Allied victory in World War II derived from three principal components: British stubbornness, Soviet manpower, and the manufacturing capacity of the United States. The most fearsome of these, to prophets in Berlin and Tokyo, was American industrial might that, once mobilized, would overwhelm with sheer numbers the battlefield cleverness of Axis commanders and the dedication of their troops. Mark R. Wilson points out a third group who predicted U.S. industry would be a key element of victory, and who planned to make themselves lead players in the story of the dictators’ defeat: American businessmen and their political allies who decided to use mobilization to fight the New Deal.

When American factories began stocking the arsenal of democracy in 1938, Wilson says executives had two reasons to worry that mobilization meant losing control of their enterprises. First, many remembered World War I as a time when the U.S. government under a Democratic administration used regulation and coercion to goad business to do its bidding, and expanded its own capacity to build ships. If Washington more often threatened businessmen than acted against them, it nevertheless used its sovereign power, as when the Assistant Secretary of the Navy Franklin Roosevelt seized two battleships that a shipyard would not release. Second, Americans in the 1930s could see the Tennessee Valley Authority and Works Progress Administration among other New Deal agencies were threats because they were popular and successful government operations in spheres previously controlled by businessmen.

Wilson quotes a business group saying, “Whether the free enterprise system prevails in America after the war . . . may depend on the extent to which the American people associate this system with industry’s wartime record” (p. 92). Executives, public relations men, publishers, and other promoters of business interests opposed to the New Deal used mobilization as a chance to tell their story, going “beyond merely omitting references to public actors” to “bold denigration of government” as an inefficient obstacle to readiness for war (p. 107).
Neither omission nor denigration was accurate. Public agents built and owned the factories in which businesses operated, deciding what they would build, with what components and procedures and working conditions. If they did not like the results they were getting, they would seize the businesses and replace the managers, starting again. Wilson presents a table showing the twenty-five costliest manufacturing facilities built in the United States from 1940 to 1945: All but three had $0 of private investment and, in the remaining cases, public money accounted for upward of 80 percent of invested capital. By the end of the war the U.S. government owned from 85 to 100 percent of the nation’s manufacturing capacity for armaments, aircraft, and synthetic rubber, among other industries. In the case of shipbuilding, as in aircraft manufacture, government officials “paid for everything and coordinated the larger program” (p. 68).

Indeed, with so much determined by public employees it is sometimes hard to tell what decisions, if any, were left for private managers. The U.S. government not only determined how much to build of what and where, with what kind of labor conditions, but also calculated fair profits and confiscated any return above that threshold, holding a portion of it in a fund to be distributed to contractors at the end of the war in compensation for orders abruptly terminated on victory. Using its monopsony power, the government kept down its costs and, in the main, businessmen’s profits. It was, Wilson says, a “tough customer” looking out for its own interests (p. 139).

Sometimes the United States took over plants to control strikers but more often did so to rebuke management, as with the seizure of Consolidated Aircraft in 1941, when the government deposed the firm’s founding executive and installed another manager better suited to build the B-24 Liberator long-range bomber. The famous photograph of Sewell Avery, chairman of Montgomery Ward, cradled in the arms of military policemen carrying him out of his office in 1944 because he refused to comply with labor regulations, Wilson says, represented merely the “tip of an iceberg of massive resistance, on the part of employers, to the wartime gains of unions” (p. 193).

The Avery seizure and others like it appeared to cost the Roosevelt administration little popularity in the year of D-Day and the liberation of Paris. The success of the government’s mobilization policy was visible in newsreels showing the products of American factories rolling through and soaring over Europe.

But, Wilson says, the White House lost the publicity war with business. Roosevelt made a lame attempt to promote the success of government plants, poorly managing the press. Managers of the mobilization effort, even vocal and committed New Dealers like Harold Ickes, were
“seduced by the wealth and power” of the businessmen they managed (p. 136).

The increasing political influence of businessmen ensured that the conversion to a peacetime economy went their way. The end of the war saw the selling off of government-owned manufacturing capacity, generally at low rates—an average, Wilson says, of 37 percent of the public’s cost in building the plants. It was, he notes, “the largest privatization of public property in American history” since the nineteenth-century land grants (p. 242).

Wilson’s coda carries the story forward into the Cold War, when the military industrial complex became largely private. The F-4 Phantom was the last jet built in the World War II manner. Even NASA heeded a McKinsey report advising the space agency to let “free enterprise” do more, “contracting out the job of preparing the space shuttle for launch to Lockheed” (p. 278). Here, as in most of the book, Wilson refrains from further editorial comment. It is an extraordinarily valuable and careful monograph that explains what works, and why we believe untrue stories about effective mobilization for war, and other crises.

*Eric Rauchway is professor of history at the University of California, Davis, and the author most recently of* The Money Makers: How Roosevelt and Keynes Ended the Depression, Defeated Fascism, and Secured a Prosperous Peace (2015).

... 


doi:10.1017/S0007680517000411

Reviewed by Christine Zabel

In *Mercantilism Reimagined*, the editors Philip J. Stern and Carl Wennerlind, although positioning themselves in a long scholarly tradition of thinking about—or criticizing—mercantilism, have avoided limiting the volume to a discussion about the factual existence or theoretical range of “mercantilism.” Rather, they aimed to gauge the set of ideas traditionally ascribed to mercantilism, such as “power and plenty, wealth and money, balance of power, private and public good, labor and land, free trade and monopolism, populationism and emigration, state and commerce,” in the light of current scholarship on each of these components (p. 4).

The chapters follow the implication that “mercantilism” cannot be studied as a school of economic thought or set of policies alone, but