

## REVIEW OF NOVEMBER 22, 2002 CONFERENCE

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Member of the New Deal Network Discussion List

First, kudos to Mr. Wallace and the whole of the Gotham Center for organizing smoothly running conference with a stellar cast of guests.

The first two sessions were most directly related with the history of the New Deal and touch on a series of issues of interest to historians, public policy workers, economists and just plain Americans regarding the implementation of the WPA in New York City, and the process which the New Deal created to merge pressures from below, politics and agendas.

**Mike Wallace** - central force of the conference - gave a concise and erudite summary of the argument in his book *A New Deal for New York*, covering the sheer wealth and range of projects and the scope of activity the WPA in specific, but the New Deal in general brought to New York. New York, he argued, was almost a showcase of what the New Deal could do, and the source for many of its crucial intellectual ideas: most importantly the critique of laissez-faire economics and the practical vision to implement government as a means to counterbalance the private sector in a variety of ways.

**Thomas Kessner**, historian, used his tremendous knowledge of the individual workings of the LaGuardia administration to cover - in a stroke - LaGuardia's own version of the New Deal - from its rise to its fall - including political conditions, the early process of reigning in New York City's often corrupt political system, the partnership with the Federal Government, the attempt to expand progressivism beyond the New Deal, and finally a critique of LaGuardia's later years in not applying his own hard nosed management style to his own budget process slipping out of control.

His book makes these arguments in greater depth, and is loaded with the small but telling detail which connects the web of personal and political power to the vision for a transformed New York and a social democratic vision. While he has indisputable credentials as the collector of information, his presentation was anything but dusty - and anything but myopically focused. He consistently was able to draw parallels between

national and regional events of that time, and was consistently the contributor who would find a way to harmonize the viewpoints of other panel members into a cogent summary.

One of the most lively exchanges was between labor historian **Nelson Lichtenstein**, and political scientist **Francis Fox Piven** - both coming from a background as social historians, they took two sides of a debate on whether it was the pre-existence of ideas, Lichtenstein, or movements, Piven - that was more crucial to the success of the New Deal. While the debate was terse, it was carried out in the spirit of friendly collegiality that marked the entire conference, and the two were seen discussing the issues in a friendly fashion even after the session was over. This issue was touched on this list earlier - particularly in reference to the Pennsylvania strikes and the Wagner act, which was referenced at the conference as well. Both substantially agreed that one of the great weaknesses of the New Deal coalition was the bind of dealing with racial equality - white southern politicians were part of the Democratic Coalition, and effectively blocked many of the more sweeping moves to equalize the economic status of all Americans in the First New Deal, and that the Second New Deal largely accepted this limitation, leading to further consequences later.

The second session opened with **Alan Brinkley**, there are people who look like their work, and he is among them. His research and writing style are hawk-like in their precision, the ability to hone in on facts and details, and yet maintain a connection to the larger picture, his summary of the influential work *Modern Corporation and Private Property*, published by Berle and Means in 1932, was as concise as could be asked for, and segued easily into his analysis of the New Deal as beginning with an experimental phase which eventually was reduced to a few key policy mechanisms which played themselves out, generally for the good, but also with negative consequences. He then outlined how reactionary economic doctrines have eroded the legitimacy of governmental action, and the consequences for economic progress.

**Arthur Schlesinger, Jr.** is one of those historians who even saying he needs no introduction is too much of an introduction, many people on this list were probably motivated to become historians by his works, and they still remain the standard against which other visions of the narrative of the New Deal are measured. His ability to grasp the larger sweep and compress it into telling details remains bright, and in this session he

pointed out the obvious, and often overlooked, basic reality of progressive politics - that a progressive, or progressive leaning, president must have a working majority in Congress, and that he must remain focus on working that majority into legislation with absolute discipline. Thus his analysis is that the New Deal ran largely from 1933-1939, when the Southern Democrats began their long slow realigning march to the Republicans by blocking major legislation, as opposed to merely modifying it. He then pointed out that LBJ squandered his working majority - the first progressive majority in congress in 30 years - on the alter of Vietnam, and then draws the parallel that Clinton could not focus with sufficient discipline to turn a recalcitrant congress into a working majority in his time in office - and thus lost any chance of progressive legislation as a legacy.

**Joshua Freeman's** presentation was far more specific to New York - arguing that following the quiescence of national progressive legislation, that New York City took up the burden of progressive government, only to be rocked by the financial troubles of the 1970's. He then cogently drew parallels between the kinds of restrictions placed on cities, particularly New York, in the wake of that period, with the IMF austerity programs imposed on undercapitalized nations since then - with similar harsh effects.

The guiding light of the discussion was Mike Wallace, who, in between outlining his own points on the effectiveness of the WPA, kept a powerful and lively interaction between successive panels - including those in the afternoon which were focused on current political action, and so beyond the scope of this list. His fundamental point, returned to again and again, was the importance of the metropolitan center as the gateway for economic activity, and the absurdity of having that metropolitan area, alone, bear the costs of being a gateway in terms of infrastructure and development. This is not a new problem - in the 1600's only coastal towns had to pay taxes to support the English Navy, on the argument that they received protection, and not inland towns. The English Civil War was driven to its active phase when the king argued that since all benefitted from trade, and trade was protected by the Navy, all should pay for its upkeep.

Kudos again to the Gotham Center for producing a conference whose guests, quality of presentations and quality of discussion remained high through the entire day - far higher, in fact, than most conferences held in large hotel ballrooms in Washington, DC which are given far more attention.

When a writer can climb on a hill and survey the sweep of the valley below, it is possible to be clear, and be a reporter. When tossed into the trenches, objectivity requires that the writer be a journalist, describing the faces and mixed details that present themselves. And then, often a critic, when the heat of battle has passed.

The morning session, filled with presentations that were, in some cases literally, the result of a career of study and refinement, was the first. The afternoon session of the Gotham Center's Conference on New York City and the New Deal, since it deals with the living past, the present and the presence of the future, the second. The reflection on both produces a need for the third.

The opening session was House Member **Dennis Kucinich's** stump speech on the situation with unemployment insurance, and the failure of the executive or congress to act with respect an extension of benefits, or more broadly with a stimulus package. He aptly painted the situation as a violation of the New Deal social contract: people would place their faith in a largely capitalist marketplace, and the government would socialize the risk for those selling their labor - as corporations socialized the risk of entrepreneurs, providing a floor beneath which people would not fall. His delivery was sharp, and filled with the kind of passion which seems to have been banished from the upper echelons of the Democratic Party's Congressional Leadership. Occasionally fatigue clearly showed as he referred to his notes, and paused to gather his thoughts.

However, he repeatedly used the executive branch's figures on unemployment, which have been widely questioned for failing to make an apples to apples comparison with the previous recession, and thus making the current situation seem far less dire. The New Deal made Washington a clearinghouse for accurate information, an expectation which only grew over the decades that followed. The lack of precise and reliable figures, in employment, budget and economic forecasts hobbled his argument on the necessity for providing for "social economy", the preservation of the basic compact between a people and their society.

At 2 p.m. a second panel lead by Mike Wallace explored specific policy arrangements as they might be effected, particularly in New York City. Since Wallace's own book is on the need for a new urban program of similar thrust and vision to the WPA and New Deal,

he set the stage by asking why, if during the Depression we could transfigure New York, we were too poor to do so now. His sentiments were far more cautiously echoed by **Kathryn Wylde**, who took the business perspective that infrastructure and race to the bottom economics were not in the interest of corporations in and around New York, and that penny-wise and pound foolish decisions would impact the business climate more negatively than increased taxation.

However it was Representative **Jerrold Nadler** (D, NY) who provided the presentation which most echoed the New Deal in style. He argued for an extremely specific project - a harbor rail tunnel to support a super-container port in Brooklyn. He outlined the cost benefits analysis, he presented the forecasts for its impact, he ably disposed of flawed alternative plans, listed those projects which could be sacrificed as not returning on the investment, and detailed the subsidiary state, city and regional actions which would be required to effect the plan. It was the kind of exacting and forthright detail which the New Deal's best projects had: stopping projects from an era of excess, and turning attention to those that would return economic and civic benefit. Comparing his legislative summary with the bucket of amendments attached to the Homeland Security measures put the contrast between the quality of analysis that he offered, and which debates such as those over the Social Security Act featured, and that offered by the current executive branch into sharp focus. Nadler's numbers were sound, his arguments concise, and the data open for inspection. While counter arguments to his presentation can be marshaled, his approach invited replies based on openly available data, arranged in an orderly fashion.

**Bruce Raynor**, President of UNITE, offered a seasoned political operative's view of the importance of progressive legislation in California, and the necessity of integrating labor's specific needs into an policy regime or agenda. He enumerated some of the errors of style and substance which had been made in New York in the area of labor-party relations - and repeatedly touched on his experience that labor turns out when it understands how policy benefits working men and women.

The final session dealt with more expressly partisan political concerns: opening with **Ruy Teixeira's** survey of demographic trends from his book, *An Emerging Democratic Majority*, adding an analysis of the results of 2002's congressional elections - and

continuing through **John Mollenkopf's** more specifically urban focused *Rethinking the Urban Agenda* - and then peaking with a fire and brimstone call for "A New American Revolution" from former New York Assembly Member **Roberto Ramirez**, detailing the repeated frustrations that those pressing for a social and progressive agenda have had with the Democratic Party over the last 2 decades.

Ruy Texeira's argument - presented earlier this month on C-Span - covers three specific demographic trends which favor a party aligned with Democratic policies. First the centrality of "ideopolis", cities whose metropolitan area was an incubator for knowledge and rapid personal contact, the continuing realignment of professionals to the Democratic Party from the Republican Party, and the growth of the Latino population as the single fastest growing cultural segment. The realignment, he warns, is not low hanging fruit, but instead must be cultivated by a leadership which is willing to take risks and design policies targeted and drawing these three growth areas into a coalition. But on what these policies would be, other than his analysis that they could not merely be a grab bag of easy to co-opt programs, was sketched in considerably less depth.

In turn **Bob Master** added his view on the fundamental disconnect in union politics, how individual unions seemed willing to sell out the larger agenda for short term contract advantages - and openly wondered what it would take to alter this dynamic. Margie McHugh provided a very ground level and in the trenches view of the difficulties associated with urban succession and immigrants entering the political apparatus in New York City. Both, in different ways asking the question of why there were such difficulties in connecting a natural constituency to the Democratic Party or some other progressive Coalition. Bob Master openly questioned whether the Green Party was a viable part of any such coalition, since it seemed to have made its institutional concerns the over riding focus of their agenda and activity. Mike Wallace closed with some terse and to the point criticisms of the current political leadership, particularly of the Democratic Party.

The diffuseness of these panels could have easily disintegrated, but Wallace's role as moderator was unflinching, even after 8 nearly continuous hours, herding the cats by making sure that the topic had at least one element from each of the presentations. Particularly illuminating was an exchange on the conflict between environmental and union priorities in manufacturing that one of his questions lead to, and the repeated

crossings of the subject of the taxation spiral - where tax cuts lead to stagnation and then for calls for more tax cuts.

And it is here the journalist must give way to the critic. One of the lacks particularly felt in the second half of the proceedings came from its contrast with the first half. While there was no lack of either enthusiasm or passion - what was not there was far more telling. As Brinkley had reminded the assembled attendees in the morning, the Roosevelt circle contained people who had made a cogent theoretical argument on behalf of a new relationship between people and government - as Schlesinger had reminded us, there needed to be an understanding of cyclical forces in American History - as Kessner had reminded us, there needed to be a coherent plan and ideology for harnessing those forces and creating an interaction between leading and doing. In short, there was no report from an economic school with the appeal of Keynes, Berle and Means - there was no theory of political economy on how to manage the changes, nor a theory of how to compress "A New New Deal" into a sense which could guide individual citizen's relationship to government and its policies. It was as if a conference of progressives had been held in 1921, glumly wondering why neither party had seen fit to nominate individuals of the caliber of Teddy Roosevelt or Woodrow Wilson - lacking the essential series of insights that the next decade would provide, and at a loss for where to find them.

Or even more specifically, it reminded one of the scene of congressional hearings held late in 1932, recounted in Schlesinger's *The Crisis of the Old Order*, where a series of speakers from across the political spectrum as it then existed were unable to offer a plan to solving the growing economic crisis which did not involve letting the system crash, or knocking it over and beginning again. Representative Nadler made clear another weakness in the second half of the proceedings, paradoxically by the copious detail and research which he marshaled to make his arguments. In his presentation he was clearly aware of the structural differences between New York in 2002 and New York in 1932, and hence the differences in how policy should be approached. Every project should be as well outlined and buttressed with detail as his is, and sadly, many wishes or wants, rather than realities that are waiting the political will. Both Kessner and Brinkley had hit upon this specific point - on treating the New Deal as a model and not an example, and the importance of speaking in the present, and not the past. These to gaps are particularly

important in drawing analogies from the New Deal. FDR did not run on specific policies at base, he ran on a changed constitutional order, a change rooted in a call for civic virtue and ethical government as the most important principles of selecting policy. He did not have a management team to bring on board, but instead chose the route of experimental drive, with a responsive governmental agencies so that direction from below - as Lichtenstein noted, FDR often called for people to write to the government to tell what they saw and experienced - could have effect. Without analogs for these driving features of the original New Deal, calls for leadership sounded at times like calls for salesmanship - to find a spokesman who could sell what those calling for leadership already wanted to do - rather than statesmanship. Without a call for follow on work - a journal, a conference or other forum - it blunted the momentum which had been accumulated. The partisanship also needed to be tempered in places - FDR worked with progressive Republicans - such as the Mayor of New York and the Governor of Pennsylvania, and appointed three others to his cabinet -and yet there was far too little analysis of the roll that liberal Republican Michael Bloomberg would play in any such program for New York urban renewal, and what segments of the Republican Party, if any, would be natural allies in any attempt to shift the basis of national debate.

But it is to find such gaps that conferences of this sort are held - it is easy for a writer, academic or historian to fall so in love with previous accomplishments that it is hard to see how the present should not simply duplicate the past. Moreover, the related error is exposed: the past, a gleaming city on a distant hill, seems more unified, pure and polished than any present - where an examination of the messy truth on the ground, as Piven so ably recounted, shows failures, retreats, sins of commission and omission, and flawed compromises as the plumbing and sewer system of that shining city. And this contrast was the valuable work of the conference - the morning gave us examples of the kind of thinking which the New Deal embedded in the culture, and the standard it set for policy discussion. The afternoon showed how high that standard is, and how difficult it can be to attain it.

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