

ALAN DAWLEY

from *Struggles for Justice* [1991]

ALAN DAWLEY (1943–) is professor of history at the College of New Jersey. He is the author of *Class and Community: The Industrial Revolution in Lynn* (1976), which won a Bancroft prize, and *Struggles for Justice: Social Responsibility and the Liberal State* (1991).

The ink was hardly dry on Roosevelt's recovery program before the New Deal was overtaken by an unexpected development: social movements awakened from their long slumber. From the grimy coal regions of Pennsylvania to the sultry bayous of Louisiana, the sleeping giants of labor, social justice, and populism snapped the cords that had tied them down in the early stages of the depression. As the earth began to shake with the tramp of strikes and rallies, there was a revitalization of radicalism and a resurgence of faith in the common people: Why not? Everything else seemed to have failed. Carl Sandburg captured the new mood in the title of his epic poem, *The People, Yes* (1936).

Ironically, the rebirth of social movements at the grass roots was in part the consequence of elite activities in Washington. The corporate planners and Brain Trusters of the early New Deal had found it necessary to penetrate ever deeper into the daily lives of ordinary Americans. As reported in a summer 1933 issue of the *Literary Digest*, "This central government of ours has now become the almoner to 12,000,000 unemployed and distressed people. It has become the guardian of middle-class investors, of the mortgaged-farm owner, of the mortgaged-home owner, of the bank depositor, and of the railway employee. It has become the partner of industry and of agriculture. And it has even become the friend of the beer maker and the beer drinker."

The last thing New Dealers wanted was to have "distressed people" taking things into their own hands, but that is exactly what happened next. For the more the Roosevelt administration rationalized banking, industry, and agriculture, the more it raised expectations for government aid among workers, retirees, and the unemployed. Roosevelt had stumbled upon the law of unintended consequences, but anyone with a sense of the cunning of history could have seen it coming. Having cultivated the analogy between the depression "emergency" and the war "emergency," Roosevelt should not have been surprised when the people demanded delivery on the government promise of recovery, just as people had demanded that Wilson live up to his promise to "make the world safe for democracy."

Reprinted by permission of the publisher from "Rendezvous with Destiny," in *Struggles for Justice: Social Responsibility and the Liberal State*, by Alan Dawley, pp. 371–74, 377–85, 395, 402–5. Cambridge, Mass.: The Belknap Press of Harvard University Press. Copyright © 1991 by the President and Fellows of Harvard College.

Nothing better illustrated the unwritten law of unintended consequences than the way New Deal labor policy inadvertently mobilized workers. None of Roosevelt's inner circle could be accused of harboring a passion for organized labor, not even Secretary of Labor Frances Perkins, who was more of a progressive reformer than a trade unionist. The president betrayed his own indifference to the labor movement in remarking that he didn't care whether workers paid allegiance to a trade union, the Ahkoon of Swat, or the Royal Geographic Society. The fact that section 7a of the 1933 National Recovery Act piously declared that workers had the right to organize and bargain collectively "through representatives of their own choosing" did not mask any secret desire to rally workers to the union cause. It was simply a political bone thrown to the AFL in hopes of ending its support of a bill mandating a thirty-hour week, which the entire Roosevelt administration opposed.

It took a canny opportunist such as John L. Lewis to ignore all this. The flamboyant autocrat of the United Mine Workers launched a membership drive under the slogan "The President wants you to organize." As tens of thousands of mine workers signed union cards, the spirit soon spread to workers in mass production. Together with the garment workers and a few other industrial unions, Lewis prepared to commit the greatest sin known to the labor movement — dual unionism — by breaking away from the AFL in 1935 to form the Committee (later Congress) of Industrial Organizations. It may have been all a misunderstanding, but by seeming to remove government objections to labor unions, section 7a contributed to the most significant mobilization of wage earners since the war.

A dozen years of labor peace ended with a bang in 1934. From one end of the country to the other, industrial workers rediscovered a long-lost militancy. The textile industry was convulsed by the first nationwide general strike in its history, punctuated by company violence. In San Francisco a longshoremen's strike against the indignities of the "shape-up" (in which foremen hired favorites from men herded together like cattle) escalated into a citywide general strike when police killed strikers. Similarly, teamsters brought truck transport to a halt in the vital entrepôt "of Minneapolis, and, again, company thugs killed strikers. Communists and Trotskyists, respectively, played vital leadership roles in these strikes. Returning from a sojourn in the Soviet Union, Walter Reuther, future president of the United Auto Workers, was amazed at what he saw: "the NRA and the series of strikes and struggles of labor that followed ushered in a new epoch in America."

Violence accompanied all the major strikes, and the reason was the same as always — business' hatred for unions. Although a handful of companies were prepared to recognize genuine unions, most fought as if there was no tomorrow. Turning section 7a to their own advantage, they set up company unions, or employee representation plans, which successfully forestalled independent trade unions in a host of places. At the same time, they brought in labor spies, hired thugs, private detectives, and "citizen" vigilantes, whose massive violations of civil liberties would soon be

amply documented by a Senate investigating committee under Robert La Follette. A handful of so-called brass hats such as Tom Girdler of Republic Steel vowed never to accept collective bargaining. Girdler's intransigence led to the infamous Memorial Day Massacre of 1937, when ten members of a crowd of peaceful demonstrators were shot in the back by police. Although the number of strikes and the level of violence never reached that of the end of the First World War, industrial warfare was back.

The difference was that this time unionism often came out on the winning side. Whereas the 1919 Seattle general strike had been crushed, the strikers of San Francisco and Minneapolis could justly claim victory. Whereas mass production and heavy industry had emerged union free from the postwar battles, organizing drives were now under way that would soon bring strong unions to the auto, meatpacking, electrical and steel industries; in short, to the entire heartland of modern capitalism. Whereas the craft unions of the AFL had lapsed into a lethargic "business unionism" during the 1920s, now the emerging industrial unions of the CIO rekindled a crusading spirit that brought in almost 3 million members and sparked an equivalent expansion in the ranks of the revitalized AFL.

What explains this remarkable mobilization of "labor's new millions"? Once the trigger effect of the New Deal has been duly acknowledged, the upsurge should be understood in the context of the evolution of modern capitalism. Class relations were being reshaped by the impersonal structures of mass society. In the realm of production, two decades of technical rationalization and bureaucratic management had homogenized the labor process so that workers in widely different settings had the sense that they were all parts of a single whole. By the same token, in the realm of reproduction, the homogenizing impact of mass culture — from advertising and chain stores to major league baseball and public schools — had lifted people out of their parochialism and given them a common basis of communication across ethnic and religious boundaries. Everybody could root for the home team, and who didn't love Charlie Chaplin?

Taking these structural conditions as a given, real, flesh-and-blood human beings brought about the rebirth of labor. Because the working class spanned so many different cultures, the labor movement could not count on a common set of values, and in almost every struggle against the boss, there was a concurrent struggle for leadership within the movement. In the case of New England textile workers, secular radicals in the tradition of the French Revolution vied with devout Catholic French-Canadians; and in the case of the electrical workers, Communist fellow travelers competed with Catholic corporatists. The divisions had always been there. The difference was that now the common struggle against the boss took precedence and drew these warring factions together. In one of the most bizarre cases, an alliance arose among New York transit workers between closet Communists and Irish nationalists in the secret Clan Na Gael.

That atheist lions could lie down with churchgoing lambs reflected the change in climate in working-class communities. After years of eclipse, visions of a just society were returning to the forefront. To judge from the

many testaments they left behind, labor organizers were motivated as much by a desire to change society as by a desire for power. Certainly, that was the case for Jewish garment workers, who combined socialist ideals, *Yiddishkeit* (the transplanted culture of eastern European Jews), and a sophisticated pursuit of political power that eventually installed Sidney Hillman of the Amalgamated Clothing Workers as one of President Roosevelt's many righthand men. And in general, the advance of social consciousness helped revitalize the labor movement and thrust it to the center of the historical stage. . . .

The change was registered as populists and progressives became major players in the midterm elections of 1934. Upton Sinclair ran a creditable campaign for governor of California on watered-down socialism and the slogan "End poverty in California." Midwestern voters elected members of the Minnesota Farmer-Labor party, sent progressive Robert La Follette, Jr., to the Senate from Wisconsin, and revived the prairie populist ideas of the Non-Partisan League. Southern populism spoke through Huey Long's Share Our Wealth campaign, and southern progressives such as Hugo Black put aside states' rights and worry about race relations to support federal assistance to the poor. Contrary to the traditional pattern in midterm elections, voters further reduced the Republican contingent in Congress, and many of the new Democrats stood to the left of Roosevelt. For the first time in a decade of reversals, the labor movement actually gained friends in high office. Once the New Deal broke the logjam in American politics, a host of reformers came flooding through.

In some respects, the new dynamic was comparable to the aftermath of the First World War. Then, the largest strike wave in American history, the onrushing women's movement, and the emergence of the New Negro confronted elites with a choice between progressive "reconstruction" that would co-opt these popular forces into a new governing system and top-down repression that would freeze things as they were. Although the Women's Suffrage Amendment was an example of cooptation, for the most part the Wilson and Harding administrations had chosen the path of repression. Nervous about Bolshevik revolution in Europe, they chose to crack down on strikers, incite the Red Scare, and abandon social reform in favor of *laissez faire* and immigration restriction.

Now, a decade and a half later, as the political initiative shifted from elites to masses, the Roosevelt administration faced a similar choice between repressing popular forces or co-opting them into some yet-undiscovered consensus. In the frame of international comparison, that choice translated into an ominous question of whether liberalism would be sacrificed to save capitalism. The question was posed most cruelly in Germany, where the Nazi seizure of power in 1933 had destroyed all semblance of civil liberties. If Germany could descend into fascism, was it possible that the United States would find its own road to repression?

Given all that was at stake, the choice facing the country in the mid-1930s was full of historical significance. For if the Roosevelt administration

continued to take its cues from managerial liberals, and if, as seemed likely, its half-baked experiments in state planning failed to end the depression, then the inevitable protests would be met with troops and anticommunist hysteria. And if the lights of free expression were snuffed out in the land of liberty, how long could they remain lit elsewhere? If, on the other hand, the administration chose to reach out to the grass-roots movements, it would have to chart a new course for American politics. Since there were precious few precedents for incorporating wage earners in state policies, and since the interests of wage earners and capitalists were fundamentally at odds, it would not be easy to find the way.

In the event, the choice was for a new round of experiments in 1935 that became known as the Second New Deal. In what was the truly new part of the New Deal, the Roosevelt administration enacted a set of enduring reforms, including the National Labor Relations Act and the Social Security Act, that somehow reconciled capitalism and social reform, altered forever the relation between state and society in the United States, and stood as a beacon of liberal renewal to the entire world.

The original impetus for reform came not from corporate planners but from the popular movements for social justice and their allies in the administration and Congress. That fact was crystal clear in the more radical pieces of legislation, such as the Works Progress Administration (WPA). Responding to unemployed workers and social reformers, Harry Hopkins, a Chicago social worker in the Jane Addams tradition, devised a vast federal jobs program that spent over \$2 billion at its peak in 1939 and had more than 3 million people on payroll doing everything from digging ditches to writing plays. Though ridiculed as "We Poke Along," it made lasting contributions in public works and even in public art through the heroic murals of people's struggle painted by the likes of Diego Rivera. To its supporters, WPA represented a rational system of production-for-use as against the chaos of production-for-profit. Verily, it prefigured the cooperative commonwealth.

No doubt the most annoying burr in the saddle of privilege was the wealth tax. Roosevelt backed the "soak the rich" tax on capital stock, estates, gifts, and excess profits to recapture political ground lost to Long's Share Our Wealth campaign. Once enacted in 1935, the tax did not, in fact, soak the rich; econometric studies attribute most of whatever downward distribution of income occurred after 1929 to market forces or the impact of the Second World War. But nothing did more to provoke fear and loathing of the New Deal and "that man in the White House," and it marked the apogee of Roosevelt's swing toward redistributive ideas. Radicalism was also evident in TVA-style planned economy, WPA production-for-use, and the presence of agrarian reformers in Henry Wallace's Department of Agriculture. Thus for the first time since the border between progressivism and socialism had closed in 1917, Washington was open to influences from the left.

The turn toward reform split the business community into pro- and anti-New Deal factions. A minority of corporate leaders such as Thomas

Watson, head of International Business Machines, recognized the desirability, or at least the inevitability, of some social legislation. Rockefeller interests supported public pensions and unemployment assistance and sponsored a national tour by William Beveridge, who became the father of the British welfare state. When Secretary Perkins picked people associated with the well-connected American Association for Labor Legislation to work with the newly appointed Committee on Economic Security, the corporate-liberal wing of the business community knew it could count on Roosevelt to come up with a "sober" social insurance plan for the unemployed and the elderly. Managerial liberalism was not totally dead.

Most businessmen, however, attacked public welfare as if it flew the red flag of socialism. At the first sign that social-democratic ideas were making headway in Washington, conservatives in the U.S. Chamber of Commerce deposed its pro-New Deal leader. Although the National Association of Manufacturers raised no serious objection to unemployment aid along the lines of the "Wisconsin Plan" (privately controlled employer reserves), it opposed anything that smacked of public control. In the face of 12 million unemployed, NAM commended individual "thrift and self-denial" as the answer to unemployment. NAM's Ohio affiliate denounced the "Ohio Plan" (compulsory group insurance) as "the greatest menace that has ever faced Ohio industry," and the Ohio Chamber of Commerce thundered against this "Bolshevik" proposal. . . .

Beset by these political cross-pressures, Roosevelt was galvanized into launching the Second Hundred Days when the Supreme Court declared the National Recovery Act unconstitutional in the *Schechter* decision of May 1935. Shattering the centerpiece of Roosevelt's recovery program at a time of growing popular discontent, the Court's bombshell threatened to wreck the fragile public confidence that had returned in the preceding two years. Eager to experiment with ideas that might win votes, Roosevelt quickly shifted his labor policy. Having steadfastly ignored Senator Robert Wagner's bill for regulating labor relations, he now thrust it forward as a piece of essential legislation.

With ties to both enlightened corporate leaders and labor progressives in his home state of New York, Senator Wagner espoused an "underconsumption" theory of the Depression and argued that collective bargaining was the route to recovery because it would raise "the purchasing power of wage earners." Wagner's aim was not to redistribute wealth from capital to labor but to rationalize the chaos of competition by smoothing out the peaks and valleys between boom and bust, large and small employers, and high- and low-wage industries. In an attempt to avoid running afoul of the Supreme Court, Wagner's bill employed a bit of legalistic legerdemain in making *individual* rights the legal basis for *collective* bargaining. In fact, the words *trade union* never appeared. All the same, the Wagner Act gave the new National Labor Relations Board power to halt "unfair labor practices," supervise representation elections, and certify duly chosen bargaining agents. Hoping to reap the advantage, the AFL put aside its traditional objections to state intervention and supported the bill, a

move AFL leaders regretted when it turned out the CIO would be competing for the same harvest of union members.

For all its labor sympathies, the Wagner Act did not fail to protect elite interests. Using their clout as committee chairmen, southern conservatives weakened the bill by excluding agricultural and casual laborers, thus leaving most of the Afro-American and Hispanic work force unprotected. The largely female occupations of domestic servants and retail clerks were also excluded. The friends of business, for their part, saw to it that the act confined "responsible" unions to a narrow range of bargaining issues, and, most important, it carefully avoided trenching upon the inner sanctum of managerial control over investment, product, and labor process. Freightened with such enfeeblements and exclusions, the bill passed overwhelmingly, with support from a majority of southern Democrats. Even the Supreme Court upheld the Wagner Act, granting its first approval to a major piece of New Deal legislation in the *Jones and Laughlin* decision (1937).

All in all, it was a historic turnabout. The Wagner Act constituted labor as a great estate of the realm, not the peer of business or even agriculture, but in some sense a collective entity with legitimate interests deserving state protection. Although the intent of the framers was to promote recovery, the effect was to install the government as the patron of unionism and, in some measure, to redress the balance of power toward workers. But the beauty of the Second New Deal's expansion of interest-group liberalism was its exquisite compromise between mass interests and elite privileges. . . .

Having already gone into the business of emergency relief, New Dealers were determined to create a permanent and more rational welfare system. From one side, they were buffeted by a host of modern-day Robin Hoods who pushed a cartload of reform — the Lundeen Bill on unemployment, Townsend's revolving pensions, and Long's Share Our Wealth — all of which quite openly aimed at the redistribution of wealth through confiscatory taxes on the rich. From the other side, New Dealers were pummeled by a shrill campaign financed by business against any system of government subsidies to the poor. . . .

Artfully crafted to minimize conservative opposition, the Social Security Act exempted many of the groups that needed help the most. To placate southern planters, agribusinessmen, and economic conservatives in general, it denied protection to farm workers, domestics, and casual laborers, the very people whose low wages and irregular employment made them among the poorest in the land. Likewise, instead of setting a minimum national unemployment benefit, the system bowed to low-wage regions and allowed state officials to set the dollar level of unemployment checks. Thus with the same enfeeblements and exclusions found in the Wagner Act, Social Security easily passed through a Congress eager to show a humane face to the public that had lived through six grinding years of depression. . . .

Sexual inequality was built into every part of the welfare state. Constructed around the nuclear family ideal, the system favored life-long homemakers over working wives and single women. Large groups of the lowest-paid female workers who needed protection the most were systematically excluded, including 3 million domestic servants; almost a third of all working women were thus deprived of unemployment and old-age benefits. In a compounding of women's predicament, divorced women were initially denied survivor's benefits, and young widows had to wait until retirement to collect. No one can say how a vital feminist movement would have changed all this, but it is clear that the absence of the kind of agitation that characterized the 1910s allowed these gender subordinations to go unchallenged.

When it came to labor and capital, the architects of Social Security were quite explicit about their intention to buttress the ladder of wage inequality. Chief Administrator Arthur Altmeyer laid down the "fundamental principle" that benefits were not to exceed 80 percent of former wages. According to Edwin Witte, the main architect of the bill, "Only to a very minor degree does it modify the distribution of wealth and it does not alter at all the fundamentals of our capitalistic and individualistic economy. Nor does it relieve the individual of primary responsibility for his own support and that of his dependents." . . .

Contrary to common mythology, the poor and the working classes were not the only ones to receive welfare. The middle classes were also beneficiaries of massive state aid. For one thing, in the absence of a means test for old-age insurance, salaried white-collar workers were entitled to a federal pension. Although the old middle class of self-employed persons was initially exempt from the system, the fact that the new salaried middle class participated helped guarantee the political survival of Social Security through the thick and thin of successive liberal and conservative administrations in Washington. For another, small property owners also received the largesse of federal insurance on savings deposits and home loans. Tapping a deep vein of American folklore, Franklin Roosevelt proclaimed that "a nation of homeowners, of people who own a real share in their own land, is unconquerable." To stem the tide of mortgage foreclosures, in 1933 and 1934 the Roosevelt administration created the Home Owners Loan Corporation to refinance shaky mortgages, the Federal Savings and Loan Insurance Corporation to prop up wobbly financial institutions, and the Federal Housing Administration (FHA) to underwrite private loans for housing construction. Before long, the federal government held mortgages on fully one-tenth of all owner-occupied nonfarm residences in the United States. Working through Hoover's Home Loan Bank Board, the New Deal largely succeeded in repairing the bonds between middle-class families and capitalist institutions that had been ruptured by the Depression.

The middle-class bias was evident in guidelines for home loans. The Home Owners Loan Corporation devised an invidious, four-tier, color-coded

system for ranking neighborhoods in which, predictably, the top-ranked were composed of "American business and professional men" (that is, no Jews, blacks, or recent immigrants), while the bottom — coded red — were crowded slums or any neighborhood with a "rapidly increasing Negro population." This was the beginning of official federal sponsorship of redlining, or disinvestment in poorer urban neighborhoods, which did so much to devastate inner cities in the middle decades of the twentieth century. To its credit, the New Deal also subsidized low-income tenants through public housing, and it was the market, not the federal government, that created the slums. But in smoothing the transition from the productive farms and workshops of the old middle classes to the consumer homes of the new, Washington became the biggest single player in the housing market, and, as such, it did much to preserve the gap between "good" neighborhoods and "bad."

The fact that New Deal reforms preserved social hierarchy does not mean the Wagner Act and Social Security were the result of a conspiracy of the rich or were devoid of humanitarian intent. Certainly, the New Deal had more than its share of humanitarian moments, including the abolition of child labor in the NRA codes and subsequently in the Fair Labor Standards Act of 1938. But even as the New Deal responded to popular demands for social justice, it was careful not to infringe too much upon the privileges of wealth. By the end of the Second New Deal, the Roosevelt administration had crafted a compromise between privileged elites and subordinate groups that restrained liberty in the name of security without upending the social order. . . .

For all its limitations, the fact remains that by the time the New Deal was checkmated at the end of the 1930s, it had already altered the organic relation between the state and society. Responding to the resurgence of popular protest, the New Deal pushed through a social compromise between corporate elites and laboring masses that forever changed the dynamics of American civilization. In institutional terms, the state took a quantum leap into the business of regulating the market, so that virtually everyone from the Wall Street investor dealing with the Securities and Exchange Commission to the Pittsburgh steel-worker voting in a union election supervised by the National Labor Relations Board, felt the power of some arm of the federal bureaucracy. In terms of legitimacy, the New Deal enshrined a new set of ruling values keyed to security, so that the mass of the population, from the small savings depositor trusting in the Federal Deposit Insurance Corporation to the retired couple relying on a pension from Social Security, felt as if the government cared about their welfare.

Although Roosevelt popularized his program with populist rhetoric, the new governing system did not redress the balance of class power or redistribute wealth so much as mediate social antagonisms by creating a new set of bureaucratic institutions. Building on Hoover's initiatives, Roosevelt's New Deal expanded state intervention in the market and launched a welfare state. None of these experiments in Keynesian economics ended

the Depression; prosperity would not return until war orders started coming in. But the New Deal did succeed in restoring political balance to a system all out of kilter. The "fourth branch" of government, the New Deal coalition, and the ruling myths of security and pluralism renewed popular faith in the state and narrowed the gap between the state and modern society. Thus did the modern governing system take its place alongside the consumer family and corporate property as the third leg of the stool of political stability. . . .

Taken as a whole, Nazism was the product of a historical conjuncture triggered by humiliating defeat in the First World War and economic anxiety in the Great Depression. The door to fascism was opened by traditional elites who eviscerated liberal democracy but who were themselves incapable of governing modern, capitalist societies. That created the opportunity for counterrevolutionaries to come storming through on the strength of a mass movement whose taproot lay in the lower middle class and whose appeal was built around a set of negations — anticommunism, anti-conservatism, antiliberalism, anti-feminism, and anti-Semitism. Invited into power by military and industrial elites who hoped to use the Nazi party as a mass base, the Nazis gave elites more than they had bargained for. Once in power, the Nazis imposed a brutal regime whose leading traits were capitalism by violence, racial nationalism, hypermasculinism, and imperial expansion. Having already conquered Italy under Mussolini, fascism now swept Germany and Austria, gained strength in eastern Europe, and found a close cousin in imperial Japan. Whereas in 1919 and 1920 the question of social revolution had hung over world affairs, the pertinent question after 1932 was whether counterrevolution might spread throughout the globe.

Did that possibility include the United States? That some type of authoritarian regime would emerge in the land of liberty did not seem out of the question at the time. Few could match John Dewey's credentials as an astute observer of the American scene, and in 1932 he was worried: "We have permitted business and financial autocracy to reach such a point that its logical political counterpart is a Mussolini, unless a violent revolution brings forth a Lenin." In fact, there were ominous signs of a corporatist regime in the state capitalism of Hoover and of Roosevelt in his first administration. Pointing to the fusion of capitalist titans and government bureaucrats in the RFC and NRA, Walter Lippmann warned of "the dictatorship of casual oligarchs," while the *New Republic* described the early New Deal as an American-style "corporative state."

In addition, many contemporaries saw militarist glimmerings in General Hugh Johnson's Blue Eagle and the Civilian Conservation Corps. Certainly, state repression was by no means foreign to America, as the labor movement, the Bonus Army, and generations of African Americans could attest. No wonder some imaginations ran wild. Under the ironic title *It Can't Happen Here* (1935), Sinclair Lewis described the fictional seizure of power by an authoritarian regime backed by Wall Street, the Wasp establishment,

and the military on the heels of a presidential victory by a bombastic demagogue bearing a strong resemblance to Huey Long.

If a repressive regime was going to develop in the United States, conservative elites would have to link up with a potent, right-wing mass movement. The fact that such a movement failed to emerge does not mean that the ingredients were altogether missing. America was no stranger to the class resentments and ethnic hatreds that fueled the revolt of the little guy in Germany. If anything could have become the basis for an American *Volksgemeinschaft*, it was white racism, and, in fact, the entire repertoire of unreason — racial bigotry, Christian anti-Semitism, nativist paranoia, anticommunism, and antifeminism — was tapped by hate groups such as the Ku Klux Klan and even by the more respectable Rotarians, American Legionnaires, and women's clubbers.

The closest thing to a counterrevolutionary movement in the United States gathered around the figure of Father Charles Coughlin. A magnetic speaker who outdid FDR in the mastery of mass communications, the Detroit "Radio Priest" reached as many as 40 million listeners, and at its peak his National Union for Social Justice attracted perhaps 5 million members. Wrapping patriarchal and corporatist views in a quasi-populist cover, he portrayed an unholy conspiracy of bankers, Communists, and Jews. With the characteristic logic-chopping of the demagogue, he could pronounce that "the most dangerous communist is the wolf in the sheep's clothing of conservatism," and in ever more putrid rhetoric he excoriated "money changers" such as Andrew Mellon and Treasury Secretary Henry Morgenthau with their "Jewish cohorts."

There was nothing unique in Coughlin's anticommunism, anticommunism, anti-Semitism, and anti-Semitism, common elements in the underworld of American politics. Likewise, when he warned that birth control and premarital sex led to prostitution and socialism, his antifeminism was in keeping with the sentiments of a long line of purity crusaders. What was peculiar about Coughlin — and what linked him to European fascism — was his antiliberalism. Unlike most American rightists, he called for greater state control of the economy, including nationalization of the banks. Strongly influenced by the corporatist philosophy of social relations in Pope Pius XI's *Quadragesimo Anno* (1931), he urged a national welfare system. Just as the National Socialist party impersonated socialism, so his National Union for Social Justice impersonated social justice reform.

If there was a threat of tyranny, it lay in the possibility that big business would join forces with the kind of mass bigotry represented by Coughlin. Given America's liberal inheritance, there was little likelihood of an all-powerful leviathan state, but there was a good deal of experience with the undemocratic power of business and the tyranny of the majority. In the frenzy of 100 percent Americanism after the First World War, the country got a taste of what a repressive regime might look like in a set of harsh measures ranging from the open shop to immigration restriction. In many ways, the choices confronting the country in the mid-1930s were quite similar. Would the response to popular discontent be social reform

or the repression of another Red Scare? With the memory of postwar violations of civil liberties still fresh, the question was not whether fascism would spread to America, but whether the United States would pick up where it had left off in the early 1920s and develop a homegrown, repressive regime of its own.

Comparison with Germany illuminates the reasons why no such regime emerged. Perhaps the starkest contrast between the two countries lay in foreign policy. From the day the Versailles Treaty was signed, Germany was a revisionist power, and the fact that the United States was not goes a long way toward explaining why there was nothing to compare with the German impulse toward militarism. While the Nazis turned resentment over defeat in the First World War into a militarist crusade for *Lebensraum*, the United States was content to reap the harvest of economic exports and corporate diplomacy in the 1920s. Then in the 1930s the United States retreated into its shell. Signs of rising economic nationalism included the Smoot-Hawley Tariff of 1930, Roosevelt's "torpedo" of the 1933 London Economic Conference, and the Neutrality Acts (1935–1937), by which Congress pretended that the United States had no vital interests outside its borders. On the positive side, Roosevelt's Good Neighbor Policy toward Latin America foreswore armed intervention. But on the negative, the United States buried its head in the sand while fascist powers conquered Ethiopia, Spain, and Manchuria, only making the inevitable reckoning that much more devastating when it finally came in September 1939. Be that as it may, the spirit of neutrality allowed little room for the sort of bellicose nationalism that would have fostered a militarist regime in the United States.

On the domestic side, it is necessary, first of all, to credit popular social movements for revitalizing democratic traditions. Undoubtedly, the most important event in this regard was the resurgence of the labor movement as embodied in the newborn Congress of Industrial Organizations. Not only did the CIO seek to give workers a say in industry — that is, to make the Bill of Rights apply inside the factory gate — but CIO organizers were forced to combat ethnic hatred in order to unite the immigrant nationalities among the rank and file. The same pluralist imperative was imposed on political parties. Capitalizing on the popularity of the repeal of Prohibition, the Democrats brought urban ethnics into the New Deal coalition and prepared the way for general acceptance of the idea that the United States was a "nation of nations."

What was especially distinctive about democracy in the 1930s was that it came with a social twist. When social movements spilled over into electoral politics behind southern populists, midwestern progressives, and the occasional leftist, it became advantageous for politicians all the way up to the president to support social-democratic reforms such as the Wagner Act and Social Security. Roosevelt may have saved liberalism; he may have saved capitalism; but grass-roots social movements were the saviors of democracy.