

The Irony of State Intervention: American Industrial Relations Policy in Comparative Perspective, 1914–1939. By Larry G. Gerber. Dekalb: Northern Illinois Press, 2005. vii + 212 pp. Bibliography, notes, index. Cloth, \$40.00. ISBN: 0-875-80347-4.

Reviewed by William R. Childs

In *The Irony of State Intervention*, Larry Gerber sets out to uncover the reasons for the divergence in the industrial relations policies of the United States and Great Britain that had emerged by the 1930s. He is particularly interested in why American labor welcomed intrusive oversight by the national government and British unions did not. Gerber has produced a well-conceived analysis that answers his central question and does much more. By seamlessly weaving together studies of labor relations over the last thirty years, he clarifies the ways whereby industry structures shaped the outcomes in both countries. Although Gerber relies mostly on secondary sources (the notes are a wonderful overview of labor historiography), he judiciously employs primary sources (congressional hearings and private papers) to counter prevailing views with which he disagrees, particularly critiques by leftist commentators.

Gerber effectively draws from political scientist Alan Cawson's concepts of macro-, meso-, and microlevel approaches to analyzing the evolution of industrial relations policies. He also presents what, in my opinion, is the best short analysis ever written of "corporatism" and its drawbacks (pp. 7–10), highlighting the different strategies adopted by the United Kingdom and the United States and describing the confusion among policymakers trying to chart the best course. The analysis also supports his central insight, which is that a pluralistic process underlay industrial relations policy in both countries.

Being careful to qualify his generalizations, Gerber notes that, in the late nineteenth century, industrial, labor, and political leaders in both countries believed in antistatism and individualism, beliefs that shaped a relatively nonintrusive government approach to industrial relations. British business and labor leaders were operating within a craft-oriented context (where labor controlled the shop floor) and on an industrywide basis that dampened sharp conflict between capital and labor. Even after the emergence

of the Labour Party early in the twentieth century, conflict remained muted. In the United States, the absence of state interference, and the support of the courts, enabled business to prevent labor unions from gaining power. Gerber insightfully suggests that the economic structures of major industries in the United States bolstered management's position of dominance. Attention to scale economies, which led to reliance on machines and unskilled labor, sharply reduced labor's control of the shop floor. This, and the tendency of American management to insist that labor deal with individual firms rather than negotiate industrywide agreements, underscored American business executives' antiunion activities. The rise of company unions in the first quarter of the twentieth century kept unions at bay. Before the mid-1930s, and with few exceptions (e.g., the railways), Congress and the executive branch allowed business to shape industrial relations policy.

Although company unions waned in the late 1920s and early 1930s as the United States slid into economic depression, they reappeared and gained strength during the short-lived implementation of the National Industrial Recovery Act of 1933. Following passage of the Wagner Act of 1935, American labor acceded to the national government's intrusion in union affairs. In order to undermine the influence of company unions and shore up support for industrial trade unions, labor leaders and politicians supportive of workers agreed that the National Labor Relations Board (NLRB) could monitor union elections in order to ensure the right of collective bargaining. Thus, it was not a "corporatist" agreement but an accommodation among numerous interest groups that allowed the national government to play an active role in calming the conflict between capital and labor. Meanwhile, and despite some spirited discussion of other options, the British continued to practice a "collective laissez-faire" policy that eschewed the kind of direct government intrusion into union affairs that was adopted in the United States.

The irony, then, was that in a country with an active prolabor political party, the government did not become engaged in the business of trade unions, while the government of a nation in which labor had less clout than capital inserted itself into union matters in order to gain more power for labor. In a short final chapter, Gerber notes that the strength of U.S. labor was reduced in subsequent legislation (Taft-Hartley, Landrum-

Griffin), but not to the degree that some historians have claimed. He asserts that the NLRB's lack of sustained vision and active administration explains the diminution of labor's strength since the 1950s. Thus, the two decades following passage of the Wagner Act were not typical periods in the history of U.S. industrial relations. By contrast, in the United Kingdom, even with the adoption of American-style management later in the twentieth century, business and labor sustained the earlier pattern of industrial relations that minimized direct government intrusion.

This summary shortchanges the careful, at times subtle, analyses contained in this well-written book. While the account suffers from the usual problems of comparative history (sometimes the transitions from one country to another are abrupt), it nonetheless projects a mature analysis of a topic on which many have written over the last several decades. And while the book would have benefited from more detail on how economic structures shaped industrial labor policies, commendably it includes the work of business historians who have explored the subject of these two countries' divergent labor policies.

*William R. Childs is professor of history at The Ohio State University and has most recently published The Texas Railroad Commission: Understanding Regulation in America to the Mid-Twentieth Century (2005). He is currently researching and writing a biography of Leland Olds.*