Freedom from Want: American Liberalism and the Idea of the Consumer. *By Kathleen G. Donohue.* Baltimore: Johns Hopkins University Press, 2003. xii + 326 pp. Index, notes. Cloth, $45.95. ISBN: 0-8018-7426-2.

Reviewed by Mary O. Furner

This is an intelligent, well-researched, carefully nuanced book about the gradual displacement in U.S. liberalism of a producerist outlook by a consumerist perspective. Rich in historiographical significance, Donohue's study provides much needed warrant for Alan Brinkley's contention that the adoption by New Deal liberals of Keynesian stabilization tactics could be traced, more than to any other single factor, to the fact that "the idea and the reality of mass consumption were becoming central to American culture and to the American economy, gradually supplanting production as the principal focus of popular hopes and commitment" (*End of Reform: New Deal Liberalism in Depression and War*, 1995, p. 4). Donohue's account reaches back to the late decades of the nineteenth century to locate crucial conceptual shifts that enabled economic thinkers and liberal reformers to step outside the producerist paradigm that was so powerful down through the nineteenth century and, by the 1930s, to identify "freedom from want" as a right of citizenship. A great deal militated against this. In classical liberalism the very possibility of consumption depended on the services of abstemious, industrious producers, whereas consumption was suspect; in Puritan and republican worldviews, luxury endangered individual and civic virtue. Yet by the 1880s, responding to questions raised by rapid mechanization of production, incessant disputes over income distribution, chronic overproduction, an erratic business cycle, and a powerful antimonopoly tradition, unorthodox thinkers such as Edward Bellamy, Richard Ely, Simon Patten, Thorstein Veblen, Charlotte Gilman, Florence Kelley, and the early marginalists in economics began probing vulnerabilities of the producerist paradigm.

Here originated a split that persisted for decades, aligning people roughly in the tradition of Veblen against followers of Patten, a juxtaposition central to Donohue's narrative. Veblen arrayed a predatory pecuniary economy dominated by capitalists bent on maintaining prices and profits against an economy of industrious worker-producers.

Consumers for him were a cross between self-indulgent villains and gulled victims of the modern arts of selling, in need of either conversion or protection. Conversely, for Patten, consumers held the key to abundance: demand generated by enlightened, diversified consumption could repeal Ricardo's (and Henry George's) law of rent-induced scarcity, enabling a more fully developed humanity. Bellamy's major insight, in Donohue's view, was separating the right to consume from a role as producer; his socialized utopia recognized work as socially necessary service, whereas the right to consume, equally and rationally, came with citizenship. Despite such theoretical advances, Bellamy, Kelley, Gilman, and Ely were unable to step fully outside producerism.

It fell to left liberals of the next generation to imagine a fully consumerist alternative. Refining her argument, Donohue distinguishes between two patterns. One was a statist, democratic, *consumerist* sensibility, in which the aim was lower profits and prices, achieved through regulation, taxation, or nationalization, allowing a better life for worker-consumers. The other was what she terms a *consumptionist* approach, incorporating Patten's optimism about the efficiencies of big business and a growing capitalist sense of responsibility, in which technocrats guided *both* producers and consumers toward a balanced industrial policy aimed at economic stability, sustained growth, and a higher overall standard of living. Walter Weyl and Rex Tugwell hewed to Patten's conception of a disciplined "surplus economy" of planned and regulated abundance that did away with the wastes of competition, achieving greater distributive justice. Walter Lippmann was less than sanguine about the consumer's capacity for rationality, whereas for Veblenians Stuart Chase, George Soule, and Robert Lynd the sticking point was always capitalist greed.

Prior to the Great Depression, among these thinkers the pull toward socialism was strong but not irresistible. A single-class, Marxist alternative to capitalism proved less appealing to most than the vision of Adam Smith, for whom consumers' welfare had been the ultimate goal of the competitive capitalist system. The question was how to sustain—or replace—competition in an era when trusts intent on restricting production sacrificed consumers to propertied interests. In the 1930s, early New Deal strategies for combating the depression provided competing producerist and consumerist models for government planning. The National Recovery Administration legalized cartels that cut

back on production and jobs to sustain prices, without regard for workers' and consumers' interests. By showing that a consumer-oriented system would not be achieved through this form of planning, the NRA failed in the minds of consumerist left liberals such as Chase, Soule, and Lynd well before it was declared unconstitutional.

The better laboratory for learning how government could promote a fair and balanced consumption-oriented economy was the Agricultural Adjustment Administration. There, shifting their focus from consumers to consumption, and choosing (over McNary-Haugenism) policies aimed at balancing urban and rural purchasing power by changing the way the manufacturing and farm sectors did pricing, the AAA left liberals—Henry Wallace, Tugwell, Thurman Arnold, Mordecai Ezekiel, Gardner Pat Jackson, and Gardiner Means—played a significantly greater role in shaping the character of New Deal liberalism. Subsequent purges from the AAA dispersed consumption-oriented left liberals to other agencies—Tugwell to the Resettlement Agency, Means to the National Resources Committee, Arnold to the Anti-trust Division of the Justice Department—carrying with them both their faith in the prominent role that boosting consumption could play in saving capitalism and a strong commitment to the right to consume. Extending this theme, pioneering work by Lachlan Currie, John Maynard Keynes, and others on the expansionary impact of government spending accounts for the late New Dealers' rapid movement (which Brinkley portrayed—unconvincingly—as largely unconscious) away from earlier progressive traditions and toward commercial Keynesianism following the Roosevelt recession.

Questions remain. Can we separate consumerism from producerism so definitively in the 1930s? (Think of Means at NRPB, struggling to devise ways to unglue sticky prices.) Where do Alvin Hansen and John Maurice Clark come in? (Neither is in the index.) Precisely what made consumerist thinking ideologically "left," and how left was it? To what extent did either of Donohue's two methods of giving primacy to consumers require subordinating the rights of labor, as industrial pluralists and industrial democrats had begun to reframe them following World War I? What level of consumption, and precisely whose, did "freedom from want" actually include, both in the 1930s and later? Do we see evidence of this theoretical and moral conversion in programs that New Dealers eagerly sought, early and late, such as a version of social

insurance that linked income maintenance for able-bodied (mainly white, male) adults to attachment to the labor market, or the drive for full employment legislation? What weaknesses in the New Deal synthesis conceived this way permitted the boisterous return of the producer (if he or she was ever really gone?) in supply-side economics?

But from such a thought-provoking study, one should hardly ask for more. Finding far more democratic possibility in industrial-era social science that Nancy Cohen did in *Reconstruction of American Liberalism, 1865–1914* (2002), Donohue gives us a rich intellectual history of the bases for the government-managed, full-growth, high-employment, demand-driven economy that flourished as an ideal, and to a considerable extent in practice, between the 1940s and the 1970s.

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