

For All These Rights: Business, Labor, and the Shaping of America's Public-Private Welfare State. *By Jennifer Klein*. Princeton: Princeton University Press, 2003. xi + 354 pp. Index, notes, references, illustrations. Cloth, \$35.00. ISBN: 0-691-07056-3.

Reviewed by Kim McQuaid

Once upon a time in America, a mixture of public and private programs provided social-welfare safety nets for millions of middle-class workers composing almost half of the labor force. Social Security was but one leg of the three-legged stool supporting the health-care requirements and retirement plans for better-situated employees; the other two were employer-provided pensions and personal savings.

As today's headlines become increasingly filled with news of aviation, telecommunications, steel, and other firms defaulting on their pension obligations, the leg of the stool represented by employer contributions becomes more important to understand. The "welfare-capitalist" corporate social contract based on long-term employment, retirement pensions, and health insurance is more wobbly than it was in the era of relatively uncomplicated U.S. superiority in the major global marketplaces.

Jennifer Klein, in *For All These Rights*, investigates the development of the unique "welfare-capitalist" portion of the mixed U.S. public-private retirement and health-security system; examines how it coexisted with public programs during and after the Great Depression and the New Deal; evaluates how America's mixed system of state and firm-based benefits has held up under changing market conditions; and speculates on how it will fare in the future. "Any narrative of the American welfare state," she writes, ". . . must be told within the context of the century-old story of welfare capitalism" (p. 2). Klein is hardly the first to make this point, and she draws on studies by Edward Berkowitz, Elizabeth Fones-Wolf, Marie Gottschalk, Sanford Jacoby, Steve Sass, and Beth Stevens, and my own writing to expand her analysis.

The evolving policies of larger insurance companies are the dominant focus in Klein's early, and strongest, chapters. Here is somebody who knows the details of retirement and health-care financing, both private and public. Her familiarity with the subject is important, as insurance companies supplied the services that enabled many

major corporations to guarantee welfare benefits to their workers after 1930. Specifics that have escaped other commentators do not elude Klein, who understands that a firm grasp of business and government policymaking alike depends on careful scrutiny of the details. Economics, accordingly, is more critical than issues of race or gender to her narrative. So, too, government policy (especially the decisions made by bureaucrats in the Social Security Administration, which she generally views as having been too conservative), matters more than the desires or proposals of social activists, including labor unions. Klein deftly describes how the idea of group insurance, initiated by the Equitable, Metropolitan, and Traveler's insurance companies, was adopted by employers like Henry J. Kaiser, the eventual creator of Kaiser Permanente, and acceded to by union leaders, including John L. Lewis of the United Mine Workers of America. Her coverage of early Social Security Administration policy is informative and well written. She uncovers new data drawn from areas, such as business and management, that have often been overlooked by historians. Unlike most descriptions of institutional and financial issues, which are often about as exciting as stale toast, her presentation is a clear and well-written synthesis.

But when Klein folds her account of the evolution of private and public insurance into its broader context, she runs into trouble. In telling the story, she presumes that readers already know not only the basics but also many of the nuances of New Deal and other policies. For example, both Section 7-A of the National Recovery Act of 1935, the "maintenance of membership rulings," and the "Little Steel wage-cap formula" issued by the National War Labor Board of 1941–45 appear in the narrative with no explanation. Nor has she provided adequate background for her discussions of key welfare-capitalist players, such as the National Association of Manufacturers and the Industrial Relations Counselors. Other topics that would have helped to supply the necessary background for her account are mentioned either in passing or not at all: the increasing conservatism of Congress after 1936; the emergence of organized-labor conflicts between the traditional craft unions dominated by the American Federation of Labor (AFL) and the new industrial unions of the Congress of Industrial Organizations (CIO); and the degree to which big business (as opposed to the larger insurance companies) supported a Social-Security, social-insurance, work-based solution to retirement security and unemployment.

Such explanatory gaps will discourage professors from assigning this text to undergraduates, and perhaps even to graduate students. Nonacademic readers should plan to have reference books on U.S. history available, as they will be left in the dark, for example, about the underlying reasons for the view held by many conservatives that New Deal organizations, such as the National Resources Planning Board and the Resettlement Administration created by the Agricultural Adjustment Act of 1933, were politically dangerous.

Klein correctly argues that welfare capitalism triumphed in the United States, as did the welfare state. America's relatively conservative social-insurance tradition is based on work, rather than on any basic right of citizenship. Public and private welfare programs supplement one another for more fortunate workers. However, the reasons for this symbiotic outcome are more complex than Klein's narrative reveals. In the political environment of the cold war, dominated by the states'-rights approach toward workers established by the Taft-Hartley Act of 1947, for example, a minority of left-leaning unions had little choice but to retreat to an "earned-rights" form of social insurance that was packaged like private annuities.

America is—and has long been—a more conservative land than either Klein or I might wish. Her book, however, demonstrates that dynamic and inventive businessmen in the insurance industry realized early on that Social Security would boost the sale of health insurance and old-age pensions to corporations and individuals alike. Despite the well-reasoned policy critique that forms her conclusion, nevertheless the likelihood remains that, even with its current difficulties, welfare capitalism is here to stay.

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