

Paper Abstract for the 4th LSE Interwar Economic History Workshop to be held
10-11th December at the London School of Economics

“The Art of the New Deal: A Model on how state-funded art can help create preferences for an enlarged discretionary state in society, with case-studies from the New Deal archives”

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September 10, 2018

Abstract

What makes the New Deal unique in US economic history is not that the federal state increases from around 20% of GDP to 40% of GDP (this occurred earlier, under the Hoover Administration¹), it is that the Roosevelt Administration was able to introduce (now permanent) federal programs, including welfare-state and macroeconomic policies, that were previously anathema to the mindset of most Americans until this time.² Jason Scott Smith³ proposes that the massive public works created by the federal government inculcated in the consciousness of ordinary Americans a larger presence for the US government relative to state and local governance, a change in the “locus of responsibility”⁴, and opens the door for Keynesian economics. Our current paper expands on this work using fiscal sociology⁵ to build a model of art-statism which proposes that the New Deal art (mostly the Federal Art Project) also helps to create preferences in the populace for a larger state role for the state to solve the social problems created by the depression (while crowding-out the previous mutual aid, Beito 2000⁶). Using the case study approach through archival research⁷, we are able to show intent that some New Deal art is changed during the negotiations over its production to ensure that this public art maintains the legitimacy of the state⁸, while at the same encouraging an enlarged discretionary role (more power) for the state. The result of the New Deal is a change in American federalism towards statist centralization, and a form of democracy which is more formal than substantial.

¹ *Historical Statistics of the United States: Earliest Time to the Present*, Carter et al, eds. NY: Cambridge University Press (2006)

² Elizabeth Cohen, *Making a New Deal*, NY: Cambridge University Press (1990)

³ *Building New Deal Liberalism: The Political Economy of Public Works, 1933-1956*, NY: Cambridge University Press (2006)

⁴ Price Fishback, “The Newest on the New Deal”, *Essays in Business and Economic History* (2018)

⁵ Richard E. Wagner, *Fiscal Sociology and the Theory of Public Finance*, Cheltenham, UK and Northampton, MA: Edward Elgar (2007) and Giuseppe Eusepi and Richard E. Wagner, *Public Debt*, Edward Elgar (2017)

⁶ *From Mutual Aid to the Welfare State*, Chapel Hill and London: The University of North Carolina Press

⁷ US National Archives, College Park, MD, USA

⁸ Max Weber, *The Vocation Lectures*, paperback reissue, Indianapolis, IN: Hackett Publishing ([1919] 2004)