

H-Net Reviews

in the Humanities & Social Sciences



Kenneth Finegold, Theda Skocpol. *State and Party in America's New Deal.* Madison: University of Wisconsin Press, 1995. xiv + 342 pp. \$19.95 (paper), ISBN 978-0-299-14764-8; \$54.00 (cloth), ISBN 978-0-299-14760-0.



Reviewed by Garry Young (University of Missouri-Columbia)

Published on H-Pol (February, 1998)

State and Party in America's New Deal, an engrossing book by Kenneth Finegold and Theda Skocpol, asks and answers a deceptively difficult question: Why was the Agricultural Adjustment Administration (AAA) a relative success while the National Recovery Administration (NRA) failed miserably? In the process of answering this question, the authors produce a classic comparative policy study that should be of interest to scholars of the New Deal, industrial policy, and agricultural policy, as well as scholars of U.S. political development, political institutions, and political parties.

The basic details are familiar to most. The National Industrial Recovery Act (NIRA) and the Agricultural Adjustment Act (AAA) passed during the "Hundred Days" of Roosevelt's first year in office. These acts created the National Recovery Administration (NRA) and the Agriculture Adjustment Administration (AAA), respectively. Both agencies were given the general task of reducing output and, thus, increasing prices. Declared unconstitutional by the Supreme Court in 1935, only remnants of the NIRA survived (as components of other legislation). At best, the authors argue, the NIRA did little to improve economic conditions. Declared unconstitutional by the Supreme Court in 1936, the AAA was reconfigured and the policies and politics created by the AAA continue to influence U.S. agricultural policy and politics today. With

caveats, the authors argue that the AAA improved conditions for farmers.

Finegold and Skocpol contend that the two programs were created out of very different political, coalitional, and institutional circumstances; these different circumstances explain the ultimate failure and success of the respective programs. More specifically, Roosevelt supported the NRA because it provided him with a preferable alternative to other proposals—e.g., Senator Hugo Black's thirty-hour work week—and because it, seemingly, could help Roosevelt maintain the support of both business and labor. Unfortunately for the NRA, the national government lacked the institutional capacity necessary to achieve its mandate. There was no existing body of experts, data, and administrative infrastructure from which the NRA could draw. In this vacuum, the NRA delegated authority to individual business executives who used it to advantage their own firms. In turn, this helped spur support for a growing labor movement that was already aided by NIRA provisions and an increasing number of pro-labor, urban-ethnic Democrats in Congress. By his re-election in 1936, the NRA was dead and Roosevelt's support from business had withered.

As with NIRA, the Agriculture Adjustment Act had key policy competition. In this case, the price supports of hardy perennial McNary-Haugen enjoyed favor

within much of the agriculture community. Though the AAA would contain components of McNary-Haugen, at its core was the experiment of production controls supported by Roosevelt. Unlike NIRA, Roosevelt did not have to balance the political interests of production with those of labor. Then, as now, hired agricultural labor was unorganized and politically hapless. Thus, according to the authors, where the NRA wrecked Roosevelt's production/labor coalition and ultimately benefited labor, the AAA began and continued as a benefit to production.

Where the NRA lacked the state capacity for success, the AAA enjoyed key advantages. First, the nation's land grant college system harbored a collective of agriculture policy experts who could and did provide the new agency with the knowledge base necessary to implement a complicated program. Second, unlike the independent NRA, the AAA was embedded into an existing bureaucracy—the U.S.D.A.—that provided administrative infrastructure as well as crucial data on commodity production, etc. Finally, the existing web of extension agents provided the means to both carry production control to the farms and monitor progress.

State and Party in America's New Deal is divided into two parts. The first includes discussions of the authors' state and party theoretical approach followed by the programs' origins, implementation, and consequences. In many ways the most interesting part, at least for this political scientist, is Part Two. Here, Finegold and Skocpol compare their party and state explanation with the competing explanations provided by pluralism, elite theory, Marxism, and rational-choice-based institutionalism. This is the type of careful theoretical evaluation missing in much, if not most, case studies. Indeed, this section is now high on my recommended list when I am trying to convince students to consider alternative explanations to their own findings and explanations.

Defenders of these alternative theoretical approaches will, no doubt, argue with the authors' depictions and conclusions. Indeed, an easy retort for many would be simply that Finegold and Skocpol are—to borrow from Robert Frost—"playing tennis with the net down" by using a broad, descriptive framework to defeat more precise

cause and effect approaches. This criticism might most aptly be applied by rational choice theorists.

In particular, the body of rational choice theory the authors confront seeks—virtually without exception—to understand the choices made within and about particular types of institutions, most notably legislatures (e.g., Congress) and administrative agencies. Inter-institutional rational choice theories are scarce and those that do exist, as the authors readily note, tend to be badly Congress-centric. Progress is being made on this front, and I suspect the most progress will be made with rational choice approaches that use party as an integrative mechanism across institutions.

The weakest aspect of this book, in my view, is the strangely muted role played by the president, Congress, and the courts. Each played crucial roles in both the NRA and the AAA, all appear in the authors' descriptive explanations of the two agencies, yet none appear central to the *institutional* component of the authors' theoretical explanation. Roosevelt, for example, played a central role in both the NRA and AAA from start to finish, and his differential actions toward the NRA and AAA almost certainly derived from institutional factors as well as the party/electoral basis stressed in the book. In addition, whatever initial misgivings agriculture producer interests had about production controls disappeared rather quickly; these production controls—and the AAA—certainly benefited from a congressional structure where agriculture policy was centered in single committees with coherent jurisdictions. The NRA did not enjoy similar advantages. Finally, the courts played a major role for both the NRA and the AAA. The possible differential impact of the courts on the two agencies goes largely unexamined.

That said, this is a terrific book. It deserves a careful reading and—even more—the application and testing of its ideas across other policies and eras.

Copyright (c) 1998 by H-Net, all rights reserved. This work may be copied for non-profit educational use if proper credit is given to the author and the list. For other permission, please contact H-Net@h-net.msu.edu.

If there is additional discussion of this review, you may access it through the network, at:

<https://networks.h-net.org/h-pol>

Citation: Garry Young. Review of Finegold, Kenneth; Skocpol, Theda, *State and Party in America's New Deal*. H-Pol, H-Net Reviews. February, 1998.

URL: <http://www.h-net.org/reviews/showrev.php?id=1729>

Copyright © 1998 by H-Net, all rights reserved. H-Net permits the redistribution and reprinting of this work for nonprofit, educational purposes, with full and accurate attribution to the author, web location, date of publication, originating list, and H-Net: Humanities & Social Sciences Online. For any other proposed use, contact the Reviews editorial staff at hbooks@mail.h-net.org.