

Remarks concerning Martin J. Sklar's *The Corporate Reconstruction of American Capitalism, 1890-1916*

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I wanted to begin by congratulating Marty on having written an important and very thought-provoking book. I also wanted to say that I find much of his argument persuasive. When I read an earlier version of the manuscript some years ago, I was skeptical about the idea of treating corporate reconstruction as a social movement. But I now believe that this does make sense and that the transformation is best seen as taking place over contested terrain through a series of piecemeal reforms and accommodations rather than through the irresistible workings of market, technological, and profit-seeking imperatives. I also think that the three tendencies he finds in the debates over regulatory solutions are on the mark, that the distinctions he draws between Roosevelt, Wilson, and Taft in the election of 1912 make more sense of the evidence than any previous treatment, and that his altered conception of a "corporate liberalism" describes well what has been the prevailing tendency in American economic regulation since 1915. Having said this, however, I must also say that there are parts of the book and certain claims in it that I still find unconvincing or off the mark, and in the remainder of my remarks I wanted to focus on three of these and their implications for how we interpret the 1890-1916 period.

For one thing, I remain convinced that the transformation of the middle class during this period, as described by Robert Wiebe and others, was a far more important part of the story than what Marty's book makes it. In his discussion of the pro-corporate coalition, there are still large elements of a "ruling class" analysis, a ruling class, to be sure, that was undergoing change itself but still one with the power to dominate the coalition and turn its middle-class components into servants of that power. I do not think that this analysis works or can work for what was in large measure a middle-class society with a cultural and political apparatus reflective of that fact. I believe that Olivier Zunz, in his recent book *Making America Corporate*, gets much closer to what was actually going on. He does so when he argues that the driving force in the transformation was an aspiring new salaried and professional class that grew as the corporations grew, simultaneously adopted and helped to shape corporate goals, saw the implementation of these goals

as its class mission, and did much of the creative work involved in transforming the larger middle class, dividing and developing new roles for industrial workers, and helping to reshape the political and legal landscape to accommodate its handiwork. This is not to say that the "captains of industry," the great family fortunes, and the "masters of finance" were not important parts of the story. But, as Zunz shows, their relationship with the new middle class of white-collar, corporate Americans was often closer to interdependence than it was to a relationship of ruler and servant, and we need to recognize this if we are to understand how an essentially middle-class society became a corporate society and altered its institutions and values accordingly.

Secondly, I would also take issue with Marty's inclination to credit the notion that there was no corporatism in the America of this period. It is true that the Wilsonian "corporate liberalism" that he identifies as winning out was not a corporatist philosophy, did not envision a corporate state, and would seek order through market transactions, bureaucratic machinery, and judicial rulings rather than through corporatist arrangements. But this took shape in a world that offered not only populist, socialist, and state-capitalist alternatives but also a liberal corporatism envisioning a corporative component in the governing structure and embracing such corporative ideas as the harmonizing social council, the public-private partnership, and the midwife state. This, to be sure, differed from most of its European counterparts. It was less rigorous and coherent and, more importantly, it tried to portray itself as an extension of America's traditional reliance on the associative or voluntarist sector rather than a rejection of liberal individualism. But the idea of an enlarged structure of governance partly reliant on corporative social mechanisms was clearly present and came into the debate in several forms. One version looked to the development of the corporation as a mechanism to secure social harmony as well as administered markets. Another would entrust social policy-making to corporatively structured councils, conferences, and commissions operating outside the government proper and in this way insulated from popular control. And still another looked to the new technical professions as the agents through which this harmonizing machinery would become established and bring order to an unruly pluralism and individualism.

I would argue, moreover, that this liberal corporatism, especially as it was strengthened by the war experience of 1917-1918, has persisted as an alternative to Wilsonian "corporate liberalism," interacting with it in ways that have left a limited but real corporatist component in our political economy, and still capable of entering into debates over how the American system can be made to work more effectively. I cite as cases in point the recent industrial policy debate and the economic call to arms by Paul Tsongas.

Thirdly, I would still quarrel with Marty's statement that antitrust was taken out of politics by the Wilsonian settlement and that it has remained out ever since. I suppose that my disagreement on this might be attributed to my having a vested interest in the matter. After all, I wrote a whole book about the antitrust issue in American politics in the 1930s, and it is a bit disconcerting to be told that I must have imagined it all. I don't think that I did, and I don't think the actors in the story saw themselves as dealing with something that had been taken out of politics. It is true, to be sure, that the

New Deal order eventually stuck with something close to the Wilsonian settlement. But the period of the 1930s was also a time when the 1911 Rule of Reason was again under attack and when there were powerful impulses toward something else, whether it be toward an American corporate statism via the NRA on one side or toward a bureaucratic state direction or an anti-corporate organization wrecking on the other. The corporate concerns about these matters sounded much like those described in Marty's book, and I would argue that there was a reopening of the antitrust question in the 1930s and the outcome was not necessarily a foregone conclusion. It seems to me that the settlement achieved by 1916 was more fragile and unstable than Marty claims and that the political system was still such as to allow this settlement to be dragged back into politics and seriously questioned on several occasions.

I have other minor disagreements with interpretive statements and emphases in the book, but the three that I have outlined are the most important, and I hope that we can get into further discussion of them.