

Big Government and Affirmative Action: The Scandalous History of the Small Business Administration. *By Jonathan J. Bean.* Lexington: University Press of Kentucky, 2001. xii + 224 pp. Cloth, \$29.95. ISBN 0-8131-2187-6.

Reviewed by Kenneth O'Reilly

This monograph is considerably more balanced than the title would suggest. “Big government” and “affirmative action” are epithets hot enough in some circles that to add the word “scandalous” seems redundant. Another apparent redundancy centers on affirmative action. Isn't that tactic explicit even in the name of the federal agency under discussion? By definition, the Small Business Administration (SBA) is in the business of protecting and advancing the interests of a particular type of businessman (small). Needless to say (and with apologies to George W. Bush and Dick Cheney), there is no Big Business Administration per se. To oppose affirmative action on behalf of the small businessman in a culture dominated by market ideology would be like opposing Mom or apple pie. Opposition arises when affirmative action doubles up, so to speak, by adding race to the already existing category. Small and black, for example. What makes Jonathan Bean's approach balanced is this: He makes every effort to show that political opportunism along the color line or plain old-fashioned greed along the dollar line was no more or less likely to strike a Democrat than a Republican, a liberal than a conservative, a white guy on the make than one of whatever other color.

Created by Congress in 1953, the Small Business Administration has always functioned outside the boundaries of ordinary interest-group democracy. Bean argues that this is so because SBA has often been ambivalent toward small business, while those businessmen, or women, themselves have never taken a unified approach toward lobbying or any other request for government assistance. The obstacles created here are in turn compounded by a seemingly endless string of scandal. Yet SBA has remained relatively sacrosanct. Bean posits two reasons for this as well. First, if small businessmen have rarely thought well of the agency named in their honor, any member of Congress would think twice about voting down a measure intended to help this class. The point about Mom and apple pie bears repeating. Politically, if not in the actual

awarding of the grants and loans, small business is about the most protected class in the nation. Second (and long before the Civil Rights Act of 1964), SBA pioneered such practices as giving contracts and loans to black businessmen, encouraging small companies to hire minorities, and monitoring the employment practices of those who received funds.

Eight core chapters make up Bean's book, beginning with Dwight D. Eisenhower's administration and ending with Ronald Reagan's. Race and affirmative action became the guiding force during the early years of Lyndon Johnson's War on Poverty and then expanded again as a form of urban management following the summer of 1967 riots in Newark, Detroit, and several hundred other cities. To be fair to American conservatives, Bean makes it clear that when Richard Nixon pushed "black capitalism," SBA was there to organize the handouts. And when Ronald Reagan denounced affirmative action and "quotas" elsewhere, he was mandating quotas in SBA programs (because they made it easier to launder money back to campaign contributors). Only a handful of pages cover the George Bush and Bill Clinton era (1989–2001), and that no doubt explains why certain affirmative-action issues of concern to small business are omitted, most notably the Americans with Disabilities Act of 1990. Another oversight is his failure to mention the Bush family's involvement (particularly Neil Bush) in SBA scandals.

Still, there are more than enough SBA scandals to go around: Richard Nixon and the fugitive financier Robert Vesco; Ronald Reagan and the Wedtech defense-contract feeding frenzy; even (sort of) Bill and Hillary Clinton and Whitewater. (Unfortunately for the anti-Clinton cottage industry, Whitewater barely registers on this scandal meter, despite Bean's solemn effort to pump it up on page one.) SBA always seemed to define the crooks at the center of such scandals as "minority" or "disadvantaged." This was an agency that could define any business (like American Motors in the mid-1960s) as small, no matter how big, and any businessman as a person of color, no matter how white.

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The former was a finalist for Pen Center USA West's literary/nonfiction award, and the latter was named to the New York Times list of notable books. He has also written two other books and dozens of articles.