

Pocketbook Politics: Economic Citizenship in Twentieth-Century America. *By Meg Jacobs*. Princeton: Princeton University Press, 2005. xii + 349 pp. Illustrations, notes, index. Cloth, \$35.00. ISBN: 0-691-08664-8.

Reviewed by Gary Cross

From World War I until the Nixon presidency, the issue of prices and purchasing power dominated American liberalism. This claim by Meg Jacobs might at first glance appear excessive, even implausible. After all, concerns about inflation seem more closely associated with the 1970s, and, historically, liberalism is more often linked to extending the rights of minorities and expanding government services than to increasing the capacity of consumption. Conventional wisdom would have it that inflation is the concern of the middle class (especially those members who survive on fixed incomes) or housewives (largely ignored by liberals and the labor movement) and of the consumer as a free agent in a free market, not of a public whose political interests are in conflict with producer and merchandising groups. Apprehension about the erosion of purchasing power may have motivated demands for higher wages among organized labor, but workers' mobilization for better pay has been viewed by labor historians as a sign of a bread-and-butter unionism that betrayed the dreams of the radical political or syndicalist unions so often favored by these scholars. Jacobs does more than correct the historical record: she explains why fears about inflation and wages were at the heart of liberalism's brief success in unifying disparate social groups (from middle-class consumers to unionized laborers) in the struggle for fair distribution of the fruits of productivity and of a demand-driven economy. Even more, she shows why these issues were central to some of the most important political struggles of the decades from 1910 to 1970. In a literature dominated by cultural and business history, Jacobs offers a sweeping political interpretation of sixty years of twentieth-century American consumption.

Jacobs takes a well-known "American trait"—the seemingly limitless desire for goods, especially at "bargain" prices—and builds a refreshingly nonjudgmental history of pocketbook politics that extends from the high perches of national policy-

making to the grass roots of neighborhood shoppers' committees. She begins with the story of Filene's bargain basement (established in 1908) and describes the familiar mail-order companies and chain stores that challenged the middle man, the brand-name manufacturer, and the corner store by creating the popular expectation of cheap goods. Inflation led both to the AFL's demand for a "living wage" and to consumer protests against the high price of beef and the escalating prices of other basic goods. During World War I, this groundswell of protest produced the first experiment with price controls and created a new awareness of the problem of constraints on working-class purchasing power. By the 1920s there emerged a coalition of unions seeking higher wages, consumers demanding lower prices, and a general public responding to the possibility of an upward spiral of production and consumption driven by mass purchasing power. Weakened labor unions could still win a sympathetic hearing from consumer groups, who not only shared their antagonism to big business but also often embraced the argument that higher wages would spur prosperity through mass spending. Led by a group of disparate proponents (including intellectuals Waddill Catchings and William Foster, economist George Soule, AFL leader William Green, and even retailer Edward Filene), the politics of purchasing power, and with it a consumerist condemnation of deception in marketing and waste in manufacturing, gradually gained ground, even against the backdrop of business normalcy that characterized the 1920s. The Great Depression, understood as a crisis of underconsumption by purchasing-power advocates, led to widespread demands for the rights of consumers to be given precedence over the prerogatives of big business and to the sometimes contradictory policy of stabilizing prices and achieving wage increases through government-encouraged unionization. Jacobs casts the familiar legislative and administrative history of the New Deal (including the National Recovery Act, the Agricultural Adjustment Act, the Wagner Act, and the Fair Labor Standards Act) in a revealing, often fresh light as a battle over prices, wages, and ultimately the ideology of purchasing power. The coalition of groups pursuing these economic ends was always unstable, torn by divisions between urban consumers and farmers over food prices, organized labor and unorganized middle-class workers over union wages,

and ethnic, semiskilled laborers and native craft workers over strike-driven, industry-scale wages.

Despite these strains, World War II reinforced this alliance with the unique confluence of cooperation among three blocs: Franklin Roosevelt's Office of Price Administration (OPA), which was established for the purpose of controlling inflation; an extraordinary array of local voluntary groups that mobilized support for price regulation; and organized labor. Jacobs views this confederacy as having been more than a patriotic effort to control inflation. The OPA, she writes, "represented a political culture based on popular participation and economic rights" (p. 220). Despite its dismantlement in 1946, brought about by a newly energized postwar coalition of business and farmers, so successful was the OPA that some Americans supported price controls as a democratic solution to economic crises and disparities until the 1970s.

The concept of purchasing power and price controls, however, as a solution lost its hold on American politics in the 1950s. Jacobs finds familiar culprits—organized labor's failure to expand into the South and the West and the resurgence of free-market values that accompanied the cold war, facilitating passage of antilabor legislation. But Jacobs also points out a more subtle change, which occurred after the war: the weakening of the proconsumption perspective of American liberalism with the growth of a critique of commercialism and mass culture fostered by David Riesman, Vance Packard, and many others in the 1950s. By the steel strike of 1959, American public opinion had turned against labor's justification of higher wages as a way of creating mass purchasing power in order to ensure economic stability and growth, and was coming increasingly to accept the corporate argument that wages pushed up consumer prices.

Some readers might have wished that Jacobs's attention to the social and economic conditions affecting consumption in her opening chapters had persisted throughout her treatment of the 1930s, 1940s, and 1950s. The changing nature of "bargain hunting" and advertising and even the shift in the type and range of goods may have also contributed to the breakdown of purchasing-power politics. Some discussion of the popular response to inflation in other countries might have put the

American experience into a wider and interesting perspective. Another question emerges: Why was the American response to the inflation of the 1970s so different from in earlier years? But frankly I found this unapologetic political history refreshingly direct, revealing, and persuasive. It should become a standard text for students of the period.

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