

From the Boardroom to the War Room: America's Corporate Liberals and FDR's Preparedness Program. *By Richard E. Holl.* Rochester: University of Rochester Press, 2005. x + 191 pp. Photographs, bibliography, notes, index. Cloth, \$75.00. ISBN: 1-580-46192-1.

Reviewed by Larry G. Gerber

In the 1960s, New Left historians developed an interpretation of modern American history that emphasized the role of "corporate liberals" in shaping the twentieth-century American political economy. Radical historians such as Martin Sklar, James Weinstein, and Gabriel Kolko were highly critical of corporate liberalism. They saw it as a form of business-government collaboration that moved beyond the rigid conservatism of laissez-faire ideology, only to seek new ways to use state power to safeguard the interests of corporate capital while defusing pressures for a radical restructuring of American society.

Richard Holl also describes the increasing influence in government of a small coterie of corporate liberal businessmen in the years leading up to America's entry into World War II, but his interpretive perspective differs significantly from the approach of New Left historians. He draws greater inspiration from the work of organizational historians, most notably Ellis Hawley, and is much less critical of the growing ties between the American state and progressive-minded sectors of the business community.

Holl focuses on the industrial mobilization effort that occurred between the outbreak of war in Europe in 1939 and American entry into World War II in December 1941. He begins, however, with a brief account of the origins of corporate liberalism during the 1920s. Like Hawley and other organizational historians, Holl describes the emergence in the 1920s of a small group of prominent businessmen, such as Henry Dennison, Gerard Swope, Marion Folsom, and Edward Stettinius, who embraced the associational ideas of Herbert Hoover while themselves pioneering in the development of welfare capitalism. When the impact of the Great Depression proved the limitations of welfare capitalism and Hooverian associationalism, corporate liberal businessmen increasingly saw the need to develop closer collaboration with a more active government and thus became supporters of Franklin Roosevelt's early New Deal.

Holl recognizes that corporate liberals were a small minority within the business community. He acknowledges that throughout the 1930s most American businessmen rejected FDR's expansive approach to the use of government power. Like Thomas Ferguson (*International Organization* [Winter 1984]), however, Holl argues that a select group of businessmen from a number of "large, progressive-minded, capital-intensive firms" (p. 28) provided crucial support to the New Deal, mainly through their involvement in the Business Advisory Council (BAC) of the Department of Commerce. These corporate liberals supported FDR's efforts to reshape the economy through the National Recovery Administration (NRA). Some leading members of the BAC, such as Swope, Folsom, and Walter Teagle, also provided important backing for Social Security.

With the collapse of the NRA and Roosevelt's adoption of more explicitly antibusiness rhetoric and policies after 1935, relations between corporate liberals and the New Deal cooled for several years. In late 1938, FDR reacted to recent economic and political setbacks by trying to revive the business-government rapprochement of the early New Deal. Responding to the conciliatory efforts of Secretary of Commerce Harry Hopkins and to the favorable tax legislation of 1939 that was central to FDR's new "business assistance campaign" (p. 34), corporate liberals such as Robert Wood and Averell Harriman were happy to reestablish good relations with the Roosevelt administration.

After July 1939, corporate liberals were already well positioned to take the lead in Roosevelt's preparedness campaign. Holl paints a dismal picture of the state of unreadiness of the American military and American defense industries before the start of World War II. He argues that FDR had three options in 1939 for trying to get the country ready for a possible war: allowing a "market-driven" response to the growing crisis; developing a "state-run munitions complex"; or relying on "government-business cooperation" (pp. 48–49). Given the lack of state capacity and the need for immediate action, Holl believes that FDR had little choice but to turn to corporate liberals to assist in mobilizing the nation's economy. As he traces the evolution of FDR's preparedness program from 1939 through the end of 1941, Holl highlights the role of corporate liberals, such as Stettinius, William Knudsen, and Donald Nelson, in developing an approach to industrial mobilization that would limit the growth of a permanent state

bureaucracy while maintaining profit incentives to expand production and, at the same time, allow government to provide direction to the nation's effort to get ready for war.

Holl provides a clear narrative of the complex series of mobilization initiatives FDR authorized before Pearl Harbor, though readers familiar with the existing literature on this subject will not find any great surprises in his account. What distinguishes his study from most previous scholarship is his favorable assessment of the effectiveness of the mobilization effort led by corporate liberals in the two-and-a-half years prior to American entry into World War II. Rather than emphasizing the seemingly chaotic and ever-changing nature of the bureaucratic arrangements implemented by FDR, Holl argues that each successive agency played a constructive part in laying the foundation for the immense outpouring of munitions that made victory in the war possible. Although most ardent New Dealers, as well as many later historians, bemoaned the growing power of business and FDR's renunciation of efforts to enhance the New Deal state's power to restructure society, Holl contends that it is hard to imagine any other approach to mobilization producing similarly effective results, which "though imperfect, proved successful enough" (p. 103). Holl does not deny that corporate liberals sought "to shape policy in ways beneficial to corporate America" (p. 53), but he argues that they were primarily concerned with doing what was necessary to safeguard American national security and that their conception of how the nation's political economy ought to be organized was wholly consistent with FDR's outlook and with the wishes of the majority of their fellow Americans.

Although this short book covers familiar ground, it is based on solid research and is clearly written. Holl's favorable assessment of the effectiveness of the corporate liberal preparedness program is forcibly argued, but I still find the more critical perspectives offered in such works as Alan Brinkley's *The End of Reform* (1995) and John Morton Blum's *V Was for Victory* (1976) to be more convincing.

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