

Building New Deal Liberalism: The Political Economy of Public Works, 1933–1956. By Jason Scott Smith. New York: Cambridge University Press, 2006. xiv + 283 pp. Index, notes, bibliography, photographs. Cloth, \$75.00. ISBN: 0-521-82805-8.

Reviewed by Ellis W. Hawley

What lay at the center of the New Deal? Was it the emergence of a new regulatory state? Or of a new welfare, laborite, corporate, or consumerist one? Arguments for each exist. But in this provocative, elegantly written, and massively researched study, Jason Scott Smith maintains that its real center lay elsewhere. Building on Jordan Schwarz's argument in *The New Dealers* (1993), he insists that the New Deal's key agencies were the Public Works Administration (PWA), the Works Progress Administration (WPA), and the Federal Works Agency (FWA); that its true center, in terms of money spent, ideology, institutional innovation, and lasting legacy, was a new developmental state; and that recognizing this is essential to understanding its successes and failures. His work, he claims, is the first to explore the central role of the New Deal public-works programs in revolutionizing governmental priorities and radically transforming the American economy, landscape, and political system.

Following an introduction explaining the project's importance, Smith organizes his presentation in seven chapters: three on the coming, achievements, and problems of the PWA; two on the coming, operations, and tribulations of the WPA; and two on the fate of the works programs during and after World War II. The story told, moreover, is not the conventional one of temporary and generally inadequate relief and recovery efforts. It centers instead on the rise of, and the politics associated with, state-sponsored economic development; on the long-term economic and ideological implications of the projects built; and, especially, on the state-building that produced a new bureaucracy, allowing engineers, lawyers, and construction experts to apply new kinds of economic knowledge. Supporting the story is an impressive array of newly mined or previously underutilized archival material, the most noteworthy being that from the agencies' investigative divisions. And rounding it out is an epilogue arguing that the New Dealers

were above all “builders,” who “wrought in concrete and steel a tangible representation of a political philosophy” (p. 258) and who for too long have been judged unsuccessful.

This is not to say that Smith is an uncritical defender of the works agencies. The PWA, he finds, “created overstuffed and often incompetent divisions of engineering, finance, and legal affairs and built up an overly zealous division of investigation” (p. 84). Nor was the WPA able to implement a politics permitting it to become the core of a new welfare state. On the contrary, it became involved in scandals that forced a retreat back to an emphasis on efficiency, economy, and private contracting. Yet, as Smith sees it, the programs as a whole added much to America’s infrastructure and managerial apparatus, in effect demonstrating that public investment and state-sponsored economic development were essential to a modern economic order and laying the foundations for subsequent growth and enhanced productivity. They proved, on balance, to be the cornerstone of “extraordinarily successful economic development measures” (p. 258).

In other ways, too, Smith’s story differs from previous accounts, and it is likely to force substantial revisions in existing views. In setting forth his version, he brings out long-neglected linkages, particularly between Hoover’s legacy and the PWA, between the FWA and Eisenhower’s interstate highway program, and between the New Deal’s politicoeconomic vision and cold-war foreign policy. He also argues persuasively that the “boondoggling” charges against the WPA had little effect, as the real damage came from the charges of political abuse. He sees Harry Hopkins’s controversial statement, “We shall tax and tax, spend and spend, and elect and elect” as good politics and good economics. And he shows in detail how the works bureaucracy became part of the preparedness effort and America’s warfare state, even helping for a time to run the internment camps for Japanese Americans.

One finishes the book, however, puzzled as to whether the New Deal’s developmental measures and programs were really revolutionary. In places Smith asserts that they were. Yet he also depicts them as a return to, and a flowering of, earlier uses of public authority for developmental purposes, and hence as conservative and in line with American traditions. Presumably, they could be both. In some New Deal rhetoric, the revolution had come about less through using government to foster economic development than through devising a system in which the “people” rather than the

“interests” would benefit. But whether Smith would endorse this explanation is never very clear, particularly since much of his political analysis features the interaction of interest groups and remains in line with the idea of the New Deal as a more inclusive kind of interest-group liberalism

Still, Smith has given us a major work deserving of a wide readership, and it comes handsomely produced and packaged with the appropriate scholarly apparatus and an excellent photographic section highlighting the public-works achievements. It seems unlikely that everyone will agree with his thesis concerning the real center of the New Deal. But the case made for this perspective is a strong one, deserving serious consideration, and the book is clearly a prime candidate for the “must read” list of anyone interested in either the New Deal or the history of federal public works. It should also be of interest to policymakers looking for guidance in the past. It does provide, as Smith intended, a new “lens” through which the New Deal can be reevaluated, seen as successful public investment, and drawn upon to illuminate and help solve current problems. Today’s great undertakings, he concludes, have not been grounded in the history of the New Deal, but they could be if only we had a better understanding of it.

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