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Meg Jacobs. *Pocketbook Politics: Economic Citizenship in Twentieth-Century America.* Princeton: Princeton University Press, 2005. xii + 349 pp. $37.95 (cloth), ISBN 978-0-691-08664-4.

Reviewed by Gregory L. Schneider (Department of History, Emporia State University)
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Consumption Junction

Meg Jacobs has produced an ambitious, yet uneven, interpretation of the intersection between economics, the national state, labor unions and individual consumers. Unlike Lizabeth Cohen's *A Consumer's Republic: The Politics of Mass Consumption in Postwar America* (2003), which focused more on grassroots initiatives on behalf of consumer rights, Jacobs' book explores the construction of "economic citizenship" and "purchasing power," revealing how the demands of consumers concerned about prices and wages altered the manner in which government dealt with those issues. Jacobs offers a well-written, well-researched and original interpretation of how labor unions, businessmen, governmental officials, workers, women and the middle class demanded intervention in the affairs of consumer politics. Her focus provides an interesting, yet not entirely satisfactory, approach to understanding the political history of American liberalism, stretching from the progressive era to the post-World War II era.

Pocketbook Politics works best when it focuses on the efforts of a myriad of groups and individuals to establish a purchasing power agenda. It is less successful–indeed it fails–to adequately examine the collapse of such concerns. There are only twenty pages out of two hundred sixty-five dedicated to post-1950 America. What happened to the purchasing power agenda dominant in the years from 1933-1948? What caused the labor unions, middle class, and governmental entities to move away from such an agenda? If, as Jacobs claims, the purchasing power analysis provides a new way of examining political history why is she silent on its ramifications for much of the postwar era?

The book's main focus is on how consumers' concern about high prices meshed well with the burgeoning demands of labor unions for higher purchasing power. She tells the story of the conflicts between producers and consumers using Boston merchant Edward Filene as the prime example. Filene's offering of bargain-basement shopping could be said to be the place where price-conscious (typically female) consumption emerged. He established his famous bargain basement around the turn of the century and experienced a backlash from producers who believed name-brand apparel should retail at prices established by producers. Yet the working-class consumers who shopped at Filene's Basement loved the discount shopping and flocked there to get the best price. This morality play demonstrates how Filene understood the connections between an urban, working-class market for low prices and a new ethic of consumer consciousness then emerging among female shoppers who lacked the means to shop "upstairs." Filene identified with the plight of his customers, supported labor unions and sympathized with the politics of government redistribution of wealth.

Jacobs pays close attention to the history of liberal reform and of the power of organized labor on behalf of a purchasing power agenda. The book mirrors the struggles and pitfalls workers had in achieving a living wage in the early twentieth century. But examples of industrialists like Henry Ford, who did pay high wages to his workers in the 1920s, go unaddressed by the author. Ford, who was viciously anti-union, nevertheless was seen as a good boss and a fair employer. Ford was the antithesis of the National Association of Manufacturers and other industrialists who sought to hold on to their rights and brand workers who challenged them as communists. Yet many of the groups and individuals Jacobs discusses in her book wanted a redistributive economic order and the taming of capitalism. "[P]urchasing power progressives envisioned a socialized capitalism in which the industrial union movement played a crucial role" (p. 76). She describes "an array of activists with different interests, from communist agitators to labor intellectuals to middle-class reformers, embraced the consumer label as a way of pushing for liberal economic reform" (p. 81). Jacobs dedicates far too little attention to the makeup of

these groups. Who were they? Why were they so compelled by the progressive purchasing power agenda? Unlike other histories of grassroots movements, Jacobs sympathizes with, but tells us very little about, the grassroots shoppers featured in the book.

Another major concern in the book is how mass purchasing power progressivism shaped public debate about prices, inflation and economic well-being during the era of liberal dominance. The book succeeds remarkably well in describing how elite policymakers responded to the concerns of average women shoppers and how they shaped policy to those concerns. It also addresses the way that the New Deal instilled, through its pro-labor union policies, a consumer consciousness based on the credibility of mass purchasing power arguments. By focusing on the debates within the National Recovery Administration (NRA) over consumption politics, and by following these debates through the war years and the work of the Office of Price Administration (OPA), Jacobs' history extends our understanding of the political history of consumption in this era, challenging, but not overturning, the older history of the New Deal and producerism described by Ellis Hawley in *The New Deal and the Problem of Monopoly* (1995).

Most of Jacobs' coverage of the New Deal seeks to turn Hawley's history on its head, by inverting the story from producer interests to consumer interests. But the narrative then shifts from the complex amalgamation of groups dedicated to consumer ideology, to the political story of the New Deal's NRA, which did seek to fuel a grassroots consumer army, and the OPA in World War II, which did similar things to empower women (primarily) to check the prices at local stores and shops. Her discussion of the battles over the OPA and wage and price controls is well told and she sheds new light on the story of how the OPA itself unraveled and, eventually, succumbed to the Republican-controlled 80th Congress. In the wake of the OPA's defeat, labor became the next target of a revitalized business enterprise which had acclimated quite well to the demands of state socialism created in the New Deal and World War II, provided such businessmen were allowed to make profits and reestablish control over the market.

When broadened to include the demand for mass purchasing power on the part of labor unions, as well as how the New Deal sought to build this nexus of higher wages and consumption–only after it failed at practically everything else it attempted–the story of mass purchasing power reaches its apex. It is the centerpiece of Jacobs' book and it is the crux of her effort to delineate and unite the vast complexity of interests surrounding the agenda of pocketbook politics.

What Jacobs misses in her history is how much the economy and society had changed in the aftermath of World War II. Business was revitalized, praised for its achievements in producing war material, regaining vast reserves of social and political power as a result. Labor unions expanded during the war, but the beginning of deindustrialization (already underway by the early 1950s) made the redistributionist vision of organized labor difficult to sustain. Resistance to the radicalism of the CIO and to its leaders contributed to the demise of labor, as did union corruption. All of this occurred during a time of liberal ascendancy–what New Left scholars would call an era of corporate liberalism. Jacobs does not address this shift in liberalism in enough detail.

Other issues that Jacobs does not address include suburbanization (which as Cohen describes in her book, led Americans away from being citizen consumers to being mass consumers). She also fails to consider the entry–thanks to higher education–of large segments of the population into the middle class and into the ranks of the "white collar," outside the controls of labor organizers.

The type of pocketbook politics Jacobs describes, with its dependence on organized labor, redistribution of wealth, governmental regulation and citizen activism was only possible for a moment in twentieth-century American life. It reflected an urban, industrial economic order prevalent in America until mid-century. And, as Jacobs realizes, one which never fully captured the full support of the New Deal coalition, dependent as it was, on rural interests (both big agriculture and southern sharecroppers) antithetical to organized labor. After World War II, business was another vital cog in liberal policymaking. It too proved hostile to the redistributionist agenda.

By the 1970s such concerns were as dead ideologically as the liberalism which spawned them. Why didn't pocketbook politics get reinvigorated in the 1970s, the era of "the great inflation" which ripped America's economy apart? Jacobs fails to address this question, content to focus on left-liberal dominance in the New Deal-Fair Deal era. Of course, the 1960s and 1970s saw quite a bit of government redistribution, whether in the form of federal block grants, the War on Poverty, welfare and Richard Nixon's wage and price controls. Such government redistribution bred inflation and worsened the economic ills Americans faced. If such redistribution didn't work in the 1970s, would it have worked in the 1940s?

The concept of pocketbook politics is antiquated in

the new economy of globalization and the "everyday low prices" offered by Wal-Mart. Jacobs realizes this. But there is more than a hint of nostalgia from the author for the lost world she describes. "In contemporary America, the relation between wages, prices and profits is not central to national political debate," she claims. "Bargains abound in the malls across America, from Best Buy and Wal-Mart to the cyberspace market occupied by E-Bay and Amazon.com" (p. 264). This is Jacobs' lamentation. One wonders what Filene would have thought if he had lived to see it. As a businessman, would he have continued to support high wages and union jobs or would Filene's Basement have become another Wal-Mart?

"Everyday low prices" fill the need of thousands of workers. Wal-Mart remains, despite what Jacobs believes about its "subsistence wages" and its hostility to unions, a popular place to work. Wal-Mart workers have not been interested–despite some recent efforts–in union representation. Their stores are focal points of rural and suburban America and only recently have they sought entry into more expensive (and highly regulated) urban areas. They serve a market of lower wage, non-union workers and are even popular with those workers who make high wages, but do not see the point of spending more on consumer items.

Jacobs understands the difference between Filene and Sam Walton, Wal-Mart's founder, but not the implications in her own words. She writes: "Sam Walton … became the late twentieth-century successor to Edward Filene…. Walton got his start in Bentonville, Arkansas, not Boston*, and he made his billions, by opening up 3,500 discount stores in* small-town America_" (p. 264, emphasis added). Walton captured the new demands of consumption in lower wage, rural America, much like Filene understood the demands of immigrant and urban shoppers in his age and captured that market, hoping to refine and shape it to his own ends.

Pocketbooks politics depended on an industrial union movement and an urban-industrial order no longer prevalent in American life. It was also premised on a redistributive idea of wealth and power never popular in American politics. Jacobs provides the reader half the story in her book. It is a story with which historians will have to grapple, and for this she is due high praise. However, the other half of the story, why pocketbook politics and economic citizenship declined, is not contained in this book, except by allusion. That story is just as fascinating and awaits a history as well.

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