

The Rules of the Game

Class Politics in Twentieth-Century America

Introduction

Since the 1930s macroeconomics, federal policy, and electoral cleavages appear to have worked in tandem. From the late 1930s to the 1960s, Gross National Product (GNP) increased rapidly and inequality of income and wealth declined, facilitated by federal policies which were, in turn, sustained by a dominant class-based Democratic electoral majority. In each successive presidential election between 1932 and 1948, the class differences between the electoral base of the Democrats and Republicans became more pronounced. By 1948 the percentage of American working-class voters who cast ballots for the Democrats was as high as the percentage of British workers who voted for the Labor Party and higher than the percentage of French and German workers who voted for social democrats or communists.¹

Since the early 1970s, growth rates slowed, inequality increased sharply, regressive federal policies accelerated that trend, and Republicans increasingly won national elections as explicitly class-based political appeals became less important. In nearly every presidential election since 1968, class differentiation in voting has narrowed, indeed, essentially disappearing in many elections.² As voting alignments have shifted, public policy has become increasingly less egalitarian. By the early 1990s, the labor movement represented about the same proportion of privately employed workers as it had at the beginning of the New Deal. Comprehensive health

care coverage went down in flames. Labor law reforms, designed to safeguard the right to organize, allegedly guaranteed by the Wagner Act but effectively gutted by court and NLRB decisions, never got off the ground. Almost all social programs are chronically underfunded. The underclass grew ever larger, our cities became war zones, our infrastructure crumbled, and substantial portions of the middle-class have been pushed down to the fringes of poverty.

The contrast between the economics of the two eras is no coincidence. The social meaning of this contrast is poignantly expressed in Bruce Springsteen's song "Glory Days," in which an aging working-class baby boomer nostalgically remembers the good times of the '50s and '60s as he describes the grimmer struggle to endure the 1980s.

Most explanations for the shift between the two eras depend on three (often not mutually exclusive) lines of argument: the original sins of the New Deal,³ the driving competitiveness of a post-industrial economy embedded in a global marketplace,⁴ and the Republicans' skill at manipulating the backlash to the cultural conflicts provoked by the politics of race, gender, sexuality, immigration, and environmentalism.⁵ Each of these theories is descriptively accurate, yet they are nonetheless insufficient. Original sin theorists overestimate the strength and potential of the left in the 1930s and 1940s, implicitly imbibing teleological assumptions rooted in classical Marxism. Theorists of globalization and technological change tend toward a structural determinism in which the outcome appears all but inevitable rather than the product of the actions and decisions of historical actors. Analysts of recent campaign strategies tend to train their vision on the foreground of partisan political conflict, thereby all but ignoring how the trajectory of New Deal policies and the structural pressures of a changing global economy shaped political mobilization and rhetorical strategies. All three tend to underestimate the enduring significance of the American constitutional structure and of long-term traditions in American political culture.

The evolution of twentieth-century American political economy might be better understood by historically situating discussion of the shortcomings of the New Deal, the impact of structural change, and the effects of the culture wars in two ways. First, we need to place the New Deal within a longer view of American political history. Secondly, we need to look at the range of political options available in each era and the actual political choices Americans made. In differ-

ing ways, the depression and the structural changes of post-industrial society created social crises, but concrete political actors fought for specific proposals to resolve those crises. What options did politicians, intellectuals, corporations, unions, pressure groups propose? Whose vision won? What policy decisions did Americans support? How did decisions in such areas as labor law, tax codes, fiscal and monetary policy, regulatory action, housing policy, transportation policy, welfare policy, civil rights law, or international relations shape the outcome in either period? Political choices never take place in an abstract philosophical realm where the full range of options are equally possible. Political decisions are always made in specific historical circumstance: as a struggle for power among unequal political actors, amidst the economic and social trends of their times, within a particular constitutional structure and set of political rules, embedded within powerful cultural memories and traditions. Modern American politics can best be understood by analyzing this conjuncture of circumstances, rules, and traditions.

The Redistributive Effects of the New Deal

The New Deal social contract paled in comparison to a genuine social-democratic welfare state like postwar Sweden or Britain. Health care remained private, linked to employment status, with a substantial fraction of the population excluded. Unemployment compensation and virtually all other welfare benefits remained meager and varied widely from state to state. The National Labor Relations Act, the key legislative basis for expanded unionization, excluded agricultural workers and domestics, part of a larger pattern of limiting access for people of color to the benefits of federal policy.

Despite these limitations, the New Deal social contract stimulated significant redistribution of wealth, income, and economic power. According to one study of estate tax returns, the share of national wealth held by the top 1 percent of adults declined from 31.6 percent in 1929 to 20.8 percent in 1949. In 1953 the share of the top 1 percent had crept back up to 24.3 percent, but it held steady at around one quarter of national wealth for the next twenty years. Moreover, looking only at estate assets may understate the redistributive effects of New Deal programs since the value of Social Security entitlements are not included in the estimate of total national

wealth. One study that includes a calculation of the value of future Social Security benefits estimates the share of national wealth held by the top 1 percent in 1956 as only 16.5 percent, or half the 1929 peak.⁶

While the share of national wealth held by the top 1 percent may have declined by at least a third between 1929 and 1949, their share of national income appears to have dropped even more sharply, and then remained at that level for the next three decades. The top 1 percent of income recipients received 14 percent of pre-tax national income in 1929 and 8 percent in 1949.⁷ As late as 1980, their share of national income was still roughly the same as in 1949.⁸ If we include the effects of progressive taxation, the wealthy's share of national income may have dropped even further.⁹

In contrast, the steepest increases in shares of national income came at the bottom. The ratio of the average income of the top fifth and the bottom fifth declined from 15.5 in 1929 to 9.0 in 1951 and 7.25 in 1969. While the position of the poor probably worsened in the early years of the Depression, their share of national income started to rise in the mid-1930s, rose sharply during World War II, and continued to rise through the late 1940s before leveling off.¹⁰

New Deal policies do not explain all of the egalitarian trend in income and wealth distribution from the 1930s through the 1960s. The economic impact of World War II and the favored position of the United States in the postwar economy certainly contributed. But in no other period in American history was the citizenry able to wrench as equitable a share of national bounty from the rich and powerful. New Deal policies made favorable circumstances more favorable to the entire population than they otherwise would have been. In only ten years, the Wagner Act led directly to an increase in union representation from approximately one worker in ten in 1934 (the year before the passage of the act) to more than three out of ten by 1945,¹¹ and strong unions forced corporations to raise wages at roughly the same rate that the economy expanded. Mean real total hourly compensation (wages plus benefits) in manufacturing tripled between 1947 and 1970 while median family money income went up 79 percent during the same years.¹² Minimum wage legislation immediately raised the incomes of millions of the poorest workers. The Social Security Act (despite the regressive nature of Social Security taxes) also raised the living standards of the elderly poor. Progressive taxation, despite all the flaws and

dodges built into the system, did redistribute income. The GI Bill facilitated working-class social mobility and helped to narrow wage ratios between blue collar and professional labor by expanding the supply of the latter.¹³ Federal economic policy in the era of the New Deal social contract was to the left of any other period in American history.

The Consequences of Increasing Economic Inequality since the 1970s

Over the last two decades economic inequality in the United States increased dramatically. Despite a continuing cultural predilection for egalitarian political rhetoric and cultural style, the United States now holds the dubious distinction of being the most economically unequal of all prosperous countries.¹⁴ We have become a country with street-corner armies of beggars and motorized battalions of BMWs. This burgeoning economic inequality emerged together with a growing paralysis of public policy. For most of the last quarter century, state and federal politics have seemed gridlocked, unable to respond effectively to increasingly severe social and economic problems. Instead, ever-increasing budget deficits, coupled with a steadily declining quality of life for the majority of citizens, has produced an atmosphere of political crisis, alienation, and despair.

Perhaps the most lucid and convincing analysis of this economic trend has been expounded by former Nixon campaign staffer and conservative political analyst Kevin Phillips. In 1990, Phillips observed in his *Politics of Rich and Poor*, the top one half of one percent of American households owned nearly as much as the bottom 90 percent (27 percent of national wealth for the top 0.5 percent, 32 percent for the bottom 90 percent).¹⁵ As he has argued more recently, disparities of income and wealth have only grown more pronounced since.¹⁶

Widespread popular and academic discussions of economic stagflation, the collapse of Rust Belt industries, and corporate downsizing often have had the misleading effect of implying that our social and economic problems are a function of a decline in the national economy. In fact, the country is wealthier, not poorer. While the economy grew more slowly than in the boom years of the 1950s and 1960s, growth was robust, nonetheless.

The pie is getting bigger, but most Americans are not getting a share of the extra slices. In 1993, in real dollars, the U.S. economy grew by 3 percent but the median income of American households fell by 1 percent as the well-to-do latched onto all of the increase in national income. They have done so consistently since the early 1970s. The rich have been getting richer as the rest of the population works harder just to stay even. According to economist Paul Krugman, real per capita GNP grew 39 percent between 1970 and 1990. If the 1990 national income had been divided in the same proportion as the 1970 national income the average household should have experienced a 39 percent increase in real income, but Krugman estimates the increase at only around 5 percent. Other observers argue that even a 5 percent growth in real median household income is too optimistic.¹⁷ The real median hourly pay of individual workers actually went down sharply from \$8.52 per hour in 1973 to \$7.46 per hour in 1990.¹⁸ Households managed to stay even or very slightly ahead by working more. The typical household provided more hours of labor either through multiple wage earners or longer work weeks.¹⁹

Prospects look even worse for the next generation. In 1990 "young families" (e.g. households with children and household head under 30) had real household incomes nearly one third lower (32 percent) than their counterparts in 1973, even though the educational levels of these household heads were higher in 1990 than in 1973.²⁰ Access to higher education, still one of the main paths to upward social mobility, has also grown sharply more skewed since the 1970s. Between 1979 and 1994 the proportion of children who completed college degrees increased from 31 percent to 79 percent in the most prosperous quarter of American households, while it stayed flat at 8 percent among the bottom one quarter of households. In 1979 a child from a household in the top quartile was four times more likely than a child from the bottom quartile to graduate from college. In 1994 the ratio was ten to one.²¹

The last quarter century looked tougher to the majority of Americans not because the economy ceased to grow but because the very wealthy (the top 0.5 percent of American households) seized half of all the new wealth generated by economic growth and the well-to-do (the rest of the top 20 percent) grabbed virtually all the rest.²² If current trends continue, the prospects for the majority in the next generation look even worse.

Inadequate Explanations for the New Deal and its Demise

Until quite recently, both to scholars and political pundits, the New Deal social contract seemed like a peculiarly American, but functionally equivalent, version of the social democratic politics that dominated most of Western Europe. Historians and political scientists who treated the New Deal this way implicitly viewed it as a natural outcome of capitalist development.²³ A crude version of the underlying logic might go like this. Capitalism exacerbates the already existing inequality of precapitalist systems by concentrating a disproportionate share of its growing wealth in the hands of industrialists and financiers. At the same time, capitalist relations of production destroy the livelihoods of agricultural smallholders and traditional craftspeople and undermine the power of agents of social control like landlords and the church. Overcoming the legacy of tradition may take several generations, but eventually the people mobilize and force democratic political reforms. Despite the influence of the concentrated wealth of great corporations, once the people force elites to grant representative government and universal suffrage, the logic of numbers is finally irresistible; there are too many workers and too few capitalists. It is only a matter of time before a political party representing the interests of working people forces capital to strike some version of the social-democratic bargain, trading guarantees of minimal individual economic security and some restrictions on the use of capital for the continued right to operate.

However, from the vantage point of the present, such a teleological explanation of the emergence of the New Deal seems puzzling, to say the least. If the combination of capitalism and democracy makes some version of the social democratic bargain inevitable, how do we explain the collapse of the New Deal coalition and the virtual abrogation of the social compromise over the last generation? Nor is the American experience unique. While the degree and nature of change has varied from country to country, social-democratic social contracts have been under attack everywhere in the world over the last generation. From an international perspective, arguments which implicitly assume that the social-democratic bargain is inherent in capitalist development seem even more problematic.

What I have called original sin theorists try to solve this contradiction by positing fatal flaws in the very construction of the New

Deal social contract, flaws so fundamental that they made its unraveling an almost inevitable function of its modes of operation. Indeed, given these flaws, most scholars who take this viewpoint question whether it is appropriate to conceive of the New Deal as a species of social democracy at all. Rather, they see a social democratic moment in the late 1930s and early 1940s when advocates of social democracy had a credible hearing in American politics. Social democrats, however, compromised away their momentum, allowing themselves to be co-opted and beaten. By 1946 any claims for meaningful social democracy in America were dead. Liberal Democratic politicians and intellectuals harbored illusions for another generation, but the dismantling of the New Deal political coalition in the 1970s was preordained by what they allowed to happen in the 1930s and 1940s. Writing about the disappointments of LBJ's Great Society, Ira Katznelson, for example, argues that "key features of partisan politics and policy-making in the 1940s . . . shaped . . . the Great Society's determinative limits. . . . The Great Society . . . is best understood in terms of a larger dynamic . . . that undercut . . . the prospects for an American social democratic politics."²⁴

Among the many shortcomings of the New Deal, the two most critical to this argument were New Deal labor policy and New Deal racial policy. Despite its dramatic impact on union membership, critics contest that New Deal labor policy proved to be a Trojan horse, a Devil's Bargain. By accepting reliance on the NLRB for organizing workers and defending their rights, labor in effect transformed itself from an oppositional social movement into a coterie of governmentally licensed franchises and virtual vassals of Democratic politicians. Politicians did not deliver; the labor-Democratic merger became a "barren marriage."²⁵ More tragically, in the process, labor union officials and activists lost touch with working people, who came to see unions as the property of labor union and labor relations bureaucrats. Working-class traditions of struggle and self-organization eroded. When the economic climate changed in the 1970s and 1980s, and corporations began attacking previously sacrosanct union gains, neither union leaders nor most workers understood any longer how to fight back effectively.

If collaboration with the New Deal labor relations system pulled labor's teeth, liberals' acceptance of the New Deal's hands-off relationship with southern Democratic white supremacists left in place a solid political bloc opposing progressive legislation and a ticking

time bomb in the heart of the Democratic coalition. As Dixie rose again in the 1960s, it brought the New Deal and the Great Society down like a house of cards. Only if there had been the political will to forcefully confront the racial ethos of southern Democrats at the peak of New Deal strength in the 1930s and early 1940s, could this outcome have been avoided.

While this analysis of the long-term effects of New Deal labor policy and of collaboration with southern racism is probably correct, the presumption that such policies resulted from a lack of political will, wisdom, or moral sensitivity among liberals and radicals seems more doubtful. Did the labor movement enthusiastically support New Deal labor policy because they suffered from paralyzing illusions or because those policies seemed so manifestly better than the labor policies of any previous regime? Could working people have won a greater measure of worker's control, codetermination of corporate investment decisions, or a more inclusive social safety net if they had forsaken NLRB procedures to go it on their own in the streets and on the shop floors? What-ifs can never be answered, but nothing in the history of the labor struggles of the previous fifty years suggests much reason that workers or unions could have done better without collaborating with Democratic politicians and the federal labor relations bureaucracy.

Likewise, did white supremacists maintain a stranglehold over the southern Democratic Party only because progressives failed to confront them on race, or because racists held politically entrenched positions and defeated efforts to budge them? The evidence here is more mixed than in the case of labor policy. Liberals knowingly accepted racially inspired exceptions and limitations in virtually every key New Deal program and agency from the Wagner Act's exclusion of agricultural and domestic workers to the FHA's consistent racial redlining of neighborhoods to liberal Democratic senators voting against a Republican antiracial discrimination amendment to a 1949 public housing bill. But the latter vote illustrated their dilemma. The Republicans proposed the amendment prohibiting racial discrimination in public housing as a tactic to defeat public housing legislation, knowing that inclusion of the amendment would swing southern Democrats against the entire bill. Liberal Illinois Senator Paul Douglas apologized to "the Negro race" when he agonizingly urged his colleagues to vote against the amendment in order to prevent defeat of "all hopes of rehousing 4 million persons."

Could Democratic liberals have challenged racial segregation more forcefully in the 1930s and 1940s without risking such massive defections of voters and elected officials that they would have undermined their legislative majority? Would the country have been better off in the long run if liberals had accepted principled defeats as the political cost of raising the ante against racism? Douglas, in this case, thought not. Looking at the political landscape we can see why liberals like Douglas felt politically vulnerable. Many who did try to push the limits on racism found themselves overwhelmed by racist attack. Claude Pepper, Florida's progressive Democratic senator, for example, was deated in an orgy of red baiting and race baiting in the 1950 Florida Democratic primary as his opponents circulated propaganda with pictures of him embracing Paul Robeson. His liberal colleague in North Carolina, Frank Graham, suffered a similar fate the same year as segregationists saturated the state with leaflets urging "White People Wake Up . . . Frank Graham Favors Mingling of the Races."²⁷ UAW leaders and their political supporters found themselves trounced in the 1943 and 1945 Detroit mayoral campaigns by incumbent Edward Jeffries who denounced Afro-American protesters as "Negro hoodlums" and accused the NAACP of collaborating with "un-American" UAW leaders. The UAW-NAACP backed slate pulled 85 percent of the vote in Black neighborhoods, but lost heavily in those white working-class neighborhoods where UAW members were most concentrated.²⁸

Ultimately, perhaps, we must ask whether the original sin critique of the New Deal is based more on political and moral assumptions about what should have happened rather than on systematic appraisal of the balance of political forces in the era. Such assumptions about what should have happened are usually implicitly rooted in classical Marxism's teleology of the expected direction of history. They fail to seriously consider the proposition advanced by David Plotke that "the main alternatives to the Democratic order were regimes well to its right. . . . the likelihood of a social democratic outcome was much smaller than that of more conservative results. . . ."²⁹

If critics of the New Deal social contract fault its weakness, paradoxically, most theorists of globalization and technological change see its success as the trigger of contemporary change. Strong unions, high wage rates, high taxes necessary for the social overhead of a social contract, and a tight regulatory climate all effectively diminished domestic possibilities for corporate profit and capital accumu-

lation. Capital sought global market places and new forms of production to escape the constraints of the social democratic bargain. "Despite appearances," writes John Holloway, "the restless movement of capital is the clearest indication of the power of the insubordination of labour."³⁰ Such observations, however, provide little comfort or practical tactical advice for people watching their jobs shipped overseas, their wages cut, or their workplace intensified. If original sin theorists overestimate the potential for more radical alternatives to the regime that emerged in the 1930s and 1940s, most theorists of structural change underestimate the potential political flexibility of the current world. While pressures against workers, unions, and class bargains are indeed global, the impact has been different from country to country.³¹

Finally, analysts of recent political campaign strategies, although often incisive, are too caught up in the mechanics of political campaigns to integrate their story with either historical or structural analyses. They generally see the Democratic commitment to civil rights, affirmative action, and gender equality as tactical overemphases rather than products of significant social forces. Indeed, many end their litanies of Democratic error and Republican elan by essentially asserting that Democrats can readily regain the political initiative by combining a clearer critique of free market economics with a more savvy avoidance of the contradictions of cultural politics.³²

Historically Situating the New Deal Social Contract

Within the broadest sweep of American political history, the thirty years from the 1930s to the 1960s stand out as the only era in which either major party symbolically and programmatically defined itself clearly in class terms.³³ Looking at the thirty years of the New Deal's class bargain in this way—as an exception to a prevailing pattern in which class relations have usually not been the explicit axis of American electoral politics—forces us to look at the contrasts between the 1940s and the 1990s in a different way, to ask different questions. How have the rules of the American constitutional system and the cultural traditions of American society shaped American electoral politics? And why was the New Deal Democratic Party able to break precedent in the early 1930s

and maintain a class-based political realignment for a generation thereafter?

Rules: The Effects of the American Constitutional System

The American constitutional structure, by design, is not a level playing field in which all political tendencies compete equally. The Founding Fathers, fearful of an excess of democracy, made rules that favor political elites capable of mobilizing political resources across broad geographical areas and at the multiple levels of federal, state, and local politics. These rules essentially disenfranchise any political tendency or political interest unwilling or unable to reach accommodation with the political elites who control a governing coalition.

The rules rarely change because the constitution makers made changes extremely difficult. A constitutional amendment can only be enacted by first getting two-thirds majorities of both houses of Congress and then by receiving the endorsement of majorities in three quarters of the state legislatures. Any fundamental changes in the allocation of power can be vetoed by only a few dozen politicians in the first step or a few hundred in the second: thirty-four U.S. senators or a majority of the state senators in only thirteen out of the fifty states. Proposed rules changes rarely make it through this cumbersome amendment process. The two most important changes—black enfranchisement and women's suffrage—took the bloodiest war in American history to enact in the first case and more than fifty years of dogged political agitation in the second.

The crucial constitutional features tilting the electoral playing field toward powerful elites are the apportionment of legislative seats to single-member geographic districts, the election within those districts by winner-takes-all plurality, a bicameral legislature with the senate seats allocated two to each state regardless of population, and the separation of legislative elections from the presidential election. Single-member geographically based districts, combined with the winner-takes-all plurality means that anyone who seeks power at any level of American electoral politics must be able to produce an electoral majority in a specific geographic location. A minority showing—no matter how large, even up to 49.9 per-

cent of the vote in a district—usually yields absolutely nothing. The immediate effect is the same as if you did not vote at all.³⁴

If anything less than a majority in each district is pointless, then a minority showing across many districts is equally fruitless. A labor, socialist, or other ideologically based party can draw 5, 10, 15 percent of the national vote—enough to be a major national player under different rules such as proportional representation or a parliamentary system—and come away completely empty in the United States. In 1912 the Socialists drew 6 percent of the national vote and elected no one to Congress. In contrast, a 6 percent showing by the British Labour Party in 1910 yielded forty-two parliamentary seats.

Geographically based winner-takes-all districts thus provide an inexorable logic for joining majority electoral coalitions. Class politics is a politics of mobilizing by sharpening battle lines. Coalition politics is a politics of conflict avoidance. Coalition building pressures activists and politicians to avoid conflict and controversy in order to broaden the coalition, pulling in ambivalent or lukewarm voters at the margin by assuring them you do not intend anything threatening. At the same time, the necessity of obtaining an electoral majority over a large geographic area raises the minimum threshold of resources necessary for electoral competition. Unless you can start off big enough to look like a possible winner, even voters who are very sympathetic to your appeal will shy away, fearful that a socialist or labor vote which would otherwise go to the more approachable of the two major parties will, in effect, become a vote for the most reactionary party.

If geographically based winner-take-all districts create a structural bias in favor of cross-class political coalitions and raise the minimum entry fee for political competition, the bicameral structure of Congress and the method of electing the president magnify both tendencies. Since all legislation must pass both houses of Congress, a few dozen senators from sparsely populated rural states can veto any program even if the overwhelming majority of the electorate wants it passed. Working-class and pro-labor votes tend to be concentrated in a few populous industrial states. In 1920, eleven northern industrial states (N.Y., Ill., Pa., Ohio, N.J., Mass., Mich., Wis., Mo., Calif., Ind.) together had a majority of the American population (50.1 percent) but only 22 of 96 senators. Nevada's 77,000 people or Delaware's 223,000 had the same representation in the Senate as

New York's 10.4 million. Each vote in Nevada counted more than 100 times as much as each vote in New York. Thus working-class votes concentrated in large industrial states will be systematically undervalued. Until a series of Supreme Court decisions in the 1960s, most state legislatures exhibited similar drastic imbalances in representation between urban-industrial areas and rural areas.

Labor unions in cities like Chicago, New York City, and San Francisco often had significant local political influence. In a parliamentary system, these would have been the first strongholds of the American Labor Party. But union resources, concentrated in a relatively small number of such strongholds, never constituted a potential governing coalition in any state and were always totally inadequate for a national campaign. When the most important political objectives of unions and workers were local—such as insuring police neutrality in local union organizing—unions avoided the potential divisiveness of national party politics. In the twentieth century, as the courts began to define narrower boundaries for union activity³⁵ and as unions faced national and international corporations, national politics mattered more and more. Unable to contend on a national or even state level by themselves, unions and workers had to look for political allies, to join coalitions. But the support of potential political allies always carries a price. The price for unions and workers has usually been twofold: accepting party loyalty and abjuring militant tactics which strike middle-class portions of the political coalition as violent, coercive, or unresponsive to the "public interest." You could only bargain from inside the party coalition and you could not do anything which would embarrass the rest of the coalition and cost the party more votes than you could deliver. The rules of the game thus heavily favored joining into major party politics rather than independent political action. They have also meant, at various times, disciplining your own supporters to avoid their most effective tactics—sit-downs or wildcat strikes, for example—or purging your own ranks of enthusiastic organizers such as IWW's or Communists.

Finally, presidential elections add yet an additional pressure for coalition politics. The president functions like a constitutional monarch elected in a national plebiscite. A credible presidential campaign always demanded a national political base (both because of the scale of the campaign and the choice by the electoral college) and vast amounts of money. The rise of mass media further increased the

price of an admission ticket to the presidential sweepstakes. Only national political parties can raise such resources, and even they are ever more dependent on large financial backers. In a parliamentary system, where the prime minister is the chosen leader of the parliamentary majority, minority parties can exert leverage by bartering their support for the parliamentary majority in exchange for key appointments or policy guarantees. The presidency in American politics, with its broad executive, appointive, and veto powers, is a much more crucial linchpin of political power than the chief executive in a parliamentary system, but under the American system you have access to presidential power only from inside the president's party.

The unique nature of the American constitutional system explains a great deal about American politics. Indeed, we may have to look no further for at least a partial answer to one of the favorite questions of American labor historians: why is there no socialist or labor party? The United States is the only industrial democracy without a significant labor or socialist party. It is also the only industrial democracy without some form of proportional or parliamentary representation.

Traditions: The Heritage of Colonialism

The constitutional bias toward cross-class political coalitions has been compounded by the heritage of colonialism which superimposed on America's class structure a racial and ethnic hierarchy borne out of conquest and enslavement. White Protestant, mainly English, Europeans seized the North American continent in centuries of warfare with native peoples and other colonialist contenders. Wealth, power, and status have ever afterward been correlated with the racial and cultural caste of the descendants of the conquerors. To be a white, Anglo-Saxon Protestant was to be of the dominant caste. To be anything else was to be of the others. Much of the deepest conflict in American politics, from the beginning of the republic to the present, has revolved around the question of who will be recognized as part of the polity, which of the others? And with what conditions?

As many political historians have empirically demonstrated, until the New Deal, the greatest partisan cleavages in American politics had been mainly ethnocultural. But ethnocultural identities were

not race and status neutral. Given the broad and amorphous nature of coalition parties, both major parties have always included some members of virtually every racial and cultural group. But since their very beginnings, the Republicans have always been the party of those ethnocultural groups most closely identified with the dominant culture. The Republicans, as a consequence, have always had a greater cultural coherence than the Democrats. The Republicans defended respectable white Protestant America. Others joined if they were already militantly anti-Catholic, like the Orangemen, or if they wanted to join the club by ceasing to be what Theodore Roosevelt called "hyphenated-Americans."

The Democrats were the party of conservative white southerners and those of the outs—mainly Catholics—sufficiently acculturated to mobilize politically and look for a more hospitable political home than the Republicans. A party of southern conservatives and Catholics was always an uneasy alliance.

As the country industrialized and the ranks of potential working class voters expanded dramatically, ever greater class tensions were simmering, submerged by the cross-class character of both parties that left those voters concerned about class issues with little way to express their wishes. But beyond local enclaves of labor strength, any politicians or activists who sought to capture such sentiment and realign the parties by mobilizing around class grievances faced a daunting practical reality. In the early 1900s, close to 60 percent of the nation's industrial workers were members of subordinate racial and ethnic groups but over 40 percent were not.³⁶ Any party that sought to mobilize workers around a class program had to bridge the emotions and cultural contradictions of race, ethnicity, and religion. Their opponents would not only enjoy the benefits of cultural unity, but they could also hope to hold a substantial portion of that 40 percent of working-class voters who were white Protestants. Indeed, even at the greatest peak of class-mobilization in the 1940s, the Democrats never won the votes of the majority of non-southern white Protestant workers.³⁷ The effects of the country's racial and ethnic hierarchy thus were partisan specific. The party that wished to rally racially and culturally subordinate groups faced an overwhelming hurdle of cultural unification which the other party did not. Since the majority of workers belonged to such subordinate groups, any working-class party would face this dilemma.

Market Pressures

Finally, the anarchy of the market, a natural part of any capitalist economy, also favored cross-class coalitions and made the prospects of a more ideological, class-based politics more difficult. In a market economy with winners and losers, there will always be variations in the economic prospects and needs of different regions, industries, occupations, and individuals. Growing regions will have different public policy interests from declining regions. Industries facing tough international competition will seek different programs from industries with safe domestic markets. People who are doing relatively well will have less enthusiasm for redistributive programs than those who are doing poorly. Coalition politics is tailor made to the reality of market variations. Specific and narrow programs and concessions can be crafted to the particular interests of regions or industries at relatively modest cost to the national treasury or the national profile of the party: price supports for North Carolina tobacco or Wisconsin dairy products; a new highway, airport, or dam. The very size of the country increases the likelihood of such sectoral variations. They may often seem more pressing to working people than the broader common goals that would have to be the basis of a class appeal.

The New Deal Breakthrough

In the early 1930s, a unique set of circumstances combined with a new set of political alliance gave advocates of a more class-based politics the opportunity to partially—but only partially—overcome the structural and cultural biases which had shaped American politics up to that time. The Depression produced unprecedented suffering compounded by the psychological anxieties of a seemingly unending downward spiral from 1929 through 1933. Frugal and respectable folks found their life savings disappearing in sudden bank failures, their homes threatened with foreclosure by other banks still struggling to stay afloat, and the great factories on which they depended for employment standing idle. In these circumstances of profound distress and deep disillusionment with corporations and financial institutions, urban Democratic politicians, liberal intellectuals, and unions leaders sensed political opportunities.

FDR's first presidential victory in 1932 represented little more than a national reaction to the depression and a revulsion to the perception that Herbert Hoover and the Republicans did not care enough about people's suffering to do anything about it. When Hoover (actually a relatively activist Republican) declared that "economic depression cannot be cured by legislative action or executive pronouncement" or "no governmental action . . . can replace that God-imposed responsibility of the individual man and woman to their neighbors," he was answered by those who shouted that "Uncle Sam can help, but the man at Uncle Sam's helm will not help. He hears our cry unmoved . . ." ³⁸

Roosevelt drew roughly the same proportion of the vote from all classes in 1932, ³⁹ and the Democrats offered little in either the campaigns or their first legislative ventures that could be seen as a sharp tilt toward the working class. The most important part of their first economic recovery package, the National Industrial Recovery Act (NIRA), offered a weak and unenforceable clause (section 7a) allegedly guaranteeing workers' right to bargain collectively through representatives of their own choosing, but did so without mentioning unions or establishing any mechanism to carry out the stated goal. Otherwise, the NIRA was classic coalition politics under business control. Each industry established its own code board to regulate economic behavior according to the particular needs of the industry. While theoretically the code boards included tripartite representation of business, labor, and the public, in practice, if they had any impact at all, most functioned like business trade associations. The NIRA had flopped well before the Supreme Court declared it unconstitutional in 1935. By then the Depression was already half a decade old.

The long continuation of the economic crisis pushed a substantial portion of the electorate to the left, aroused widening mass protests and increasing demands for far-reaching action. This unrest and insecurity offered both an opportunity and a threat for FDR and legions of new Democratic officeholders swept in by the Depression after years in the political wilderness. In the 1920s, outside of the South, the Democratic Party had seemed almost on the verge of extinction. Now Democratic politicians could respond to the crisis and consolidate a new political base or fail to respond and get pushed back out the electoral revolving door. They did not know quite what to do.

An alliance of three groups—urban progressive politicians, liberal intellectuals, and labor organizers—stepped into the political vacuum with a program and a vision. While they considered a range of programmatic directions including forms of national planning, regulatory action, fiscal and monetary intervention, and antimonopolism,⁴⁰ they generally shared faith in a high wage-high consumption economy with an expanded public sector, and increased public regulation of capital designed to discipline both business and labor, prevent destructive cutthroat competition, and avoid violent class warfare. Such a vision seemed both moral and practical to progressive intellectuals, activists, and politicians: moral because they believed in human equality, practical because they believed that underconsumption caused by extreme maldistribution of income had provoked the depression. Legislating this vision would demand labor laws designed to greatly strengthen but federally supervise labor unions; public works jobs and public housing projects; banking and financial regulation; and social security.

Such a program would draw the labor movement to the bosom of the Democratic Party but could be sold to farmers, homeowners, small-business people and other non-labor constituences as well. Thus Senator Robert Wagner, the sponsor of the National Labor Relations Act; Leon Keyserling, his aide, who drafted the bill; and intellectuals such as William Leiserson, future NLRB chairman who advised them,⁴¹ did not defend the measure primarily as a defense of workers' rights as citizens. Instead, they defended unionization as an economic recovery measure as much as an end in itself. Unionization would be a mechanism for raising wage levels and hence consumption. Federal supervision would insure that unions behaved responsibly in the public interest. Likewise, while social security was desirable to remedy the insecurities of old age, it was also promoted as an antidote to underconsumption. Public works jobs would start out as emergency relief, but hopefully the accomplishments of showcase projects would overcome public scepticism about a permanent expansion of the public sector.

Programmatic liberals seized the political initiative because other Democratic officeholders had no equally convincing answers for the public demand for aggressive federal action. But their programs provoked bitter controversy within the Democratic Party, and outraged conservatives of both parties began denouncing the New Deal as a catastrophic threat to liberty and as a communist plot.

Normally, given the logic of coalition politics, such opposition promotes furious backpeddling by officeholders fearful of pushing swing voters into the arms of the opposition. But in this case, just the opposite happened. From FDR on down, New Deal Democrats castigated their critics as economic royalists, malefactors of wealth, or stooges of the discredited bankers and financiers who had brought the country to ruin. In 1936 FDR sometimes sounded like a parlor Bolshevik, and he won the biggest landslide in American political history up to that time.

He could do so for two reasons: because most Democratic conservatives could not quite stomach switching parties, despite their dislike of New Deal policies, and because important new constituencies approved of New Deal policies and rhetoric so enthusiastically that they turned out in record numbers, more than counterbalancing the impact of any conservative defections. Even at as explosive a point as 1936, though, Roosevelt could not completely overcome the structural bias which drove the Democrats toward coalition building. The New Deal Democratic Party was the amalgamation of two parties: the old Democratic Party of white southerners and Catholics, and a new party of outsider constituencies—Jews, northern Blacks, and southern and eastern Europeans, mainly industrial workers. Both Democratic Parties claimed FDR's charisma and the Democratic label, although for different reasons. To the conservatives of the old Democratic Party, the New Deal was anathema. But where else should they go? Most white southerners were yellow dog Democrats—even a yellow dog or a pro-labor Yankee was better than any Republican. And Catholic conservatives discovered that the nativist smell of the Republicans still repelled most Catholic voters. When Father Charles Coughlin broke with the New Deal, he tried to pull his supporters into a third party, the Union Party, but the Union Party candidate drew less than 2 percent of the national vote in 1936. Such sachems of the old Democratic Party as Al Smith and John W. Davis tried to rally Democratic opponents of the New Deal into the Liberty League, but despite substantial financial contributions from wealthy backers, they found themselves as chiefs with no Indians.

In contrast, to the constituencies of the new Democratic Party, the majority of whom had been non-voters before the 1930s, strong unions, government jobs, and old age pensions were almost too good to be true. No politician had offered them anything really important before. Homestead, Pennsylvania, a classic mill town just up-river