.04	21.7
1980	590 947	205 690	905.33	21.8
1985	946 391	252 236	1 060.26	23.4
1990	1 252 705	274 897	1 102.23	22.6
1994	1 460 914	282 685	1 086.00	21.7

Sources: US Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970* (Washington, D.C., 1975), Series F1,5, A7, Y457, 462–3; *Statistical Abstract of the United States, 1980* (Washington, D.C., 1980), nos 2, 436, 531, 725; *Statistical Abstract of the United States, 1995* (Washington, D.C., 1995), nos 2, 517, 699.

government. Thus a more complete measure of the growth of the public sector would incorporate state and local, as well as federal, spending (see Table 1.2). In 1902 governments of all kinds spent \$1,660 million, that is 7.7 per cent of GNP; in 1990 they spent \$2,219,000 million, or 40.0 per cent of GNP. Even allowing for inflation, that represents a 73-fold increase. Whereas in 1902 government spent \$84.29, at 1958 prices, for every American, in 1990 it spent \$1952.46. Over the same period public employment rose from 1,129,000 to 18,745,000, that is from 4.0 to 15.2 per cent of the civilian labour force.

The growth of the state is not measurable solely in terms of the number of dollars spent or officials employed by government departments, but also by the extent to which government rules and regulations direct and restrain the actions of individual Americans.

TABLE 1.2 *Federal, State and Local Government Expenditure, 1902–1990*

Year	Expenditure per capita in 1958 dollars			Expenditure as per centage of GNP		
	State/Local	Federal	All govt.	State/Local	Federal	All govt.
1902	55.25	29.04	84.29	5.0	2.7	7.7
1913	76.73	33.16	109.89	5.7	2.4	8.1
1922	100.42	68.28	168.70	7.4	5.1	12.5
1927	129.19	59.38	188.57	8.1	3.7	11.8
1932	162.87	85.03	247.90	14.1	7.3	21.4
1938	162.39	148.27	310.66	10.9	10.0	20.9
1942	141.29	500.92	642.21	6.7	22.5	28.9
1946	140.97	712.00	852.97	8.9	29.3	38.2
1950	209.60	367.74	577.34	9.0	15.7	24.7
1955	248.38	489.36	737.74	9.4	18.4	27.8
1960	290.44	523.20	813.64	10.7	19.3	30.0
1965	456.19	606.08	1 062.27	11.0	19.0	30.0
1970	452.46	754.84	1 207.30	13.1	21.8	34.9
1975	540.22	845.21	1 385.43	14.3	22.3	36.6
1980	522.96	946.22	1 469.18	12.6	22.8	35.4
1985	614.09	1 157.14	1 771.23	13.6	25.5	39.1
1990	726.78	1 225.68	1 952.46	14.9	25.1	40.0

Note: The figures in this table are drawn from different series to those in Table 1.1. and therefore do not correspond exactly. In particular, the figures for federal expenditure include grants-in-aid to subnational governments that are not included in the federal outlays enumerated in Table 1.1.

Sources: US Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970* (Washington, D.C., 1975), Series Y522, 590–1, 671; *Statistical Abstract of the United States, 1980* (Washington, D.C., 1980), nos 480, 490; *Statistical Abstract of the United States, 1990* (Washington, D.C., 1990), no. 455; *Statistical Abstract of the United States, 1995* (Washington, D.C., 1995), nos 474, 478.

In the words of the historian Bernard Wishy, the daily lives of American citizens are ‘diffused with the state’.² With the home she lives in purchased by means of a mortgage guaranteed by the Federal Housing Administration, her children educated in schools assisted by federal funds and subject to federal anti-discrimination legislation, her savings guaranteed by a federal deposit insurance scheme, her weekly pay protected by federal minimum-wage laws, and perhaps by the bargaining power of a trade union operating

2. Bernard Wishy, *Good-bye Machiavelli: Government and American Life* (Baton Rouge, La., 1995), p. 251.

under federal labour relations law, but eaten into by federal income tax assessments and by contributions to compulsory federal old age and unemployment insurance schemes, the roads she drives on constructed with the help of federal funds for interstate highways or urban renewal, the food she eats, the drugs she takes, the cosmetics she applies regulated by the federal Food and Drug Administration, and even the air she breathes covered by federal emission standards, the typical American citizen confronts the national government in almost every part of her existence. Were she to become a single mother, fall into poverty, start a business or operate a farm, her contact with government would be still more extensive. Compare this with the experience of her grandmother at the start of the century, who was only likely to encounter the federal government in the guise of postmaster or letter-carrier. There is no doubt that, for better or for worse, in a multitude of ways, both fundamental and trivial, the hand of the state is far more intrusive at the end of the twentieth century than it was at the beginning.

What do we mean by the 'state'? According to Max Weber, 'states are compulsory associations claiming control over territories and the people within them'.³ They include those individuals and agencies that have authority to make decisions that are binding upon members of society and possess the coercive power to enforce their decisions. A broader definition would go beyond that to incorporate the organisation and process of governance and the structure of decision-making, the means by which conflict is handled and social relations are regulated. The state is embedded in a 'governing system' which incorporates not only those persons possessing formal authority but a penumbra of institutions, ranging from political parties to foundations and think-tanks, and including the broader class of what are now called policy intellectuals, which contribute to that process. The democratic state is subject to a variety of influences. Nevertheless, while recognising this, it is helpful, for analytical purposes, to hold to a working definition which confines itself to those agencies entrusted with formal power.

Renewed interest in the 'state' in recent decades stems from a number of different sources: a debate within Marxism about the autonomy of the state in relation to class power; a reaction within political science against the 'behavioral turn' of the 1950s and 1960s and towards a renewed appreciation of the role of institutions and the determining importance of historical process; a similar interest

3. Theda Skocpol, 'Bringing the state back in', in Peter B. Evans *et al.*, eds, *Bringing the State Back In* (Cambridge, 1985), p. 7.

among historical sociologists in the influence of historical contingency; and a growing awareness among historians of the limitations of the 'new social history', which, with its concentration on the immediate lived experience of men and women, neglected the wider framework of political power which framed their lives. As William E. Leuchtenburg reminds his fellow historians, paraphrasing Trotsky, 'While you may not be interested in the State, the State is interested in you'.⁴ In each case, scholars have gravitated from a 'society-centred' approach, in which the state is seen as having a secondary, or epiphenomenal, impact on social development, to a 'state-centred' approach, in which the state is regarded as an explanatory variable in its own right. Whether they have moved too far in that direction is something which we will have to explore with particular reference to the political history of the United States.

The study of the state necessarily involves a comparative perspective. Interest in the subject in recent decades is informed by a sense that the experiences of different nations have much in common. The 'modern state' emerged in response to the development of an urban-industrial society since the nineteenth century, growing at similar rates in different nations, performing certain common functions, such as the regulation of large-scale business, the mediation of labour relations, and the provision of welfare, and displaying certain common structural features, such as the growth of bureaucracy. State-making was a common response to the problems of modern society. It is equally apparent that there are enormous cross-national differences in the process of state formation and in the size and structure of the state. For example, wide variations manifest themselves in the nature of the welfare state – the extent of government intervention, the type of risks covered – and the timing of its arrival, with Germany establishing social insurance programmes in the 1880s, while the United States waited until the 1930s before installing any systematic coverage at a national level.

There is, in political terms, no universal 'response to industrialism'. The state does not merely reflect society but is, at least to some degree, autonomous. The actions of government are not determined by the logic of economic development, the balance of social forces or the dynamics of class conflict, as pluralist political

4. William E. Leuchtenburg, 'The pertinence of political history: reflections on the significance of the state in America' *Journal of American History* 73 (Dec. 1986), p. 600.

scientists and orthodox Marxists have, in different ways, assumed. The state is not a 'cash register' which merely aggregates the outcome of social pressures. Governments are, in Theda Skocpol's words, 'authoritative and resourceful organizations . . . sites of autonomous action', while government officials are partly autonomous actors, with ideas and interests of their own.⁵ The growth of the state is influenced by the pre-existing configuration of political ideas and institutions: the informal traditions and practices that guide political actors, as well as the formal constitutional structure; the ideological presuppositions that, consciously or unconsciously, frame the boundaries of political possibility; and the established areas of governing experience and expertise. A state's existing 'political capacity', including its formal powers, fiscal resources and administrative expertise, constitutes a major constraint on policy formation. Like a river in flood, the authority of the state tends to flow down channels that have already been opened up for it. It prefers to solve problems that it is already equipped to solve, rather than tackle new ones. Furthermore, notes Skocpol, 'policies, once enacted, restructure subsequent political processes'.⁶ Bureaucracies are created and interest groups and expectations are adjusted in ways which, by a process of feedback, influence the course of future policy-making. In other words, the development of the state can only be understood historically.

The United States has often appeared to be something of an exception to general assumptions about the growth of the 'modern state'. To European visitors like Alexis de Tocqueville, nineteenth-century America had the appearance of a 'stateless society'. There was no 'state' in the European sense of a clearly defined and self-conscious bureaucratic class with a sense of common responsibility for governance, no hereditary monarchy, no great standing army, no national corporations or formal estates representing major interests in society, no ruling class – in short, no 'establishment'. Americans, to H.G. Wells, lacked a 'sense of the state'.⁷ Even in the late twentieth century the public sector, though massively enlarged, is smaller in the United States than in most comparable industrial nations. This is evident in the relatively small number of sectors of the economy subject to government ownership or control, as well as

5. Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Cambridge, Mass., 1992), p. 42.

6. *Ibid.*, p. 58.

7. Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities, 1877–1920* (Cambridge, 1982), p. 3.