pages of its main text, a wide array of both general and specialist readers will find it very rewarding to at least sample part of this volume’s richness.

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Works Cited


Historians of the New Deal and the Great Depression have long been captivated by the progressive synthesis, a paradigm that stresses active presidential leadership and liberal reform. In dealing with the 1930s, historians used President Herbert Hoover largely as a negative symbol, a contrast to the activism of President Franklin D. Roosevelt, who is portrayed as the leader who enabled the nation to pull out of the worst depression in its history and triumph in a world war against fascism. Most textbooks in the field still use some variant on this ideologically framed history. Most students in American high schools still learn to see the larger dimensions of modern American history in terms consistent with the progressive perspective.

In recent years, however, some of the most interesting New Deal scholarship has been skeptical of the programs introduced in an effort to pull America out of the Great Depression. Social scientists in a number of disciplines have asked tough questions about the political economy of the 1930s and begun to dig beneath the surface of political rhetoric as they study the agencies and policies of the New Deal. Leaders in this effort
include a number of economic historians, including Price Fishback, R.K. Vedder, and Jason Taylor, who has now published a meticulous re-examination of the central recovery program of 1933-1935, the National Industrial Recovery Act (NIRA). The new law relaxed the antitrust policy so trade associations, operating as code authorities, could stabilize their markets. The trade-off for government supported cartel control was the requirement that businesses reduce hours and increase wages for their workers.

So what happened to this curious mélange of seemingly contradictory goals? Not much at first, as Taylor carefully describes. By digging below the law and the generalizations provided to date by historians and economists, he finds a slow-moving process of bureaucratization that neither the Administration nor Congress nor the leaders of industry had fully anticipated. Control was slow in coming, and in some industries, it didn’t come at all. This forced the Administration to issue a blanket rule, the President’s Reemployment Agreement, accompanied by an intense publicity campaign supporting adherence to the new economic standards.

Public pressure worked for a time. Taylor provides an excellent analysis of code development and compliance to the code standards. Here, his industry-by-industry approach is particularly effective. As he notes, the policy began with a wave of enthusiasm for a seemingly aggressive effort to end a depression that had left about one-quarter of the work force unemployed. Rather quickly, however, the spirit of cooperation began to fray, and by the winter of 1933-34, the National Recovery Administration was sagging into a “compliance crisis.” That prompted the agency to launch a “mass compliance drive” in 1934, but in May 1935, the Supreme Court declared the NIRA unconstitutional and the great experiment abruptly ended.

Taylor effectively destroys the idea that the New Deal developed a monolithic recovery agency which was able to implement a one-size-fits-all program. Heterogeneity was, he says, the central characteristic of the plan in operation. He finds little evidence that the code authorities were able to implement and sustain collusive agreements that cut output significantly and raised prices substantially above a competitive level. Cartels are usually hard to maintain, and that was especially the case.
during a depression that made cut-throat competition the order of the day throughout American industry.

After the smoke cleared and the hoopla ended, what had the NIRA accomplished? This is an important question because the program brought the world’s leading capitalist economy closer than it had ever been in peacetime to a centrally directed socialist system. Like the War Industries Board of World War I, the NIRA experience taught the nation’s leaders just how complex the American business system was and how difficult it was to impose national administrative order on the economy. As Taylor observes, it was clear by 1935, that symbols and speeches about “We do our part” were no substitute for the imposition of tough legal authority. Taylor also establishes, however, that this new associative order was able to raise wages and cut down the workweek in some industries. This was especially the case during the policy’s “Recovery Spring.”

Taylor’s book is now the go-to study of this important aspect of the New Deal. I have only two quibbles with the book. I wish Taylor had done more to tell us to what extent the NIRA experience influenced subsequent, enduring New Deal policies for labor standards, minimum wages, and antitrust. The author might also have reflected a bit on what the evolution of the NIRA tells us about the process of bureaucratization in America, a process that continues to shape important aspects of our economy today. Although Taylor tabled these subjects for future research, he has clearly achieved his central objective: establishing that researchers working on the NIRA and, by implication, other aspects of our modern administrative state, need to deconstruct the regulations, subsidies, and public institutions to get an accurate measure of their economic impact.

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