

Deakin Research Online

This is the published version:

Robinson, Geoffrey 2011, *American liberalism and capitalism from William Jennings Bryan to Barack Obama* Alfred Deakin Research Institute, Geelong, Vic.

Available from Deakin Research Online:

<http://hdl.handle.net/10536/DRO/DU:30043954>

Reproduced with the kind permission of the copyright owner.

Copyright : 2012, Deakin University

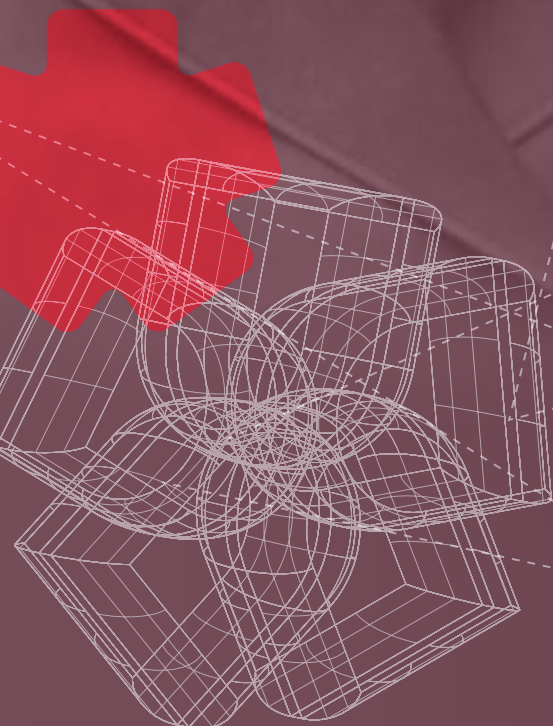


ALFRED DEAKIN RESEARCH INSTITUTE

WORKING PAPER N^o 25

American liberalism and capitalism from
William Jennings Bryan to Barack Obama

Geoffrey Robinson



DEAKIN
UNIVERSITY AUSTRALIA

A faded, grayscale portrait of Alfred Deakin, a man with a full beard and mustache, wearing a suit and tie, is the background of the cover. The text is overlaid on the right side of the image.

**ALFRED
DEAKIN
RESEARCH
INSTITUTE**

WORKING PAPER N^o 25

American liberalism and capitalism from
William Jennings Bryan to Barack Obama

Geoffrey Robinson

SERIES EDITOR
Peter Kelly

ALFRED DEAKIN RESEARCH INSTITUTE
Deakin University
Geelong VIC 3217
AUSTRALIA

ISBN 978-1-921745-24-9

ISSN (online) 1837-7440
ISSN (print) 1837-7432

DECEMBER 2011

A cluster of white wireframe geometric shapes, including cubes and spheres, is located in the bottom left corner of the cover.

© Alfred Deakin Research Institute, Deakin University

National Library of Australia

Cataloguing-in-Publication data:

Robinson, G.

American liberalism and capitalism from William Jennings Bryan to Barack Obama.

Bibliography

ISBN 978-1-921745-24-9

1. Liberalism--United States--Economic aspects. 2. Capitalism--United States--Economic aspects. 3. Political science--United States. 4. Financial crises--United States--Political aspects. 5. United States--Economic conditions.

I. Robinson, G. (Geoffrey)

II. Alfred Deakin Research Institute.

III. Title. (Series: Alfred Deakin Research Institute; Working Paper No. 25).

330.973

Disclaimer

This article has been written as part of a series of publications issued from the Alfred Deakin Research Institute. The views contained in this article are representative of the author only. The publishing of this article does not constitute an endorsement of or any other expression of opinion by Deakin University. Deakin University does not accept any loss, damage or injury howsoever arising that may result from this article.

THE ALFRED DEAKIN RESEARCH INSTITUTE WORKING PAPER SERIES

The Alfred Deakin Research Institute (ADRI) is a specialised research unit that was established at Deakin University in 2009 to generate research that informs public debate and enables government ministers, departments and policy-makers to take action based on evidence.

This series of working papers is designed to bring the research of the Institute to as wide an audience as possible and to promote discussion among researchers, academics and practitioners both nationally and internationally on issues of importance.

The working papers are selected with three criteria in mind: (1) to share knowledge, experience and preliminary findings from research projects; (2) to provide an outlet for policy focused research and discussion papers; and (3) to give ready access to previews of papers destined for publication in academic journals, edited collections, or research monographs.

Series Editor:
Peter Kelly

Series Editorial Team:
Sharon Crozier-De Rosa
Santosh Jatrana
Samuel Koehne
David Lowe
Mark McGillivray



THE ALFRED DEAKIN RESEARCH INSTITUTE WORKING PAPERS

- No. 01 Lowe, D. *The Colombo Plan and 'soft' regionalism in the Asia-Pacific: Australian and New Zealand cultural diplomacy in the 1950s and 1960s*. April 2010.
- No. 02 Murphy, K. and Cherney, A. *Policing ethnic minority groups with procedural justice: An empirical study*. April 2010.
- No. 03 Ritchie, J. *'We need one district government to be set up to replace other district governments': The beginnings of provincial government in Papua New Guinea*. April 2010.
- No. 04 Murphy, B. and Murphy, K. *'The Australian Tax Survey of Tax Scheme Investors': Survey methodology and preliminary findings for the second stage follow-up survey*. April 2010.
- No. 05 Feeny, S. and McGillivray, M. *Scaling-up foreign aid: Will the 'Big Push' work?* April 2010.
- No. 06 Murphy, K. and Gaylor, A. *Policing Youth: Can procedural justice nurture youth cooperation with police?* July 2010.
- No. 07 Brown, T.M. *The Anglican Church and the Vanuatu Independence Movement: Solidarity and Ambiguity*. August 2010.
- No. 08 Moore, C. *Decolonising the Solomon Islands: British Theory and Melanesian Practice*. August 2010.
- No. 09 Hayes, M. *Re-framing Polynesian Journalism: From Tusitala to Liquid Modernity*. August 2010.
- No. 10 Dickson-Waiko, A. *Taking over, of what and from whom?: Women and Independence, the PNG experience*. August 2010.
- No. 11 Hancock, L. and O'Neil, M. *Risky business: Why the Commonwealth needs to take over gambling regulation*. August 2010.
- No. 12 Bryant-Tokalau, J. *The Fijian Qoliqoli and Urban Squatting in Fiji: Righting an Historical Wrong?* August 2010.
- No. 13 Murphy, B., Murphy, K. and Mearns, M. *The Australian Tax System Survey of Tax Scheme Investors: Methodology and Preliminary Findings for the Third Follow-up Survey*. September 2010.
- No. 14 Hancock, L. *How 'responsible' is Crown Casino?: What Crown employees say*. November 2010.
- No. 15 Murphy, K. and Cherney, A. *Understanding minority group willingness to cooperate with police: Taking another look at legitimacy research*. November 2010.
- No. 16 Murphy, K., Murphy, B., and Mearns, M. *'The 2007 public safety and security in Australia survey': survey methodology and preliminary findings*. November 2010.
- No. 17 Murphy, K., Murphy, B. and Mearns, M. *'The 2009 Crime, Safety and Policing in Australia Survey': Survey Methodology and Preliminary Findings*. November 2010.
- No. 18 Kelly, P. *'A Social Science of Risk: The Trap of Empiricism, the Problem of Ambivalence?* September 2011.
- No. 19 Campbell, P., Kelly, P. and Harrison, L. *'Social Enterprise: Challenges and Opportunities'*, September 2011.
- No. 20 Lowe, D. *'Old Wine, New Bloggers: Public Diplomacy, India and Australia'*, November 2011
- No. 21 Foster, J. E., McGillivray, M. and Seth, S. *'Composite Indices: Rank Robustness, Statistical Association and Redundancy'*, November 2011.
- No. 22 Turner, M. *'Historians as Expert Witnesses: How do Holocaust Perpetrator Trials Shape Historiography?'*, November 2011.
- No. 23 Turner, M. *'The Irving-Lipstadt Libel Trial: Historians as Expert Witnesses and the Shaping of Post-Trial Publications'*, November 2011.
- No. 24 Campbell, P., Kelly, P. & Harrison, L. *'Transitional Labour Market Programs: Challenges and Opportunities'*, December 2011.
- No. 25 Robinson, G. *'American liberalism and capitalism from William Jennings Bryan to Barack Obama'*, December 2011

American liberalism and capitalism from William Jennings Bryan to Barack Obama*

Geoff Robinson

DEAKIN UNIVERSITY

ABSTRACT

American capitalism has generated remarkable prosperity. However problems of opportunism and bounded rationality have meant that American capitalism has also generated economic crises, unpopular levels of inequality and subordinated workers and small producers to employers and national markets in contradiction to American ideals of republican independence. American liberals have sought the support of those aggrieved by the process of capitalist development but to secure an electoral majority they have had to offer citizens a plausible program for economic growth and thus to support capitalism. 'Corporate liberalism' has been the result. Each generation of liberals has offered solutions to the problems of bounded rationality and opportunism from Progressive antitrust to Bill Clinton's pursuit of Microsoft. Each generation of capitalists has also offered solutions to the problems of bounded rationality and opportunism from the giant corporations of the late nineteenth-century to the financialized capitalism of recent years. Liberalism and capitalism have informed and shaped each other. Each rapprochement between capitalism and liberalism has broken down amidst economic crisis and political realignment. The economic crisis that commenced in 2007 may presage a political realignment comparable to that of the 1890s or 1930s.

* My thanks are due to comments from participants at the Social Democratic Parties and Business symposium organised by the Business and Labour History group at the University of Sydney on 28 September 2009 and at the Deakin University Centre for Citizenship & Globalisation Seminar on 21 April 2011 and to Dr. Elizabeth Sanders from Cornell University for a copy of her article 'Antitrust and American democracy' and to Dr. Michael Muetzelfeldt of Victoria University for advice on an earlier version of this paper. Electoral statistics are from David Leip, "Atlas of U.S. Presidential Elections," <http://uselectionatlas.org>.

Introduction

Since the late nineteenth century American businesses, consumers and workers have experienced a capitalist economy that has generated hierarchy, inequality and crisis together with remarkable economic growth. The failings of capitalism have frequently impelled voters to the left but voters have continued to find the promise of capitalist prosperity feasible. As a result since the late nineteenth century liberalism has seen out rivals such as populism and socialism to become the dominant political philosophy of the American left. Liberals promised voters the benefits of capitalism and also to alleviate its disadvantages. In recent decades American-style liberalism informed the 'new revisionism' of European and Australian social democracy. Yet time and time again capitalist crisis have called into question the accommodation of liberalism and capitalism. In 1896 the Democrats for the first time explicitly appealed to voters aggrieved by their experience of capitalism, but voters rejected their appeal. In 2008 Barack Obama swept to power as nominee of a Democratic Party more homogeneously liberal than at any time in its history but the dream of a new liberal hegemony has crumbled as the crisis of American capitalism that commenced in 2007 has continued.

The American economy outside of the slave south in the first decades after the Revolution approximated Adam Smith's vision of a society of artisans, merchants, farmers and small producers whose economic activities were coordinated by local markets, wage-labourers constituted only a minority of the workforce and many could realistically anticipate becoming employers in their own right. America it seemed was born liberal. The American state was a jumble of autonomous institutions rather than a European-style central authority with little impact on the everyday lives of citizens. Liberalism was for Americans not just a set of institutions but a hegemonic culture of rationality, acquisitiveness and a propensity to group formation. The southern defeat in the Civil War seemed to mark the definite triumph of this liberalism over the slave power.¹

In the decades after the Civil War this liberal vision was challenged by the rise of capitalism; the forms of market exchange remained but their content changed as small producers were forced to contend in national markets or become wage-labourers. The development of corporate capitalism in the late nineteenth century replaced market coordination in many large enterprises by the visible hand of capitalist authority. Politics was transformed by the development of a more coherent national administrative apparatus, whilst political parties came to appeal to voters on economic as well as ethno-cultural grounds. The liberal consensus broke up and 'liberalism' emerged as a self-aware ideological project on the part of intellectuals and politicians. Citizens, consumers and capitalists had to live with capitalist hierarchy and inequality, economic crises from the financial panic of 1893 to that of 2007 and eventually participation in mass consumption and affluence to a level unimaginable in the old Smithian economy.

The achievements and the failings of American capitalism were inextricably linked. The complexity and scale of modern capitalist society was a demonstration of the unparalleled power of markets to synthesize human knowledge and unite the energies of disparate individuals. However corporate structures and financial markets offered imperfect solutions to the problems of opportunism and bounded rationality. In each economic generation contemporary observers would claim that capitalist history had ended with the development of a set of institutions to resolve these problems; from the managerial capitalism of the 1950s to the financialized capitalism of the last twenty years. Each subsequent generation saw these hopes collapse.

1 Alexander De Tocqueville, *Democracy in America: And Two Essays on America* (London: Penguin 2003); Louis Hartz, "United States History in a New Perspective," in *The founding of new societies: studies in the history of the United States, Latin America, South Africa, Canada, and Australia*, ed. Louis Hartz (New York, NY: Harcourt, Brace & World 1964); Karl Marx, *Capital: a critique of political economy*, vol. 1 (Harmondsworth: Penguin, 1976); Alfred D. Chandler, *The visible hand: the managerial revolution in American business* (Cambridge, MA.: Belknap Press, 1977).

Each crisis of American capitalism encouraged liberals as political activists to develop new programs and liberals as intellectuals to develop new models of capitalism. Liberals cited capitalist crises to advocate radical transformations in the American political economy on behalf of the victims of such crises, or made the pessimistic prediction that liberal capitalism would give way to a new statist political order in which a centralized bureaucratic state, reformed on European bureaucratic models, would act in the collective interests of capital. However capitalism responded to each crisis and to liberal critiques by the development of new solutions to the problems of opportunism and bounded rationality.

Capitalism and liberalism in the long-run

The first states emerged around five thousand years ago. Initially they did little more extract an economic surplus from their population and applied this surplus towards the construction of a military apparatus. Simple extraction of a surplus was a limited strategy for the expansion of state power, without a major increase in economic productivity. This increase in productivity was initially underpinned by the provision of public goods such as system of property rights which supported the Smithian dynamic of the division of labour and specialisation. The massive acceleration in productivity growth that occurred under capitalism required more than a market, it required the establishment of businesses enterprises that competed among themselves subject to the threat of bankruptcy and whose internal operations were organised in part by hierarchies rather than markets.²

State-based societies and business corporations competed successfully against stateless societies (and later against state socialism) and against the artisans, merchants and farmers of the Smithian economy. States and corporations were uniquely effective in the production of goods and of coercive power, this power took the form not just of weaponry but of technologies, what John Hicks calls the 'administrative revolution' of bureaucracy and positive law. These forms of rule were more adaptable than custom and tradition. European imperialism rested not only on military force but also the ability of bureaucratic structures to successfully incorporate traditional political formations, such as patrimonial monarchies, into a hierarchy of command. Two other innovations have been central to the effectiveness of the modern state: democracy and political parties. Democratic governments are less likely to act as predatory states that extract a surplus for private ends. Democracy creates an incentive for governments to pursue policies that promote popular goals of rising living standards. Political parties reduce information costs for voters and assist them to make informed choices between candidates and enable parliamentarians to cooperate more effectively. Affluence made possible the 'imagined community' of the nation state. The rise of capitalism and the state apparently reduced human freedom; workers rejected the authority of capitalists, citizens grumbled about bureaucracies, voters complained about political parties. At the same these institutions increased fostered positive freedom: the ability of individuals to control their environment.³

2 David Christian, *Maps of time : an introduction to big history* (Berkeley., California: University of California Press, 2004), 245-248; M. Mann, *The sources of social power: A history of power from the beginning to AD 1760*, vol. 1 (Cambridge: Cambridge University Press, 1986), 137-142; William J. Baumol, *The free-market innovation machine : analyzing the growth miracle of capitalism* (Princeton: Princeton University Press, 2002); Douglass C. North, *Structure and change in economic history*, 1st ed. (New York: Norton, 1981).

3 Dennis C Mueller, *Public choice III* (Cambridge: Cambridge University Press, 2003), 9-14; Ellen M. Wood, *The origin of capitalism: a longer view* (London: Verso 2002), 166-81; Marx, *Capital*, 1., 549-50; Herbert L. A. Hart, *The Concept of Law* (Oxford: Clarendon Press, 1961), 89-94; John Aldrich, *Why parties?: The origin and transformation of political parties in America* (Chicago, IL.: University of Chicago Press, 1995), 28-65; Richard Coase, "The Nature of the Firm," *Economica* 4, no. 16 (1937); Margaret Levi, *Of rule and revenue* (Berkeley, CA.: University of California Press, 1989); John Hicks, *A theory of economic history* (Oxford: Oxford University Press, 1973); Benedict Anderson, *Imagined communities: Reflections on the origin and spread of nationalism* (London: Verso, 1991); Ronald Robinson, "Non-European foundations of European Imperialism: sketch for a theory of collaboration," in *Studies in the theory of imperialism*, ed. Robert Owen and Bob Sutcliffe (London: Longman, 1972), 120



Liberalism is more than a system of ideas; it is a form of what Martin Sklar calls a production-property system. Politics, as Otto Hintze argued, is an entrepreneurial activity in which politicians contend for dominion and power at the same time whilst the ability of states to exercise power over other states is largely dependent on their economic strength. Capitalism is a social movement: the development of enterprise structures is the result of political struggles and contests. The development of liberal ideas is also a political process, ideas may be created by individual thinkers but to exercise an influence on politics they must become an ideology that can mobilise a broader constituency.⁴

Liberalism as a system of belief is famously associated with the image of the path breaking free intellectuals from John Stuart Mill to John Rawls or Robert Nozick. But liberalism as a political-intellectual project has to survive in a world of intellectual competition and to respond to a changing external world. The weakness of the American party system has facilitated the rise of 'policy entrepreneurs' who market ideas from the academy to policy-makers. The rise of corporate capitalism posed a major problem for American liberal thought. Since the late nineteenth century American liberalism was also shaped by historical events and intellectual trends. These included disillusionment with the consequences of World War I, then the perception of World War II as a 'good war', the 'anti-totalitarian' mobilisation of the 1950s, the social upheavals of the 1960s, the disillusioning impact of the Viet Nam war and the recent rise of populist conservatism. Different paradigms of liberalism have largely risen and fallen due to generational change rather than changes in the perspectives of individual activists.⁵

American liberalism has sought an alternative to the rival traditions of populism and libertarianism. To libertarians the capitalist firm is a nexus of contracts rather than a system of power exercised over workers or an entity distinct from shareholders. Libertarianism implied a state restricted to the protection of property and contractual rights. Populists took the opposite position: they feared that contractual relations, beyond the most personal and immediate, could mask power relations. Populists wanted the state to limit the ability of the powerful to use contractual forms as a tool of power.⁶

Both populists and libertarians drew on Adam Smith's legacy. To libertarians the corporate capitalist economy resulted from the propensity of self-interested humans to 'truck, barter and exchange'. To populists corporate capitalism and finance destroyed the Smithian economy of small producers who dealt as equals man to man. Smith himself was sceptical of 'prodigals' and 'projectors' and feared that banks facilitated speculation and he was suspicious of the propensity of businesses to collude in price fixing. In the United States however it was often small businesses that were most prone to engage in formal price-fixing and collusion and their right to do so was long defended by their political champions.⁷

Liberals rejected populism and libertarianism. They contended that libertarianism denied the reality of economic inequality, the subordination of workers and the barriers to market entry. But unlike

4 Martin J. Sklar, "Thoughts on Capitalism and Socialism: Utopian and Realistic," *The Journal of the Gilded Age and Progressive Era* 2, no. 4 (2003), 366; Otto Hintze, "Economics and Politics in the Age of Modern Capitalism (1929)," in *The Historical Essays of Otto Hintze*, ed. Felix Gilbert (New York, NY: Oxford University Press, 1975), 428-429

5 Herbert Hovenkamp, *Enterprise and American law, 1836-1937* (Cambridge, MA.: Harvard University Press, 1991), 5-7; Karl Mannheim, *Ideology and Utopia: An Introduction to the Sociology of Knowledge* (London: Routledge, 1936), 32-48

6 Hovenkamp, *Enterprise and American law.*, 5-7, 82; Eugene F Fama, "Agency Problems and the Theory of the Firm," *The Journal of Political Economy* 88, no. 2 (1980); Armen Alchian and Harold Demsetz, "Production, information costs, and economic organization," *The American Economic Review* 62, no. 5 (1972).

7 Adam Smith, *An inquiry into the nature and causes of the wealth of nations* (Oxford: Clarendon Press, 1976), 21; Thomas McCraw, *Prophets of Regulation: Charles Francis Adams, Louis D. Brandeis, James M. Landis, Alfred E. Kahn* (Cambridge, MA: Harvard University Press, 1984), 101-106

populists liberals believed that complex private contractual arrangements enabled individuals to cooperate for mutual benefit.⁸

Liberalism was also challenged by corporatism and socialism. Corporatists positioned themselves between liberalism and libertarianism. They argued for the inevitability of large scale hierarchical corporate capitalist organisation subject to regulation and control by a strong national government in the public interest. Between liberals and populists were socialists who generalized from the greater efficiency of large scale corporate capitalist enterprises to advocate economy-wide democratic economic planning.

Socialists and corporatists were both preoccupied with the problems of opportunism and bounded rationality; they believed that the actions of individual profit-maximizing capitalist enterprises had in the aggregate negative consequences such as overproduction, excess capacity and inadequate levels of innovation. Liberals shared these concerns but to them the socialist alternative was dramatically at variance with American traditions and from the 1930s was implicated in the totalitarian challenge to liberal democracy. Liberals also feared corporatism empowered business interests over the public and fostered corruption and populist authoritarianism.⁹

The emergence of political liberalism

Nineteenth century America combined a highly developed economy and an undeveloped state. A national market and rule of law encouraged a dynamic Smithian market economy, and major increases in population, technological levels and consumption. During these years the state apparatus remained frozen in the model established by the Constitution and the Bill of Rights. Mass parties together with a highly political judiciary evolved to undertake national governance responsibilities for which the archaic state apparatus was ill-suited. Party élites colluded to exclude the question of slavery from contestation, and when this exclusion finally collapsed normal politics was replaced by civil war from 1860 to 1865 and then military occupation of the defeated south until 1877. Party conflict in these decades reflected fundamental social divisions about the nature of the American state.¹⁰

In the two decades after 1877 party leaders used the memory of the Civil War to their rally supporters. Parties failed to respond to social change during this period. The American economy was transformed by the shift of economic activity to the north east, a decline in the economic and social status of farmers and small producers, price deflation, and the rise of large capitalist enterprises, particularly banking and railroads. The personal exchange relations of the old Smithian economy gave way to impersonal exchanges between small producers and large corporations, whilst enterprise managers employed the law of contract to establish workplace relations of status.¹¹

8 Hovenkamp, *Enterprise and American law*, 67-78, 129-34, 274-80; Morton J. Horwitz, *The transformation of American law, 1870-1960: The crisis of legal orthodoxy* (Cambridge, MA: Harvard University Press, 1994), 36, 50, 165-67; Barbara Welke, *Recasting American liberty: gender, race, law, and the railroad revolution, 1865-1920* (New York: Cambridge University Press, 2001), 3-42

9 William J Bryan, "The Problem of the Trusts," *New York Times*, 11 November 1911; S. Milkis, "Franklin D. Roosevelt, the Economic Constitutional Order, and the New Politics of Presidential Leadership," in *The New Deal and the Triumph of Liberalism*, ed. S. Milkis and J. Mileur (Amherst, MA.: University of Massachusetts Press, 2002), 36-37.

10 David Hounsell, *From the American System to Mass Production: 1800-1932* (Baltimore, MD.: John Hopkins University Press, 1984), 51-61; Stephen Skowronek, *Building a new American state: The expansion of national administrative capacities, 1877-1920* (Cambridge: Cambridge University Press, 1982), 19-35.

11 Hounsell, *American System*, 110-120, 205; Tony A Freyer, *Regulating big business: antitrust in Great Britain and America, 1880-1990* (Cambridge: Cambridge University Press, 1992), 17; Marx, *Capital*, 1., 549-553, 902; Michael J. Sandel, *Democracy's Discontent: America in Search of a Public Philosophy* (Harvard University Press, 1996), 183-200.

In the later nineteenth century third parties, such as the Populists, challenged the Republicans and Democrats, and supported an alliance of artisans, farmers and small business people against the new capitalism. The Populists polled 8.5% at the 1892 Presidential election but most voters remained loyal to the major parties. Democrats and Republicans had well-established regional and social bases but the balance between the two parties was dependent on voters' evaluations of their ability to provide public goods of honest administration and economic stability. Substantial economic issues were excluded from debate as neither major party knew how to respond to economic downturns. The Democrats stranglehold on the south reflected the traumas of civil war, Reconstruction and the disenfranchisement of black Republican voters, but the south was also a stronghold of anti-monopoly and inflationary sentiment. The Republican support of tariff protection for manufactures was unpopular among many farmers, but it was attractive to many workers, particularly during economic recessions. Tariffs offended against the principles of classical liberalism, together with Republican corruption, and disenchantment with the results of Reconstruction, they contributed to a culturally based disaffection among some higher income, formerly staunch Republican, voters in the north-east, the so-called 'Mugwumps'. Conservative Democrat Grover Cleveland victor of the 1884 and 1892 presidential elections appealed to this constituency. Political elites also accommodated popular antimonopoly sentiment as demonstrated by bipartisan support for the 1887 Interstate Commerce Commission Act and the 1890 Sherman Act, which declared restraints of trade illegal. The Sherman Act would underpin 'antitrust' politics.¹²

In the Presidential election of 1896 the new capitalism finally took centre stage. A major economic downturn had commenced in 1893 after bank and railroad failures. The failure of the administration of Grover Cleveland to effectively respond to the economic crisis and its support for state repression of strikes led Democrats (and the Populists) to nominate radical William Jennings Bryan as presidential candidate in 1896. Bryan called for workers and producers to unite against banks, railroads, high tariffs and for the monetisation of silver to increase price levels. Bryan's rhetoric like that Barack Obama over a century later generated extraordinary enthusiasm.¹³

Bryan's great political problem was that by 1896 capitalist development had undercut the dream of a populist alliance of producers. From 1870 to 1890 the portion of male workers in agriculture fell from 53% to 42.6%. Many union leaders supported Bryan but union membership was tiny. Urban workers were culturally distant from the rural evangelical Protestant Democratic base. Many workers blamed Democrats as the incumbents for the depression, and feared the impact of inflation and tariff reductions on wages and employment. Bryan alienated middle-class reformers who had supported conservative Democrats against Republican corruption. The Democrats' vision of the producers' republic was popular but threatened the other great national vision of material advancement in which workers, unlike farmers, had participated; real wages rose during the 1880s and early 1890s. The debate about economic policy was not merely a battle of interest groups but reflected divergent cultural values.¹⁴

12 Gretchen Ritter, *Goldbugs and Greenbacks: the antimonopoly tradition and the politics of finance in America* (New York, NY: Cambridge University Press, 1999); Elizabeth Sanders, *Roots of reform: farmers, workers, and the American state, 1877-1917* (Chicago, IL: University Of Chicago Press, 1999), 34-36, 194-195, 219, 271; Thomas C. Cochran and William Miller, *The age of enterprise: a social history of industrial America*, Rev. ed. (New York: Harper, 1961); M. Keller, "Trade Policy in Historical Perspective," in *Taking Stock: American Government in the Twentieth Century*, ed. M. Keller and R. S. Melnick (New York: Cambridge University Press, 1999), 18-20.

13 W. J. Bryan, "Cross of Gold," <http://teachingamericanhistory.org/library/index.asp?document=163>.

14 Hovenkamp, *Enterprise and American law.*, 208-213; Alba Edwards, *Comparative Occupational Statistics for the United States, 1870 to 1940* (Washington, D.C.: Government Printing Office, 1943), 101; Gwendolyn Mink, *Old labor and new immigrants in American political development: union, party, and state, 1875-1920* (New York, NY: Cornell University Press, 1990), 142-48; Republican Party, "Platform," <http://projects.vassar.edu/1896/gopplatform.html>; Paul Kleppner, *The Cross of Culture: A Social Analysis of Midwestern Politics, 1850-1900* (New York, NY: Free Press, 1970); Sanders, *Roots of reform.*, 84-86, 138-47; Freyer, *Regulating big business.*, 15.

At the November 1896 presidential election Bryan was soundly defeated by Republican William McKinley. The Democrats probably won most of the 1892 Populist vote but they lost ground elsewhere particularly in the more industrial and working-class states of the north-east. This is illustrated by a comparison of Democratic and Populist support by states from 1892 to 1896.

TABLE 1: PEARSON CORRELATION PRESIDENTIAL VOTE FOR NON-SOUTHERN STATES 1892-1896¹⁵

	1896 Democratic
1892 Democratic	-0.40
1892 Populist + Democratic	0.76

Debating the new corporate order

Karl Marx argued that different modes of production rise or fall by their ability to encourage the development of the means of production:

At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or – this merely expresses the same thing in legal terms – with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. The changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure.¹⁶

Corporate property was a new form of property. From 1895 to 1904 more than 1800 firms were absorbed by corporate mergers. As a transformation in property relations the merger wave of this period was second only to the emancipation of the slaves during the Civil War. This transition took place under an (imperfect) democracy but it led to a revolution in electoral politics. The 1896 Presidential election was a major victory for American conservatism over a Democratic Party that for the first time offered a critique of capitalism from the left. The 1896 election initiated a Republican hegemony; from 1896 to 1928 they averaged 50.3% at presidential elections and the Democrats 40.8%, and electoral turnout notably declined. The Republicans lost the Presidency to a Democrat, Woodrow Wilson, only twice in 1912 and 1916; the first defeat followed a major split in the party when former President Theodore Roosevelt led a breakaway Progressive party. The Democrats became a party of the peripheral south and to a lesser degree the west, and polled poorly in states with a large industrial workforce.¹⁷

The Republican ascendancy demonstrated that the democratic alternation of parties in government requires a social consensus. The Civil War occurred when social divisions between slave and free labour coincided with partisan divisions. Normal electoral completion resumed after the end of Reconstruction which ratified a new national compromise: slavery was abolished but racial inequality remained. After 1896 the nature of the American political economy remained so deeply contested that a Democratic victory was inconceivable. Party allegiances forged during 1860-77 facilitated voter choice but enabled opportunistic behaviour by party elites, conservative

¹⁵ Southern is defined as the states of the old Confederacy.

¹⁶ Karl Marx, *A Contribution to the Critique of Political Economy* (New York, NY: International, 1970), 21

¹⁷ Sanders, *Roots of reform.*, 26; Walter D. Burnham, *Critical Elections and the Mainsprings of American Politics* (New York: W. W. Norton & Co., 1970), 51-54; Naomi R. Lamoreaux, *The great merger movement in American business, 1895-1904* (Cambridge Cambridge University Press, 1985), 1-2.



Democrats ignored their populist base to pursue disenchanted north-eastern Republicans. Bryan's nomination was a defeat for party elites but his electoral fate showed that voters valued the positive freedom of capitalist prosperity over the negative liberty of the Smithian economy. After 1896 the letter of the Sherman Act became unamendable holy writ but state governments competed to liberalise laws on business incorporation to encourage investment and thus undermined the Smithian economy.¹⁸

The late nineteenth century transformations in capitalism challenged the global left. American Populists had believed that the new order was an alien imposition on the Republic; European socialists anticipated market saturation and economic collapse. Instead capitalism boomed from the mid 1890s; gold discoveries ended price deflation, the new chemical and industrial industries grew rapidly, and corporate concentration surged. In Europe the new capitalism encouraged both socialist revisionists and radicals. To revisionists the new capitalism offered economic stability, as capitalist planning replaced the anarchy of production, and the prospect of new alliances with the growing white-collar workforce or small producers against monopoly. To radicals the new capitalism instead meant imperialism and a heightened subordination of the great mass of the population to monopoly. The American debate echoed these themes. Some former populists became socialists but most remained Democrats.¹⁹

Despite rapid economic growth in the United States real wages were stagnant. Usually we would have expected this to generate political resistance but the Republicans maintained their ascendancy due to the ineffectiveness of the Democrats and also the willingness of the state apparatus, including the judiciary, to accommodate popular anxiety about the new capitalism. The Republican ascendancy of the gilded age demonstrates that although stagnant living standards and growing inequality may create the potential for political mobilisation this is not inevitable. In 2011 whether 'occupy Wall Street' would inspire a broad protest movement against the second gilded age remained uncertain.²⁰

Many Republicans and capitalists wanted the courts to interpret the Sherman Act in accordance with English common and statute law so as to allow reasonable restraints of trade. They focused on the problem of 'ruinous competition': where opportunistic competition between large corporations with heavy fixed costs forced them to reduce prices to a level that covered no more than short-term operating costs with the inevitable results that enterprises were forced to run at a loss. The literature on 'ruinous competition' challenged traditional laissez-faire economics and was influenced by institutionalism and even Marxism but advocated a cartelised and regulated capitalism. The courts considered the ruinous competition argument unproven, and tended to argue that the Sherman Act outlawed all restraints of trade, and over time the judiciary demonstrated notable legal creativity to extend the net of the Sherman Act from cartels to include market-dominant mergers. Yet at the same time as the courts rejected the arguments of corporate capitalists they applied the Sherman Act aggressively against organised labour.²¹

18 Harvey N. Prechel, *Big business and the state: Historical transitions and corporate transformation, 1880s-1990s* (New York, NY: State University of New York Press, 2000), 37-38; Horwitz, *Transformation of American law.*, 84; Harold J. Laski, *The State in Theory and Practice* (London: George Allen & Unwin, 1935), 136-150

19 Sanders, *Roots of reform.*, 60; Lamoreaux, *Merger movement.*, 1-6; Martin J. Sklar, *The Corporate Reconstruction of American Capitalism, 1890-1916: The Market, the Law, and Politics* (Cambridge: Cambridge University Press, 1988), 44-46; Lucio Colletti, "Bernstein and the Marxism of the Second International," in *From Rousseau to Lenin: Studies in Ideology and Society*, ed. Lucio Colletti (New York, NY: Monthly Review Press, 1969)..

20 Paul H. Douglas, *Real wages in the United States, 1890-1926* (Boston, MA.: Houghton Mifflin, 1930), 390-391; Peter R. Shergold, *Working-Class Life: the American standard' in comparative perspective, 1899-1913* (Pittsburgh, PA.: University of Pittsburgh Press, 1982), 207-230

21 *Northern Securities Company v. United States*, 197 United States Reports 193(1904); Chandler, *Visible Hand.*, 134-55; Sklar, *American Capitalism.*, 57-85; Freyer, *Regulating big business.*, 23-29, 47-50; Hovenkamp, *Enterprise and American law.*, 298-17; Lamoreaux, *Merger movement.*, 109-110; Michael Perelman, "Constant Capital and the Crisis in Contemporary Capitalism: Echoes from the Late Nineteenth Century," <http://michaelperelman.files.wordpress.com/2010/03/constan.pdf>; *Standard Oil Co. of New Jersey v. United States*, 221 United States Supreme Court Reports 1(1911), 50-57; J. Dyson Heydon, *The restraint of trade doctrine*, 3

It was only as the Democrats political fortunes recovered after 1908 that the judiciary changed tack. In the *American Tobacco* and *Standard Oil* cases in 1911 the Supreme Court declared that reasonable restraints of trade were permissible under the Sherman Act but upheld dissolution orders against the two companies on the grounds that they had pursued deliberate policy of monopolisation. The decision was condemned by both Bryanite and conservative Democrats.²²

The Republicans after 1896 sought to dilute popular opposition to the new capitalism. Theodore Roosevelt became President after the assassination of William McKinley in 1901 and instigated several prosecutions of major corporations under the Sherman Act. This policy appealed to Democrats, who were unexcited by their Party's conservative 1904 candidate. At the 1904 election Roosevelt won a landslide victory. In 1908 Bryan again contested the presidency with strong support from organised labour, spurred into politics by the judicial application of the Sherman Act against unions, but he was soundly defeated, despite a severe recession that followed a financial crisis in 1907.²³ Bryan's populism frightened swinging voters, but the Democratic base was unenthused without him.

Roosevelt appealed to populist voters, and entered popular memory as a 'trust-buster' but he rejected the populist critique of industrial capitalism. He believed strongly that large corporations were more efficient and productive than smaller enterprises, but should be subject to regulation in the public interest. Roosevelt aspired to a government-business partnership but his critics interpreted this to mean the arbitrary exercise of executive power to favour particular business groups. His vision of strong state would both attract and repel generations of liberals.²⁴

Early twentieth-century American Socialists had criticised the accommodation between liberals and capitalism. The political polarization of the interwar years and the opportunism of the Communist Party quelled radical critique until in the 1950s C. Wright Mills described a 'corporate liberalism' that united business, state and labour elites together with militarised capitalism. In the next decade Mills' work inspired the 'new left' historians to argue that the reforms of Roosevelt and Wilson manifested a 'corporate liberalism', that they were the work of far seeing capitalists who recognised the need to stabilise the economic order, guard against socialism and reduce competition. In their polemic against the claims of liberalism and their argument that regulation served the interests of regulated industries rather than the public interest the new left found some common ground with the libertarian right. The corporate liberal hypothesis anticipated later structural Marxist arguments that capitalists by themselves would pursue their own opportunistic interest even when this threatened the long-run viability of capitalism. Marx himself was ambiguous on this question, at times he argued that reforms could result from the political action of the working class but often downplayed the significance of these reforms and suggested they actually served the collective interests of capitalists.²⁵

ed. (Sydney: LexisNexis Butterworths, 2008), 2-3, 27-32; *ibid*; Karen Orren, "The Laws of Industrial Organization, 1870-1920," in *The Cambridge History of Law in America, vol. 2, The Long Nineteenth-Century (1789-1920)*, ed. Michael Grossberg and Christopher Tomlins (Cambridge: Cambridge University Press, 2008), 538-545; *United States v. Trans-Missouri Freight Association*, 166 290(1897).

22 "May Amend Sherman Law," *New York Times*, 16 May 1911; *Standard Oil Co. of New Jersey v. United States*; *United States v. American Tobacco*, 221 United States Supreme Court Reports 106(1911); William J. Bryan, "Bryan's Thirteen Questions," *New York Times*, 18 July 1911; "Platform is Ready for the Convention," *New York Times*, 28 June 1912.

23 Sanders, *Roots of reform.*, 87-89, 99

24 Theodore Roosevelt, *The new nationalism* (New York: The Outlook Company, 1910), 14-15; *ibid*; Sklar, *American Capitalism.*, 334-48

25 Gabriel Kolko, *Railroads and regulation: 1877-1916*. (New York, NY: Norton, 1970); Martin J. Sklar, "Woodrow Wilson and the developmental imperatives of modern U. S. liberalism," in *The United States as a Developing Country: Studies in U.S. History in the Progressive Era and the 1920s*, ed. Martin J Sklar (Cambridge: Cambridge University Press, 1992); Hovenkamp, *Enterprise and American law.*, 134-135; Skowronek, *New American State.*, 130-137; Nicos Poulantzas, *Political power and social classes* (London: New Left Books, 1978); James Weinstein, *The corporate ideal in the liberal state, 1900-1918* (Boston, MA: Beacon Press, 1968); C. Wright Mills, *The power elite* (New York: Oxford University Press, 1959); Marx, *Capital*, 1., 395-416, 619, 626, 635, 903;



The theory of corporate liberalism offered young radical scholars of the 1960s a new research program to explore neglected topics such as business political mobilisation and cast new light on topics considered exhausted such as American socialism. Liberals in the 1950s dismissed American socialism as doomed to failure but the new left argued it had been defeated only by a combination of state repression and skilful cooption implemented by 'corporate liberals'.²⁶

To the new left historians the National Civic Federation (NCF) formed in 1900 exemplified corporate liberalism. The NCF united business leaders, selected unionists and public intellectuals behind a program of class cooperation and repudiation of the Smithian economy. It supported industrial mediation, conservative trade unionism, and Sherman Act amendment to permit agreements in reasonable restraint of competition to alleviate the problem of ruinous competition. The NCF was aware of the unpopularity of any proposal to weaken the Sherman Act and sought to divide the populist constituency by offering unions a very limited exemption from the Act. The fate of the NCF's proposals demonstrated the limits of 'corporate liberalism'. In 1907 Congress rejected proposed amendment of the Sherman Act to allow agreements in reasonable restraint of trade and grant limited exemptions from the Act to trade unions and producer organisations. Small business supported the Act as an anti-union tool. Democrats opposed the bill on populist grounds and were probably more representative of working-class opinion than those union leaders who argued that free competition was obsolete and that collective bargaining rather than self-employment was now the workers' only option for industrial citizenship. Despite the Republican hegemony public opinion continued to have a significant impact on policy formation.²⁷

In the four years after 1908 the Republicans were rent by a bitter struggle between the party mainstream and progressive insurgents. The dispute reflected the doubts that many Republican voters felt about corporate capitalism but also the suspicion that they felt of a Democratic party tainted by populism and disloyalty and which forced them to express their doubts within the Republicans. After four Presidential victories the Republican old guard felt little need to conciliate public opinion. In 1912 the Republicans split and Roosevelt contested the election as candidate of a newly formed Progressive Party. Incumbent Republican president William Taft polled only 23.2% compared to 27.4% for Roosevelt. Democrat Woodrow Wilson won with 41.8% and Socialist Eugene Debs polled 6%. To many later historians Roosevelt personified corporate liberalism, but his public support in 1912 did not reflect the appeal of a corporate liberal program. His appeal reflected personal charisma and his misleading image as a 'trustbuster' but most of all his appeal was to Republicans. Roosevelt appealed to the left in particular reformists represented by bodies such as the American Association for Labor Legislation who advocated a national welfare state. The Progressives' platform ignored trade union demands, Roosevelt was unenthusiastic about his Party's antitrust plank and his campaign was dogged by allegations that his administration had displayed favouritism to particular businesses.²⁸

Gabriel Kolko, *The triumph of conservatism: A Reinterpretation of American History, 1900-1916* (New York, NY: Free Press, 1963); Bryan Caplan, "Kolko 40 Years Later," <http://www.mail-archive.com/armchair@gmu.edu/msg03394.html>.

26 Daniel Bell, *The end of ideology: On the exhaustion of political ideas* (New York: Free Press; Collier-Macmillan, 1965); James Weinstein, *The Decline of American Socialism, 1912-1925* (New York: Monthly Review Press, 1967).

27 Sanders, *Roots of reform.*, 92-93, 277; Freyer, *Regulating big business.*, 9, 112; Mink, *Old labor*; Lamoreaux, *Merger movement.*, 169-173; Selig Perlman, *A Theory of the Labor Movement* (Philadelphia, PA.: Porcupine Press, 1979).

28 Progressive Party, "Declaration of Principles of the Progressive Party," http://www.pbs.org/wgbh/amex/presidents/26_t_roosevelt/psources/ps_trprogress.htm; Theda Skocpol, *Protecting soldiers and mothers: the political origins of social policy in the United States* (Cambridge, MA.: Harvard University Press, 1995), 176-204; G. Mowry, *Theodore Roosevelt and the Progressive Movement* (The University of Wisconsin Press, 1946), 189-92, 271-73; Freyer, *Regulating big business.*, 73.

The Progressives' problem was that the electoral base of the American left was populist, not statist in its sympathies. Even the Socialists drew their support mostly from the rural periphery rather than the industrial north. The distribution of party support from 1908 to 1912 suggests that the Socialists stood in a similar relation to the Democrats as the Progressives to the Republicans. Most 1912 Progressives were Republican identifiers, especially Roosevelt himself, at the 1916 Presidential election they returned to the reunited Republicans who lost the election 46.1% to 49.2%. Those Progressives on the left who rallied to Wilson in 1916 were a small group of statist intellectuals and western votes.²⁹

Some analysts have attributed the split in the Republican Party and the Democrats' victory in 1912 either to a general leftward shift of public opinion or estrangement of particular groups from the Republicans such as Midwestern farmers or the growing urban middle-class.³⁰ There is little evidence for this. The erosion of support for the Republicans was fairly uniform. The geographical distribution of the Democratic vote was fairly stable from 1896 to 1916 particularly if the Socialist vote is counted with the Democrats and the combined Republican and progressive vote in 1912 closely matched the 1908 Republican vote.

TABLE 2: PEARSON CORRELATION NON-SOUTHERN DEMOCRATIC AND SOCIALIST VOTES BY STATE 1892-1916

	1916 Democrats	1916 Democrats + Socialists
1892 Democrats	0.45	-0.30
1896 Democrats	0.77	0.86

TABLE 3: PEARSON CORRELATION NON-SOUTHERN DEMOCRATIC, REPUBLICAN AND PROGRESSIVE VOTES BY STATE 1908-1912

	1912 Democrats	1912 Democrats + Socialists	1912 Republicans	1912 Progressives	1912 Republicans + Progressives
1908 Democrats	.79	.85	-.40	-.29	-.82
1908 Democrats + Socialists	.67	.91	-.40	-.89	-.89
1908 Republicans	-.66	-.90	.44	.25	.88

The Republican crisis cannot be attributed to the rise of the urban middle-class; this group remained a small portion of the electorate. From 1890 to 1910 the portion of the male workforce in 'professional services' only rose from 2.9% to 3.3%, and in clerical work increased from 2% to 3.8%. These shifts were irrelevant compared to the rise of industry and decline of agriculture. From 1890 to 1910 the portion of the male workforce in agriculture fell from 47.3% to 34.8%. The portion

29 David Sarasohn, "The Election of 1916: Realigning the Rockies," *Western Historical Quarterly* 11, no. 3 (1980), 285-305 Sklar, *American Capitalism*, 34-36, 350; Mowry, *Theodore Roosevelt and the Progressive Movement*, 197.

30 Cochran and Miller, *Age of enterprise*, 293., 274-75; Horwitz, *Transformation of American law*, 224; Ray Teixeria and John Haplin, *The Progressive Tradition in American Politics* (Washington, DC.: Center for American Progress, 2010), 10



of male workers in manufacturing rose from 23.2% to 29.5%. Workers in manufacturing found that corporate concentration weakened unionism and empowered managers to reduce workers' autonomy in the labour process.³¹ The rise of the new capitalism concerned voters across the social spectrum, but voters, particularly those who were employed rather than self-employed, feared the impact of anti-corporate reforms on economic growth. The cultural appeal of the producers' republic competed with party identification forged during 1860-77 and the appeal of tariff protection as nation-building tool.

The Democrats' ability to win 1912 and 1916 was also a result of their own political repositioning. In the 1890s Populists and Bryanite Democrats dismissed corporations as artificial constructions based on political favouritism opposed to the productive rural classes. Defenders of the new order, such as Roosevelt, instead argued that the growth of large corporations was a response to economic necessity. Wilson's argument was intermediate, influenced by leading progressive lawyer Louis Brandeis; he celebrated economic progress but argued that although the growth of large corporations was in part desirable many corporations had as a result of financial manipulation expanded beyond the size were they could be effectively managed. In his appeal to workers Wilson argued that Roosevelt offered only paternalistic statist regulation that would undercut workers bargaining rights. Wilson's approach was not that different from that which Bryan had reached by 1912 but in the eyes of swinging voters Bryan remained the man of 1896.³²

Both Roosevelt and Wilson believed that capitalism should remain a system of individual entrepreneurs. Roosevelt's view of history reflected a faith in the creative power of individuals such as himself. He was more optimistic about the ability of individuals to lead giant corporations than was Wilson. During this period most large enterprises remained dominated by charismatic individuals rather than corporate bureaucracies. Individual entrepreneurs and their families often continued to hold a majority of stock and paid little attention to strategic planning or long-term allocation of resources. The academic champions of the giant corporations generalized from the successful reconstruction of individual production sites to argue that competition was wasteful. This perspective reflected a focus on cost-minimization rather than marketing or product innovation, as steel master Andrew Carnegie said 'Watch the costs and the profits will take care of themselves'. 'Scientific management' with its focus on increasing the productivity of individual workers was congruent with this approach.³³ In future decades liberals would frequently counterpoise technical expertise in production to external forces such as financial markets or generalist and complacent managers. Liberals were often reluctant to admit that management could be a generic skill and that effective marketing could underpin business success.

Historical analysts of the new capitalism also grappled with the question of whether mergers were efficient, the work of industrial statesmen, or a device for market control by 'robber barons'. From the 1960s Alfred Chandler's analysis sought to transcend this dichotomy. He agreed that many early mergers sought production control rather than greater efficiency, but argued that long run success

31 David Brody, *Steelworkers in America: the Nonunion Era* (Cambridge, MA: Harvard University Press, 1960); Edwards, *Occupational Statistics*, 104; David F Noble, *America by design: Science, technology, and the rise of corporate capitalism* (New York: Oxford University Press, 1979).

32 Populist Party, "Platform of the Populist Party," <http://teachingamericanhistory.org/library/index.asp?document=963>; Bryan, "Cross of Gold"; L. Brandeis, "The Regulation of Competition Versus the Regulation of Monopoly," <http://www.law.louisville.edu.au/library/collections/brandeis/node/260>; Woodrow Wilson, *The new freedom: a call for the emancipation of the generous energies of a people* (New York, NY: Doubleday, Page & Company, 1913), 96-110; Sklar, *American Capitalism*, 417; Mark J Roe, *Strong managers, weak owners: the political roots of American corporate finance* (Princeton, NJ: Princeton University Press, 1996), 28-35; Bryan, "Problem of the Trusts"; "Danger to Democrats if Bryan Wins Fight," *New York Times*, 25 June 1912; Woodrow Wilson, "On Labor," <http://historymatters.gmu.edu/d/5723>.

33 Theodore Roosevelt, "The Strenuous Life," <http://teachingamericanhistory.org/library/index.asp?document=608>; Hovenkamp, *Enterprise and American law*, 325; Chandler, *Visible Hand*, 9, 104-105; Sklar, *American Capitalism*, 189-190; Freyer, *Regulating big business*, 38-39; Brody, *Steelworkers in America*, 2; Prechel, *Big business*, 99

required real economies in production, distribution and marketing. More recent work, in response to the poor economic performance of many large Chandlerian firms since the 1970s, challenged Chandler to emphasize the extent to which corporate consolidation was influenced by fears of ruinous competition and has suggested that the giant corporations did create effective long-term barriers to entry.³⁴

After 1912 the Democrats controlled Congress and the Presidency but their grip on power was tenuous. The party had to harmonise the anti-corporate inclinations of its southern base, with the widespread belief among voters, especially working-class voters in the north east that their well-being depended on the prosperity of the corporate capitalist economy. By 1912 it was clear that corporate capitalism was here to stay and had not led to the dystopia feared by populists, but it was also clear that it could survive the Sherman Act. The dystopia of chronic overproduction and excess capacity evoked by the theorists of 'ruinous competition' had not eventuated. To secure electoral success American liberalism had to come to terms with the viability of capitalism.

In 1914 the Democrats against strong Republican opposition passed legislation to establish the Federal Trade Commission to supplant Justice Department policing of competition law and the Clayton Act. The later extended antitrust law to target specific corporate actions and structures such as price discrimination and also sought to limit the constraint of unions by antitrust legislation. The 1914 legislation was a response to the demise of the Smithian economy and focused on corporate misbehaviour rather than individual wrongdoing.³⁵

The reforms of the Wilson administration were more sympathetic to corporate capitalism than many of his 1912 voters probably hoped. The establishment of the Federal Reserve Bank in 1913 was a delayed response to the panic of 1907. Although most capitalists would have preferred a different model of central banking the Reserve was still far removed from the hopes of the Populists. The establishment of the Federal Reserve probably benefitted the Democrats electorally. The party in government had resolved a problem that had preoccupied policy makers for a long period. Wilson's overall competence and effectiveness countered perceptions of the Democrats as extremist and incompetent. The 1912 Democratic Platform had in reference to the *Standard Oil* and *American Tobacco* decisions, deplored recent 'judicial construction' and called for restoration of the 'strength' of the Act, but the Clayton Act did not restore an absolute ban on 'restraint of trade'. The 1914 reforms reflected a balance between popular anti-corporate sentiment among the Democratic base and the dependence of voters on economic growth. By 1914 the economy was in recession and at the Congressional elections of that year the Republicans criticised the Democrats' policies of tariff reduction and antitrust reform. The Republicans made gains in the industrial north-east.³⁶

After 1914 the Democrats moved in part towards policies that resembled some aspects of Roosevelt's statist progressivism of 1912 although their development of close ties to the union movements diverged from Roosevelt's template. This shift was impelled by the needs of war preparedness and war participation after 1917. The Democrats also needed to develop a winning strategy for the 1916 election, after the 1914 election had suggested the limitations of a neo-populist appeal. The government emphasised labour legislation, such as prohibitions on child labour and minimum hours for railroad workers together with support for farmers and this assisted it to rally a small but electorally crucial portion of 1912 Progressive (and Socialist) voters for a narrow victory in 1916. After American entry to the World War the antitrust laws were suspended and close

34 Chandler, *Visible Hand*, 8, 200, 241, 299, 315-339; Hovenkamp, *Enterprise and American law*, 308-22; Lamoreaux, *Merger movement*, 7-10, 183-94.

35 Sanders, *Roots of reform*, 276-313; Freyer, *Regulating big business*, 110-120

36 "The Verdict of the Nation," *New York Times*, 4 November 1914; Sanders, *Roots of reform*, 282-97, 361; "Wilson the Issue in Many States," *New York Times*, 1 November 1914; Democratic Party, "1912 Democratic Party Platform," <http://www.presidency.ucsb.edu/ws/index.php?pid=29590>.



cooperation was established between business and government.³⁷ These policies were rejected by voters and employers in the immediate aftermath of war. The Republicans won major victories at the 1918 Congressional and 1920 Presidential elections and employers mobilized against trade unions.

Throughout the 1920s Republicans won sweeping Presidential and Congressional victories. The Democrats were unhappily divided on economic policy between progressives and conservatives and on cultural issues, such as prohibition, between their Protestant southern base and north-eastern ethnic workers. Conservative Democrats sought economic credibility by an attempt to recruit prominent businessmen to the party. The rightward drift of the Democrats evoked dissent on the left and in 1924 progressive Republican Robert La Follette contested the presidency as a Progressive in opposition to conservative Democrat John Davis and Republican Calvin Coolidge. Davis polled only 28.8% and La Follette 16.6% of the vote. As with Roosevelt in 1912 La Follette's support was largely drawn from Republicans.³⁸

**TABLE 4: PEARSON CORRELATION 1920 AND 1924 PRESIDENTIAL VOTES
NON-SOUTHERN STATES**

	1924 Democrats	1924 Republicans	1924 Progressives	1924 Republicans + Progressives
1920 Democrats	0.89	-0.27	-0.58	-0.88
1920 Republicans	-0.75	0.46	0.33	0.75

The ideological convergence of Republicans and Democrats reflected both the exhaustion of much of the old populist program after the reforms of 1914 and transformations within American capitalism that underpinned productivity growth and rising real wages. A renewed merger wave, largely horizontal, absorbed many smaller firms. Family capitalism declined and professional management became more important, and some enterprises diversified into related areas, but these enterprises remained centralized. Most adopted the 'U-form' of functional divisions under the control of an executive which comprised representatives of each division. Corporate managers placed trust in new accounting techniques to monitor the activities of different divisions.³⁹

The decline of family capitalism assuaged public concern about corporate power. Real wages rose in contrast to the pre-1912 period. Employers undertook a largely successful 'open shop' offensive against unions. Many unskilled workers welcomed the higher wages that mass production offered. American liberals found themselves politically isolated, some trusted in a 'corporate liberalism' and hoped that enlightened employers would maintain and extend wartime experiments in employee welfare and participation programs but employer interest in these initiatives declined steadily as the working-class challenge ebbed. The development of norms of cooperation between competitors in industries such as steel reduced pressure on costs and encouraged a more conciliatory labour

37 Sanders, *Roots of reform.*, 359-386; Kim McQuaid, "Corporate liberalism in the American business community, 1920-1940," *Business History Review* 52, no. 3 (1978), 345; Joseph A McCartin, *Labor's great war: the struggle for industrial democracy and the origins of modern American labor relations, 1912-1921* (Chapel Hill, NC: The University of North Carolina Press, 1997); Arthur S. Link, *Woodrow Wilson and the progressive era, 1910-1917* (New York: Harper & Row, 1982), 239-240.

38 Michael Webber, *New Deal fat cats: business, labor, and campaign finance in the 1936 presidential election* (New York, NY: Fordham University Press, 2000), 22-25; Douglas Craig, *After Wilson: the struggle for the Democratic Party, 1920-1934* (Chapel Hill, NC: University of North Carolina Press, 1993); N. McCarty, K. Poole, and H. Rosenthal, "Polarized America," http://voteview.com/Polarized_America.htm.

39 Chandler, *Visible Hand.*, 39, 71, 111-20, 396-97, 473-74.

policy. Questions of antitrust policy largely disappeared from the political agenda and rated only a cursory mention even in La Follette's 1924 campaign.⁴⁰

With the Democrats divided and marginalised the Republicans moved cautiously to revive aspects of Roosevelt's corporatism. Herbert Hoover Secretary of Commerce 1921 to 1928 and President from 1928 encouraged what he called 'associationism'; business cooperation through trade associations. A hostile public response squashed post-war suggestions from business for reform of the antitrust laws but the judiciary was less constrained by public opinion. Decisions such as that of the Supreme Court in 1920 in *US Steel* suggested that only a complete monopoly would be held to violate the Sherman Act.⁴¹

The conservative ascendancy of the 1920s is evidence against the contention of the 'corporate liberal' school that only a party of the left could stabilise corporate capitalism. Their response was to redefine Hoover as a liberal, and here they drew on later libertarian right critics of 'associationism'. The new left also emphasised the supposed commitment of 'big business' to liberal reforms but failed to demonstrate that such liberal businessmen represented more than an aberrant minority.⁴²

Capitalist crisis and recovery

The Great Depression demonstrated that rise of managerial capitalism did not guarantee against economic crisis. The spectre of ruinous competition and 'over-production' preoccupied policymakers and so severe was the crisis that even many liberals briefly supported cartelisation during the first years of the New Deal.

In 1933 legislation established the National Recovery Administration (NRA) that provided exemption from antitrust statutes to firms that cooperated in the maintenance of price levels and wages. The obverse of popular concern with 'over-production' was anxiety about 'under-consumption' and the Act also supported collective bargaining between employers and unions with the hope of increasing wages and consumption. The Act revived the themes of the NCF and was briefly backed by some progressive businessmen, but if it was a victory for corporate liberalism it proved short-lived. Even sympathetic capitalists were soon critical of growing union assertiveness and increases in government spending. Many concluded that even if ruinous completion was a serious problem an appeal to government posed more dangers. The business backlash against regulation was not unanimous. In some industries such as coal and interstate transport capitalists, often with the support of workers, were able to appeal to values of resource conservation and public safety to support the development of durable regulatory structures that would endure until the 1970s.⁴³

40 Arthur Krock, "Sham and Real Platform Planks Against Monopoly," *New York Times*, 8 July 1936; Hounsell, *American System*, 257-259; Louis Galambos, "The Agrarian Image of the Large Corporation, 1879-1920: A Study in Social Accommodation," *The Journal of Economic History* 28, no. 3 (1968); McQuaid, "Corporate liberalism.", 348-52; "La Follette's Platform," *New York Times*, 6 July 1924..

41 Leonard DeGraaf, "Corporate Liberalism and Electric Power System Planning in the 1920s," *Business History Review* 64, no. 1 (1990), 28-32; Freyer, *Regulating big business*, 68-71, 168-169; Cochran and Miller, *Age of enterprise*, 304-05; Horwitz, *Transformation of American law*, 207; Brody, *Steelworkers in America*, 147-179

42 Martin J. Sklar, "Some political and cultural consequences of the disaccumulation of capital: origins of postindustrial development in the 1920s," in *The United States as a developing country: Studies in U.S. History in the Progressive Era and the 1920s*, ed. Martin J. Sklar (Cambridge: Cambridge University Press, 1992), 169-170; William A. Williams, *The Contours of American History* (London: Jonathan Cape, 1961), 425-438; Murray N. Rothbard, "The Hoover Myth [1966]," in *For a New America: Essays in History and Politics from Studies on the Left, 1959-1967*, ed. James Weinstein and David W. Eakins (New York, NY: Vintage Books, 1970), 163-179

43 D. Brand, "Competition and the New Deal Regulatory State," in *The New Deal and the Triumph of Liberalism*, ed. S. Milkis and J. Mileur (Amherst, MA: University of Massachusetts Press, 2002), 174-178; Sklar, "Disaccumulation of capital.", 164-166; McQuaid, "Corporate liberalism.", 357-362; Arthur M. Schlesinger, *The Politics of Upheaval* (Boston, MA: Houghton Mifflin, 1960), 263-290; Ellis W. Hawley, *The New Deal and the problem of monopoly: A study in economic ambivalence* (New York, NY: Fordham University Press, 1995), 167, 205-246.



In 1935 the Supreme Court ruled the NRA unconstitutional and in 1936 both Republican and Democratic platforms condemned private monopoly. In retrospect the NRA was an aberrant product of crisis. Intellectual support for the NRA came from a distinct milieu of advocates of business self-regulation who looked back to Theodore Roosevelt's progressivism, but by the 1930s critics of unrestrained capitalism were now more likely to espouse national economic planning under government direction than business self-regulation. Among the broader electorate populist suspicion of large-scale capitalism remained strong even as the NRA remained in place Congress supported legislation more in accordance with the populist tradition directed against holding companies and investment banking and for protection of small local banks.⁴⁴

The revival of the populist tradition accelerated after the 1936 election and the onset of a severe recession in 1937. In part this reflected the natural political propensity of a Democratic majority once the immediate crisis of 1932-33 had passed but changed academic and political understandings of the impact of oligopoly were also significant. In 1937 antitrust law enforcement was rejuvenated by the appointment of Thurman Arnold as Assistant Attorney-General for antitrust and Congress established the Temporary National Economic Committee to investigate monopolisation. President Roosevelt revived the rhetoric of Wilson to argue that the greater efficiency of mass applied only to individual plants and that 'managed industrial processes reduced output and employment and that excessive business power threatened fascism.⁴⁵

The revival of a more assertive approach to antitrust also reflected broader intellectual and political shifts. By the late 1930s the American left had rallied to the New Deal, independent socialist politics had collapsed and the Communist Party was committed to support of Roosevelt. The corporatist vision was discredited by the failure of the NRA and the example of European fascism which the left blamed on monopoly capital. New theories of imperfect competition undercut fears of ruinous competition and economic collapse and instead argued that oligopolistic corporations might reach a market equilibrium characterised by excess capacity and excessive expenditures on advertising.⁴⁶

Academic models of imperfect competition had more impact on intellectuals and executive policy-makers than on Congress whose members remained preoccupied by the decentralization of economic power rather than consumer welfare. Congress supported protection for local businesses against chain stores despite higher costs to consumers. Nevertheless populist and elite support of competition converged and this meant policy success whereas popular and elite understandings of budgetary policy diverged and voters remained hostile to deficit budgeting. It is a pattern that would repeat itself in recent years when popular opinion on the left was preoccupied by perceived corporate wrongdoing, such as outsourcing, rather than budgetary policy.⁴⁷

In the long-run all of these developments in policy and politics would have counted for little if American capitalism had not successfully responded to the economic crisis and thus undercut advocates of a planned economy whether of a socialist or corporatist form. Despite the severity

44 Prechel, *Big business*, 73-78; McQuaid, "Corporate liberalism.", 357-62; Brand, "Competition and the New Deal Regulatory State.", 174-178; Roe, *Strong managers*, 97; Krock, "Sham and Real Platform Planks Against Monopoly."; Hawley, *Problem of monopoly*, 43-46, 169-187.

45 Thurman Arnold, "Must 1929 Repeat Itself?" *Harvard Business Review* 26(1948), 41; Franklin D Roosevelt, "Recommendations relative to the strengthening and enforcement of the anti-trust laws" *American Economic Review* 32, no. 2, part 2 (1942), 119-125; Robert A Skitol, "The Shifting Sands of Antitrust Policy: Where It Has Been, Where It Is Now, Where It Will Be in Its Third Century," *Cornell Journal of Law and Public Policy* 9, no. 1 (1999), 242-43; Hawley, *Problem of monopoly*, 420-455.

46 Robert Brady, *Business as a System of Power* (New York, NY: Columbia University Press, 1943), 21-55; Adolph Berle and Gardiner Means, *The Modern Corporation and Private Property* (New York, NY: Harcourt, Brace & World, Inc., 1968); Hovenkamp, *Enterprise and American law*, 351-56; Hawley, *Problem of monopoly*, 43-46, 283-98.

47 Alan Brinkley, *The end of reform: New Deal liberalism in recession and war* (Alfred A Knopf Inc, 1995), 107-114; Hawley, *Problem of monopoly*, 198-203; Paul R. Krugman, "1938 in 2010," *New York Times*, 5 September 2010; Erza Klein, "The Senate Democrats' disappointing final act," *Washington Post*, 27 September 2010.

of the Depression innovations in management laid the foundation for later post-war prosperity. The most significant responses were the rise of multidivisional firms and oligopolistic competition; the former would underpin long-run increases in productivity and the later ended the problem of ruinous competition. Both reflected the outcome of political struggles; within enterprises and in the development of the relations between enterprises. These reforms enabled the Democrats as a party of the left to coexist with a corporate capitalism that could generate sustainable increases in living standards for the left's electoral base. At the same time the Democrats reconfigured their cultural appeal away from southern populism by their endorsement of northern liberal presidential candidates in 1928 and 1932.⁴⁸

The rapid recovery of the economy from its low point in 1932 bolstered popular support for the Democrats. Had this recovery not occurred Franklin Roosevelt would probably have been a one-term President and the New Deal judged a failure. The basis of the Democratic coalition changed significantly in this period. By 1940 the Democrats' non-southern support was much more based in the industrial north-east than it had been in the Wilson era. Outside of the south the Pearson correlation by states between 1916 Democratic and Socialist votes and the 1940 Democratic vote was 0.43 whereas from the 1896 Democratic vote to the 1916 Democratic and Socialist vote it was 0.86.⁴⁹

In the interwar period many major American corporations, beginning with Du Pont and General Motors, moved away from the highly centralised unitary structure (or in some cases away from a decentralised holding company structure) towards the multidivisional model, or M-form. In this model production was decentralised to profit centres while a central office retained oversight of strategic planning, and some aspects of production were outsourced. The rise of the multidivisional structure was the result of sustained political struggle within the firm by innovators against established managers who argued that the solution to poor performance was merely better information collection. The archetypal U-form crisis was often an inventory crisis as divisions, undisciplined by the market, accumulated stock despite falling demand. The executive of the M-form was not to comprise representatives of divisions; rather they were to act in the interests of the corporation as whole and transactions between divisions were supposed to be at market prices.⁵⁰

Many later radical analysts of the Great Depression employed Antonio Gramsci's concept of 'Fordism'. To them the development of mass production, exemplified by the assembly line, was the essence of contemporary capitalism. They attributed the Great Depression to production having run ahead of consumption, but this assumed that large corporations exercised hegemony over consumption choices and that consumption was a passive function of wage levels. In fact the first unitary enterprises to fall into crisis were those that sold to individual consumers. The effectiveness of the multidivisional structure was a function of the diversity of output rather than firm size. The ideal of market competition between divisions in the multidivisional structure paralleled Oscar Lange's contemporaneous model of market socialism under which state-owned enterprises were to act as though they were in a competitive market. The multidivisional enterprise enabled product diversity and stabilized oligopolistic competition and ended the spectre of ruinous competition and boosted consumption. Theorists of corporate liberalism argued that only the state could act in the collective interests of capital but oligopolistic competition demonstrated that firms could develop norms of cooperation that overcame opportunism. In these respect socialist aspects,

48 Burnham, *Critical Elections*., 55-60.

49 Christopher H. Achen and Larry M. Bartels, "Myopic Retrospection and Party Realignment in the Great Depression," <http://www.princeton.edu/~bartels/myopicretrospectionrealignmentdepression.pdf>, 4-7

50 Hounsell, *American System*., 300; Alfred D. Chandler, *Strategy and structure : chapters in the history of the American industrial enterprise* (Cambridge, MA.: The MIT Press, 1969)., 42-44, 92-102, 107, 121-127, 131, 144, 157-58, 161; Prechel, *Big business*., 105-08.



or what more might meaningfully be described as 'liberal' in the contemporary American sense, elements emerged within capitalism, as Martin Sklar argues. An oligopolistic capitalism based on multidivisional enterprises demonstrated the acceptance by capitalists of aspects of the socialist critique.⁵¹

The story of American capitalism during the interwar years is one of crisis and recovery, but later radical analysts instead focused on the engagement between business and the New Deal. Some argued that 'fractions' of capital had distinct interests that led them to adopt a 'corporate liberal' position and support New Deal policies of deficit budgeting and increased consumer purchasing power. There is little evidence to support this model, business support for New Deal Democrats was very limited and what there was reflected regional and ethnic alignments and regulatory concerns: Jews, southerners and a liquor industry grateful for the end of prohibition. The more integrated individual capitalists were into established corporate networks the more likely they were to contribute to the Republicans. Congressional Republicans moved leftward during this period but this reflected not the influence of corporate liberalism but the scale of public distress and electoral expediency.⁵²

Liberalism and capitalism resurgent

After liberalism became the object of radical obloquy from the 1960s some later historians would often identify the years of World War II as an 'end to reform', in which the radical promise of the New Deal ebbed, and capitalism regained the esteem it had lost during the Depression. These critics looked back both to the planners of the early New Deal and those radicals of the mid 1930s who advocated the creation of an independent left-wing party. It is true that proposals for a legislated guarantee of full employment and the extension of wartime economic planning failed in an increasingly conservative Congress. Yet this pessimistic evaluation of the New Deal was not shared by most contemporary liberals of whom many saw the increased role of government in the war economy as presaging fundamental shift in the American political economy towards a non-capitalist future. Union membership soared during the war and income inequality fell markedly and these gains were preserved despite the Republican political upsurge of the early 1950.⁵³

Liberals of the 1950s sometimes judged American capitalism by the standards of an imagined past world of individual entrepreneurs, and the extent which decentralisation had transformed the structure of the giant corporations was neglected. Many were influenced by the conservative Joseph Schumpeter who inverted Marxism to argue that the bureaucratization of large-scale corporations presaged a shift towards socialism, but liberals considered that socialism was perhaps now as obsolete a concept as capitalism. Some liberals believed the United States would evolve towards a post-capitalist post-industrial future in which the old middle class became 'organization

-
- 51 Naomi R. Lamoreaux, Daniel M.G Raff, and Peter Temin, "Beyond Markets and Hierarchies: Toward a New Synthesis of American Business History.," *American Historical Review* 108(2003); Robert Brenner and Mark Glick, "The regulation approach: theory and history," *New Left Review* 188(1991); Meghnad Desai, *Marx's Revenge: The Resurgence of Capitalism and the Death of Statist Socialism* (London: Verso, 2004); Sklar, "Capitalism and Socialism.," Antonio Gramsci, *Selections from the Prison Notebooks* (New York, NY: International, 1971).
- 52 Michael P. Allen, "Capitalist responses to state intervention: Theories of the state and political finance in the New Deal," *American Sociological Review* 56, no. 5 (1991); Thomas Ferguson and Joel Rogers, *Right turn: The decline of the Democrats and the future of American politics* (Hill and Wang, 1987), 46-48; Val Burris and James Salt, "The Politics of Capitalist Class Segments: A Test of Corporate Liberalism Theory," *Social Problems* 37(1990), 342-43; Webber, *New Deal fat cats*, 31; McQuaid, "Corporate liberalism," 364; Thomas Ferguson, *Golden rule: The investment theory of party competition and the logic of money-driven political systems* (Chicago, Il.: University of Chicago Press, 1995).
- 53 Brinkley, *The end of reform*, 265-71; J. Klausen, "Did World War II End the New Deal?," in *The New Deal and the Triumph of Liberalism*, ed. S. Milkis and J. Mileuer (Amherst, MA.: University of Massachusetts Press, 2002), 218-19; David Plotke, *Building a Democratic Political Order: Reshaping American Liberalism in the 1930s and 1940s* (Cambridge: Cambridge University Press, 1996), 336-358.

men'. Even those observers who recognized the spread of multidivisional enterprises interpreted this innovation as an administrative convenience rather than one which laid the foundation for a renewed emphasis on profitability.⁵⁴

Liberal intellectual enquiry was significantly influenced by the academic discovery of the work of Max Weber and the threat of Communism. To liberals Weber offered a non-Marxist theory of modernity that recognised the inevitability of hierarchy and bureaucracy whether public or private. The Soviet experience apparently demonstrated that modernity required the accumulation of capital, whether by commissars or robber barons, at the expense of present living standards, until a point of 'take-off' was reached. The influence of Weber together with the brief rise of advertising and marketing personnel to corporate leadership inspired a focus on the values and character formation of the men of the new capitalism. The experiences of Stalinism and McCarthyism rendered liberals suspicious of populism and simplistic anti-capitalism. Liberal intellectuals now emphasised the xenophobic and insular nature of the old populism and many considered Theodore Roosevelt's scepticism about antitrust as more relevant to contemporary politics. In the 1930s liberals had looked to insurgent farmers and workers to tame capitalism but now they celebrated the 'countervailing power' of pressure groups.⁵⁵

The doubts of liberal intellectuals had limited impact on political liberalism where the antitrust critique of corporate power remained influential. Fin-de-siècle economists had once been sceptical of antitrust law but theories of imperfect competition now suggested that oligopolistic competition would display many of the undesirable features of monopoly. The American government campaigned for the introduction of antitrust to defeated Germany and Japan. The senior judiciary had by the mid 1940s caught up with the more aggressive antitrust policy initiated by the executive in the late 1930s.⁵⁶

The Democrats lost the presidential elections of 1952 and 1956 but remained the dominant party in Congress. Senior Democrats mostly represented the south and west where populist traditions remained strong. President Dwight Eisenhower's Republican administration strongly enforced antitrust laws. However Democrats complained large corporations had now become so dominant that they no longer needed to engage in illegal conduct such as predatory pricing and that legislation should be amended as a consequence. A 1951 survey found most Americans agreed that

54 Richard Lustig, *Corporate liberalism: The origins of modern American political theory, 1890-1920* (Berkeley, CA.: University of California Press, 1982); Bell, *End of ideology*, 59; W. Whyte, *The Organization Man* (Harmondsworth, Middlesex: Penguin, 1960); H. Brick, "The Postcapitalist Vision in Twentieth-Century Social Thought," in *American Capitalism: Social Thought and Political Economy in the Twentieth Century*, ed. N. Lichtenstein (Philadelphia, PA.: University of Pennsylvania Press, 2006), 21-46; Scott Bowman, *The modern corporation and American political thought: law, power, and ideology* (University Park, PA.: Pennsylvania State University Press, 1996); Adolph Berle, "Corporations and the Modern State," in *The Future of Democratic Capitalism*, ed. S.H. Patterson (Philadelphia: University of Pennsylvania Press, 1950); Joseph A. Schumpeter, *Capitalism, socialism, and democracy*, 5th ed. (London: Allen and Unwin, 1976).

55 Bell, *End of ideology*, 130; Walter W. Rostow, *The stages of economic growth: A non-communist manifesto* (Cambridge: Cambridge University Press, 1990); Arthur M. Schlesinger, *The Vital Center: The Politics of Freedom*, 2 ed. (London: Andre Deutsch, 1970), 44; Neil Fligstein, *The transformation of corporate control* (Cambridge, MA.: Harvard University Press, 1990); Dirk M. Zorn, "Here a chief, there a chief: the rise of the CFO in the American firm," *American Sociological Review* 69, no. 3 (2004); Peter Novick, *That noble dream: The 'objectivity question' and the American historical profession* (Cambridge: Cambridge University Press, 1988); John K. Galbraith, *American capitalism: the concept of countervailing power* (Boston, MA.: Houghton Mifflin, 1952).

56 R. Hofstadter, "What Happened to the Antitrust Movement?," in *The Paranoid Style in American Politics and Other Essays*, ed. R. Hofstadter (Harvard, MA.: Harvard University Press, 1964), 232-37; George J Stigler, "The economists and the problem of monopoly," *The American Economic Review* 72, no. 2 (1982), 4-5; Robert E Litan and Carl Shapiro, *Antitrust policy during the Clinton administration* (Berkeley, CA: Competition Policy Center, Institute of Business and Economic Research, University of California, Berkeley, 2001), 8-59; Tony A Freyer, *Antitrust and global capitalism, 1930-2004* (Cambridge: Cambridge University Press, 2006).



the good outweighed the bad about big business, although concern persisted about the prospects of small business.⁵⁷

The populist tradition secured a legislative victory with 1950 Celler-Kefauver Act which strengthened existing prohibitions on anti-competitive mergers. The new Act encouraged the rise of multi-industry conglomerates as entrepreneurs sought to diversify outside of their home industry to escape antitrust scrutiny. These diversified enterprises usually employed the multidivisional form and thus laid the foundation for a shift of power back to shareholders as conglomerate managements had to compare rates of return across divisions. The New Deal suspicion of finance capital persisted; 1956 legislation restricted further the ability of banks to diversify.⁵⁸

The liberal political consensus about antitrust was vulnerable to two criticisms. From the left it was argued that despite an active antitrust program the economy remained dominated by oligopolies. Libertarian critics of antitrust remained marginal but the remarkable post-war economic prosperity challenged arguments for negative economic impact of oligopoly. In the *Alcoa* case of 1945 Second Circuit Court Judge Learned Hand, once a candidate for Roosevelt's Progressives, upheld a finding of monopolization against Alcoa. Hand commented that a basic motive of the antitrust statutes was to uphold competition 'for its own sake and in spite of possible cost'. These anomalies would plunge the liberal antitrust program into crisis from the late 1960s as established economic theories came under challenge and policymakers placed greater emphasis on economic costs.⁵⁹

Corporate liberalism triumphant?

One reason for the rise of the theory of 'corporate liberalism' during the 1960s was that the broader political economy seemed to verify the theory. There was a renewed great merger wave. Corporations applied their excess managerial capacity to diversify into unrelated areas where small enterprises had previously been dominant. This process was widely seen as anticompetitive by observers who failed to consider that conglomerate enterprises were multidivisional.⁶⁰

On another level the development of conglomerates mirrored that of political parties. Conglomerates claimed to be solely concerned with profitability rather than the production of particular goods or services. This mirrored the cold-war liberalism's redefinition of democracy as a contest between elites for office rather than as a battle of ideas or war between classes.

The Democrats in office from 1960 under Presidents John Kennedy and Lyndon Johnson moved closer towards a rapprochement with large scale business, particularly after Kennedy adopted a conservative Keynesian policy of tax reductions to boost the economy. The Democrats benefitted by the Republicans brief move to the radical right under Barry Goldwater. The support of liberal Democrats for the Vietnam War, their apparent electoral ascendancy and their pursuit of alliances with business bolstered the 'corporate liberalism' hypothesis. Critics complained that formerly

57 Skitol, "Shifting Sands.", 243; Estes Kefauver, "Needed Changes in Legislation," *The American Economic Review* 38, no. 2 (1948); Hofstadter, "What Happened to the Antitrust Movement?," 213-19

58 Prechel, *Big business.*, 81-82; Chandler, *Visible Hand.*, 477-80; Judith Stein, *Running steel, running America: Race, economic policy and the decline of liberalism* (Chapel Hill, NC: The University of North Carolina Press, 1998), 211-12; Roe, *Strong managers.*, 98.

59 *United States v. Aluminium Co. of America*, 148 F. 2d 416(1945); John K. Galbraith, *The New Industrial State* (London: Hamish Hamilton, 1967), 184-188; Louis Galambos, "What have CEOs been doing?," *The Journal of Economic History* 48, no. 2 (1988), 246-47; I. Lakatos, "Falsification and the Methodology of Scientific Research Programs," in *Criticism and the Growth of Knowledge*, ed. I. Lakatos and A. Musgrave (Cambridge: Cambridge University Press, 1970), 175-177; George D. Smith, *From Monopoly to Competition: The Transformations of Alcoa, 1888-1986* (Cambridge: Cambridge University Press, 2003), 207-214.

60 Lamoreaux, Raff, and Temin, "Markets and Hierarchies.," Chandler, *Visible Hand.*, 481-92; Donald Palmer et al., "The friendly and predatory acquisition of large US corporations in the 1960s: The other contested terrain," *American Sociological Review* 60, no. 4 (1995), 469-70.

dissident groups such as workers were incorporated in the liberal consensus. To new left radicals the victims of 'monopoly capital' were mostly outside the United States.⁶¹

The merger wave attracted suspicion among the antitrust community and within Congress. In 1967 President Johnson commissioned a major inquiry on antitrust led by law Professor Philip Neal. The President may have hoped for a renewed populist appeal to traditional Democrats trending to the right on issues of race and public order. The inquiry report in 1968 criticised the merger wave and recommended new legislation to tackle oligopolies. It declared that antitrust reflected not just concerns for consumer welfare but also 'a preference for private decision making; a major value of competition is that it minimizes the necessity for direct government intervention in the economy.'⁶²

Antitrust was championed by the liberal Supreme Court majority whose rulings struck down mergers that only slightly increased market concentration. These were the glory days of legal liberalism in which the Supreme Court largely escaped the scorn of liberalism's radical critics. Anti-business sentiment also increased among the broader public and Congressional Democrats encouraged by rising inflation and a broader culture of scepticism towards established institutions. Republican Richard Nixon elected in 1968 was reluctant to challenge this mood. He commissioned another review of antitrust law that rejected Neal's recommendations but he believed that an active antitrust policy, including pursuit of conglomerates, together with acceptance of regulatory initiatives from a Democratic Congress aided his appeal to socially conservative but economically liberal white blue-collar workers.⁶³

Academic liberalism reflected the broader mood. Charles Lindblom and Robert Dahl, once defenders of American democracy against its radical critics, now argued that the subordination of workers to capitalist authority and the dependence of democratic governments upon the confidence of capitalist investors undercut liberal democracy. The emphasis on inherent human rights by sixties radicals and liberals challenged older progressive traditions formed in the battle against judicial conservatism which considered the idea of natural rights a tool of conservative resistance.⁶⁴

Further to the left radical economists challenged the argument that hierarchy was necessary for efficiency. Labor process theorists argued that capitalism required dehumanising structures of domination to convert labour-power into labour. Rising levels of strike action, absenteeism and labour turnover in large industrial enterprises inspired a multitude of commentary on the 'blue collar blues'.⁶⁵

In 1976 the Democrats regained the Presidency with Jimmy Carter. There was a brief period in which as in the 1930s radically statist measures were on the agenda. Some Keynesian economists and liberal politicians proposed national economic planning on the French model. The 1973

61 David Vogel, *Fluctuating Fortunes: The Political Power of Business in America* (New York, NY: Basic Books, 1989), 16-23; *ibid*; Theodore Lowi, "The public philosophy: interest-group liberalism," *The American Political Science Review* 61, no. 1 (1967), 11-18; AJ Matusow, *The Unraveling of America: A history of liberalism in the 1960s* (Athens, GA., University of Georgia Press, 1989), 32-51, 219; P. Baran and P. Sweezy, *Monopoly Capital: An Essay on the American Social and Economic Order* (Harmondsworth: Penguin, 1968).

62 Herbert Hovenkamp, *The Neal Report and the Crisis in Antitrust* (Iowa City, IA.: University of Iowa Legal Studies Research Paper 09-09, 2009), 2-3; James Williamson, *Federal antitrust policy during the Kennedy-Johnson years* (New York, NY: Greenwood Publishing 1995), 121-22.

63 R. Pitofsky, "Antitrust at the Turn of the Twenty-first Century: A View from the Middle," *St John's Law Review* 76(2002), 584-85; Laura Kalman, *The strange career of legal liberalism* (New Haven, CT: Yale University Press, 1998); Vogel, *Fluctuating Fortunes*, 59-92; Hovenkamp, *Neal Report*, 3.

64 RA Dahl, *A preface to economic democracy* (Berkeley, CA., University of California Press, 1986), 84-110; CE Lindblom, *Politics and Markets: the world's political economic systems* (Basic Books, New York, NY, 1977); Horwitz, *Transformation of American law*, 221.

65 Stephen A Marglin, "What do bosses do? Part I," *Review of Radical Political Economics* 6, no. 2 (1974); Harry Braverman, *Labor and monopoly capital: The degradation of work in the 20th century* (New York, NY: Monthly Review Press, 1974); Murray Kempton, "Blue Collar Blues," *New York Review of Books*, February 8 1973.



oil shock led to shortages and rising prices and made the big oil companies deeply unpopular. Traditional anti-corporate populism revived and in 1976 Congress considered legislation to break up the large integrated oil companies. National planning and oil company disaggregation remained a liberal dream but the 1976 Hart-Scott-Rodino Act required that advance notice of corporate mergers above a certain value be given to authorities and enabled states to sue on behalf of their citizens for antitrust damages.⁶⁶

In the late 1970s Marxists and liberal historians predicted a shift towards corporatism and a politicization of capital accumulation. The New York City fiscal crisis of 1975 led to the formation of an emergency financial agency with authority over the city's budget. The agency was dominated by business representatives but with limited labour participation. The experience inspired calls for a similar cooperation at a national level. Liberal analysts of economic policy often dismissed antitrust laws as irrelevant.⁶⁷

The radical critique of corporate hierarchy that emerged in the late 1960s impelled those who defended its necessity to sharpen their argument. Two different responses emerged. Alfred Chandler's 1977 *The Visible Hand* revived the themes of 1950s liberalism and provided a sophisticated defence of corporate hierarchy as necessary to secure economies of scale in production, distribution and marketing, Chandler's work inspired some scholars to identify an 'organizational revolution', apparent in the rise of professional bureaucracies not in business but also in government and even in non-government organizations such as trade unions. The 'organizational revolution' school took up some of the themes of 'corporate liberal' theory but Chandler viewed American society more favourably. Despite this even he reflected the mood of the times when he observed that a 'critical issue of modern times' was 'how narrowly trained managers who must administer the processes of distribution and production in complex modern economies, can be made responsible for their actions – actions that have far reaching consequences.'⁶⁸

From the 1970s a new challenge to populist antitrust emerged further to the right in the form of transaction cost economics or the 'new institutionalism'. The members of this school such as Robert Bork and Richard Posner argued that the focus of antitrust should be on consumer welfare rather than the preservation of competition for its own sake. They drew on transaction cost economics to argue that many practices viewed with suspicion by antitrust such as vertical integration were a rational response to the difficulties that opportunism imposed for orthodox contracting. Their critique of antitrust was a major blow against established liberalism but the Chicago School also challenged liberalism's radical critics. Transaction cost analysts argued that the subordination of workers to capitalist authority was a rational response to the requirements of production coordination. They contended that authority was essential for the coordination of any complex productive process that required large numbers of workers. Without such authority individual workers would 'shirk' their share of labour on the expectation that other workers would take up the slack.⁶⁹

66 Vogel, *Fluctuating Fortunes*, 127; Margaret Weir, *Politics and jobs: The boundaries of employment policy in the United States* (Princeton, NJ: Princeton University Press, 1993), 138-62; Wassily Leontief, "For a National Economic Planning Board," *New York Times*, 14 March 1974; Neil H. Jacoby, "Splitting Apart Big Oil," *New York Times*, 18 June 1976.

67 Lester C. Thurow, *The Zero-Sum Society: Distribution and the Possibilities for Economic Change* (Harmondsworth: Penguin, 1981), 146-150; Erik O. Wright, *Class, Crisis and the State* (London: New Left Books, 1978), 313-19; Ellis W. Hawley, "The Discovery and Study of a 'Corporate Liberalism'," *Business History Review* 52, no. 3 (1978), 318-19; Felix Rohatyn, "Public-Private Partnerships to Stave Off Disaster," *Harvard Business Review* 57, no. 6 (1979); Samuel Bowles, David Gordon, and Thomas Weisskopf, *Beyond the Wasteland: A Democratic Alternative to Economic Decline* (London: Verso, 1986), 208-220

68 Chandler, *Visible Hand*, 500; Galambos, "What have CEOs been doing?," 248-51; Novick, *That noble dream*, 439-440.

69 Robert Bork, *The antitrust paradox: A policy at war with itself* (New York, NY: The Free Press, 1993), 19-21; Richard Schmalensee, "Thoughts on the Chicago Legacy in U. S. Antitrust," in *How the Chicago School Overshot the Mark: The Effect of Conservative Economic Analysis on U.S. Antitrust*, ed. Richard Pitofsky (Oxford: Ox-

The new institutionalists argued that liberal assumptions had conservative implications, in a world of imperfect information and opportunism, hierarchy was sometimes the best possible outcome. Their arguments mirrored a broader disenchantment with 1960s liberalism among many intellectuals and Democratic politicians. The new institutionalists found common ground on policy with libertarian critics of antitrust, even although their utilitarianism diverged from the libertarian preoccupation with natural rights. They criticized the 'old institutionalism' of Thorstein Veblen for its hostility to neo-classical economics and interventionist sympathies.⁷⁰ In style the new institutionalists recalled the business intellectuals of the early twentieth-century, such as the NCF, with their dismissal of Smithian shibboleths and natural rights and endorsement of corporate hierarchy.

The impact of the Chicago critique of antitrust on policy was rapid during the early 1970s. Government agencies and the judiciary shifted their approach to emphasise efficiency and consumer welfare. They no longer assumed that mergers automatically reduced competition. The focus of competition policy turned towards deregulation of industries such as telephony and road transport where arguments about ruinous competition and natural monopolies had previously been employed to justify regulation. At a time of high inflation many liberals and consumer activists argued that deregulation would reduce prices and increase consumer welfare. Unions' fears for employment conditions and job security were largely ignored.⁷¹

Political liberals had to respond to the rightward drift of public opinion, as faith in government plunged to record lows and the public became notably more sympathetic to business corporations, although not to the level of the 1950s. Many voters blamed governments and unions for rising prices and the Carter administration came to focus on inflation rather than unemployment. It experimented with corporatist policies but eventually adopted a tight monetary policy which increased interest rates and unemployment and alienated working-class voters.⁷²

The rightward shift of public opinion was initially driven by inflation but it was changing levels of productivity growth that had the most significant long-term impact political impact. From about 1973 the rate of productivity growth halved, and although the increased entry of women into the paid workforce cushioned the effect on overall economic growth the result was for Americans a long period of public resentment.⁷³

ford University Press, 2008); Vivek Ghosal, *Regime Shift in Antitrust Laws, Economics and Enforcement* (Atlanta, GA.: Georgia Institute of Technology; Center for Economic Studies, 2011), 2; Skitol, "Shifting Sands," 249; Alchian and Demsetz, "Economic organization"; Hovenkamp, *Neal Report.*, 3-4; Richard A Posner, *Antitrust law* (Chicago, Il.: University of Chicago Press, 2001), 33-50

70 ———, *Overcoming law* (Cambridge, MA.: Harvard University Press, 1995), 426-28

71 Shane Hamilton, "The Populist Appeal of Deregulation: Independent Truckers and the Politics of Free Enterprise, 1935-1980," *Enterprise & Society* 10, no. 1 (2009), 703-713; Ghosal, *Regime Shift in Antitrust.*, 17; Taylor Dark, "Organized Labor and the Carter Administration: The Origins of Conflict," in *The Presidency and Domestic Policies of Jimmy Carter*, ed. H. D. Rosenbaum (Westport, Cl.: Greenwood Press, 1994), 62-80; Stein, *Running steel.*, 230-260; Monica Prasad, *The politics of free markets: the rise of neoliberal economic policies in Britain, France, Germany, and the United States* (Chicago, Il: University of Chicago Press, 2006); John Kwoka and Lawrence White, "Horizontal Structure: The Economic and Legal Context," in *The Antitrust Revolution: Economics, Competition and Policy*, ed. J. Kowka and L. White (New York: Oxford University Press, 2009), 7; Stigler, "Problem of Monopoly," 7; McCraw, *Prophets of Regulation.*, 255-299; Sandel, *Democracy's Discontent.*, 245-249

72 Mark A Smith, *American business and political power: public opinion, elections, and democracy* (Chicago, Il: University of Chicago Press, 2000), 98-102; Weir, *Politics and jobs.*, 154-162; T. Kovaleff, "The Carter Antitrust Policy in Perspective," in *The Presidency and Domestic Policies of Jimmy Carter*, ed. H. D. Rosenbaum (Westport, Cl.: Greenwood Press, 1994), 633-34; Richard. H. K. Vietor, "Contrived competition: Airline regulation and deregulation, 1925-1988," *The Business History Review* 64, no. 1 (1990), 79-84.

73 William Nordhaus, *Retrospective on the Postwar Productivity Slowdown*, ed. Yale University Cowles Foundation (New Haven, CT.: Cowles Foundation, Yale University, 2004), 10-18; J. Brad DeLong, Susanto Basu, and Boyan Jovanovic, "Productivity Growth in the 2000s," in *NBER Macroeconomics Annual 2002*, ed. Mark Gertler and Kenneth Rogoff (Cambridge, MA.: National Bureau of Economic Research, 2002), 113-117; Bowles, Gordon, and Weiskopf, *Beyond the Wasteland.*, 122-149



Capitalism over liberalism

In the 1980 Presidential elections business support for Republican candidate Ronald Reagan was conspicuously high. Reagan's political origins lay in the insurgent right of the 1960s but his strongest backing among business came from its educated elite, and as in the 1930s Democratic support among business was disproportionately drawn from Jews and southerners.⁷⁴

The Reagan administration's antitrust policy reflected the influence of both the Chicago School and traditional libertarians. It sought to restrict antitrust enforcement to criminal prosecutions of collusive tendering and cartels rather than to monitor mergers. However as before 1912 the conservative political ascendancy coexisted with public support for antitrust. In 1986 Congress rejected administration proposals to weaken the Clayton Act. The states, in particular those with Democratic administrations, became more assertive in antitrust.⁷⁵

The post-war liberal consensus had reflected a broader economic stability. In the fifty years from 1917 to 1967 only 14 out of the 278 largest companies in 1917 had been liquidated, dissolved or discontinued. This stability came to a dramatic end in the 1970s and 1980s. Many classic Chandlerian corporations that had diversified during the merger wave of the 1960s were broken up during the 1980s. Corporate raiders or sometimes sections of management borrowed vast sums often from fringe operators such as 'junk-bond' merchants to finance buyouts. The central management of many multidivisional conglomerates had struggled to effectively monitor the affairs of their diverse divisions and share and financial markets now favoured disaggregation. The distinction between operational activities (the responsibility of the divisions) and entrepreneurial activities (responsibility of the executive) proved unsustainable like the market socialist division between markets in the present and planning for the future. Those conglomerates that survived adapted by the increased linkage of managerial remuneration to share prices.⁷⁶

The massive levels of debt that financed these buyouts were defended by their promoters as a necessary spur to more efficient operation. This contention reversed the argument of Thorstein Veblen eighty years earlier that high fixed costs such as debt led managers to limit output and inflate prices. Veblen inspired later liberals to argue that complacent corporate bureaucrats, conglomerate empire builders and much of the finance sector stood in the way of a productive economy. Critics of the buyout wave revived Veblen's arguments and argued that the takeover wave represented an unproductive 'paper entrepreneurialism' at the expense of working-class living standards.⁷⁷

Many economists interpreted conglomerate breakups as a triumph of the market; even although earlier some had defended conglomerates as an efficient use of excess managerial capacity, and suggested that managerial labour markets could overcome problems of the separation of ownership and control.⁷⁸

74 Vogel, *Fluctuating Fortunes*, 226-45; Val Burris, "The two faces of capital: Corporations and individual capitalists as political actors," *American Sociological Review* (2001), 275

75 Skitol, "Shifting Sands," 250-252; Douglas Riggs, "Consumer Goods," *New York Times*, 23 February 1986 1986; Ghosal, *Regime Shift in Antitrust*, 19; David Balto, "Antitrust Enforcement in the Clinton Administration," *Cornell Journal of Law and Public Policy* 9(1999), 25, 62-64.

76 Chandler, *Visible Hand*, 371; Nigel Swain, *Hungary: the rise and fall of feasible socialism* (London: Verso Books, 1992); Prechel, *Big business*, 143; Lamoreaux, Raff, and Temin, "Markets and Hierarchies"; Richard N. Langlois, "The vanishing hand: the changing dynamics of industrial capitalism," *Industrial and Corporate Change* 12, no. 2 (2003), 372; Roe, *Strong managers*, 151-68; William Baldwin, "Efficiency and competition: The Reagan administration's legacy in merger policy," *Review of Industrial Organization* 5, no. 2 (1990), 160-163

77 Bennett Harrison and Barry Bluestone, *The Great U-turn: Corporate restructuring and the polarizing of America* (New York: Basic Books, 1990); Thorstein Veblen, *The theory of business enterprise* (New York, NY: Charles Scriber, 1904), 24-25, 89, 117, 225-241; B Burrough and J Helyar, *Barbarians at the Gate: The fall of RJR Nabisco* (Harper Paperbacks, 1991), 101

78 Gerald F. Davis, Kristina A. Diekmann, and Catherine H. Tinsley, "The decline and fall of the conglomerate firm in the 1980s: The deinstitutionalization of an organizational form," *American Sociological Review* 59, no. 4 (1994), 554-55; Fama, "Agency Problems and the Theory of the Firm."

Among the Democrats their 1980 defeat sparked much reconsideration. The severity of the early 1980s recession and the perceived failure of Keynesian economics during the 1970s briefly sparked a revival of interest in 'industrial policy' and 'reindustrialisation'. The proponents of industrial policy drew support particularly from policy entrepreneurs and business journalists. They argued that the shift from 'smokestack' into new high technology industries should be facilitated by access to finance for enterprise start-ups, greater investment in infrastructure and education, together with retraining programs to ease the pain of structural adjustment and reduce protectionist pressures. Among the public the decline of industrial America under the pressures of foreign competition (aggravated by a soaring US dollar) and high interest generated an outpouring of nostalgia for the glory days of the New Deal settlement in the works of artists such as Bruce Springsteen.⁷⁹

Business sympathy for industrial policy reflected both the severity of the early 1980s recession but also concern about government budgetary and national trade deficits. Some on the political left believed that the industry policy debate foreshadowed a likely corporatist turn under a Democratic administration, but business interest ebbed as the economy recovered, even although many capitalists remained concerned about the federal budget deficit.⁸⁰

Many liberals responded to the new conservative ascendancy by a call for the left to refocus on economic inequality rather than cultural conflicts. Liberals revisited American history in a more sympathetic light than the post-war liberals and the new left. As the 1980s became a new gilded age of excess, the Populists were no longer dismissed by liberals as exponents of a xenophobic nostalgia. Liberal historians praised progressives for their commitment to economic regulation, despite their racism, imperialism and wartime suppression of radical dissent. This turn to history was part of a broader pattern; many legal liberals argued that the American Revolution was less the product of Lockean individualism than communitarian 'republicanism'.⁸¹

The conservative ascendancy posed a challenge for the theory of 'corporate liberalism'. Corporations were more powerful but liberalism was on the retreat. Liberal critics had also accused the theorists of 'corporate liberalism' of a highly selective use of evidence. Martin Sklar did his best to defend the theory. His 1988 *The Corporate Reconstruction of American Capitalism* downplayed the emphasis of early corporate liberal theory on the conscious agency of state elites to focus on the extent to which the consolidation of corporate capitalism during 1890-1912 represented the triumph of a social movement, which linked entrepreneurs, financiers, politicians and intellectuals in a particular historical project. Yet having formulated this proposition Sklar failed to extend this insight into an analysis of the internal operations of large-scale corporations. If the survival of capitalism was due to its ability to incorporate elements of socialism then this balance changed substantially over time. Sklar's own interpretation of contemporary American capitalism jumbled together state regulation and corporate organisation. In large part he repeated 1950s liberal assertions of the decline of capitalism and the inevitability of the 'mixed economy'. The revolutionary transformations in American capitalism since the 1970s passed unnoticed, and this neglect underpinned Sklar's own drift towards neo-conservatism. The thesis of 'corporate liberalism' would continue to be echoed by critics of American liberalism from the left who sought to trace the malaise of early twenty-first century liberalism to the compromises made by early twentieth-century liberals.⁸²

79 George Eads et al., "The political realities of industrial policy," *Harvard Business Review* 61, no. 5 (1983), 81; Robert Reich, "Why the U.S. needs an industrial policy," *Harvard Business Review*, no. January-February 1982 (1982); RD Norton, "Industrial policy and American renewal," *Journal of Economic Literature* 24, no. 1 (1986).

80 Bowles, Gordon, and Weisskopf, *Beyond the Wasteland*, 209; Vogel, *Fluctuating Fortunes*, 243-45; Ferguson and Rogers, *Right turn*, 156-60; Stein, *Running steel*, 282-287.

81 Sanders, *Roots of reform*; *ibid*; McCartin, *Labor's great war*; Garry Gerstle, *American crucible: Race and nation in the twentieth century* (Princeton, NJ: Princeton University Press, 2002); Teixeira and Haplin, *Progressive Tradition*; Kalman, *Legal Liberalism*, 132-166; Sandel, *Democracy's Discontent*, 123-168.

82 Alan L. Seltzer, "Woodrow Wilson as 'Corporate-Liberal': Toward a Reconsideration of Left Revisionist Historiography," *The Western Political Quarterly* 30, no. 2 (1977); Naomi R Lamoreaux, "Martin Sklar's *The Corporate Reconstruction of American Capitalism*: An Economic Historian's Perspective," *Business and Economic History*



Other liberal thinkers, including many journalistic chroniclers of industrial decline, focused on the failures of enterprise management (and sometimes unions): short-termism, Taylorist work management, complacency and indifference to competitiveness. Inspired by the cooperative capitalism of Japan and Germany they argued for an economy based on a more skilled workforce engaged in high-quality production.⁸³

Critics further to the left focused on the labour process; Samuel Bowles argued that capitalists 'will generally select methods of production which forego improvements in productive efficiency in favour of maintaining their power over workers'. Bowles and his colleagues argued that a radical democratisation of workplaces would increase productivity. They neglected the extent to which management was more than labour control and they gave little attention to issues of marketing. Both the early proponents of scientific management and their later radical critics of the 'labour process' school largely focused on industries, such as metalworking, where production was small scale and marketing less significant. This tradition of liberal emphasis on production rather than marketing had a long history. In 1910 Louis Brandeis as representative of shippers had persuaded the Interstate Commerce Commission to refuse an application from railroads to increase freight charges. Brandeis argued that the railways had failed to adopt scientific management that would enable them to reduce costs. This approach legitimated populist hostility to railroad increases with the result that the railroads found themselves unable to respond to increasing costs, and from growing competition from other modes of transport, whilst in practice the applicability of scientific management to railroads was far more limited than Brandeis argued. Congress, to which the ICC deferred, was reluctant to admit that the cost pressures on railroads. A fundamental deficiency of radical critiques of American corporate capitalism was neglect of the agency of consumers.⁸⁴

It was the agency of consumers not workers' collective action or a newly interventionist state that began to impel industrial revival from the early 1990s. Stagnant living standards generated demand for more economic and efficient major consumption goods, such as smaller cars. Companies such as Toyota that functioned as organising forces within networks of autonomous businesses rather than traditional industrial monoliths adapted more quickly to changing consumer patterns, just as the first multidivisional firms outperformed their unitary rivals. New specialty retailers challenged older retailers through their closer attention to patterns of consumer demand. Even 'smokestack' industries such as steel joined in the revitalisation with the rapid growth in the number of 'minimills'. The result was that the level of corporate concentration fell across 1980 to 2000 despite the merger wave of the 1980s.⁸⁵

21(1992); Martin J. Sklar, "Capitalism and Socialism in the Emergence of Modern America: The Formative Era, 1890s-1916, part 1," <http://h-net.msu.edu/cgi-bin/logbrowse.pl?trx=vx&list=h-shgape&month=9712&week=c&msg=TZvkJCJcVWHTO8QMB%2bEWA&user=&pw=>; ———, "Capitalism and Socialism in the Emergence of Modern America: The Formative Era, 1890s-1916, part 2 " <http://h-net.msu.edu/cgi-bin/logbrowse.pl?trx=vx&list=h-shgape&month=9712&week=d&msg=58f8wL31xKelpYk7M045Bg&user=&pw=>; ———, "Capitalism and Socialism."; Ronald Radosh, "America's Socialist Future: Martin J. Sklar vs. John B. Judis," in *Ron Radosh* (2009); Martin J. Sklar, "Periodization and historiography: The United States considered as a developing country," in *The United States as a Developing Country: Studies in U.S. History in the Progressive Era and the 1920s*, ed. Martin J Sklar (Cambridge University Press: Cambridge, 1992); Nancy Cohen, *The reconstruction of American liberalism, 1865-1914* (Chapel Hill, NC: The University of North Carolina Press, 2002), 217-256

83 Mark Reutter, *Making steel: Sparrows Point and the rise and ruin of American industrial might* (Chicago, IL: University of Illinois Press, 2004); John P. Hoerr, *And the Wolf Finally Came: The Decline of the American Steel Industry* (Pittsburgh, PA: University of Pittsburgh Press, 1988); Robert Hayes and Stephen Wheelwright, *Restoring our competitive edge: Competing through manufacturing* (Hoboken, NJ: John Wiley & Sons Inc, 1984); Michael L. Dertouzos, Richard K. Lester, and Richard M. Solow, *Made in America: Regaining the productive edge* (New York, NY: HarperPrerennial, 1990); Lester C. Thurow, *Head to head: The coming economic battle among Japan, Europe, and America* (Sydney: Allen & Unwin, 1993), 266-299

84 Samuel Bowles, "The production process in a competitive economy: Walrasian, neo-Hobbesian, and Marxian models," *The American Economic Review* 75, no. 1 (1985), 17; Chandler, *Visible Hand*, 243; Bowles, Gordon, and Weisskopf, *Beyond the Wasteland*, 160-170, 278-283; McCraw, *Prophets of Regulation*, 91-94

85 Lawrence J White, "Trends in Aggregate Concentration in the United States," *The Journal of Economic Perspectives* 16, no. 4 (2002); Lamoreaux, Raff, and Temin, "Markets and Hierarchies," 425-427; Stein, *Running steel*, 291-95.

Liberalism renewed?

The dominant trend of Democratic politics diverged from the liberal nostalgia for progressivism and the New Deal. Centrist Democrats argued for fidelity to the spirit rather than the letter of Wilson's legacy and for them this meant accommodation to the new capitalism and the tasks of wealth creation not just redistribution. Many looked towards Japan as a model of activist government and of a collectivist entrepreneurship. In retrospect they overemphasised the role of government in the Japanese economy, and gave insufficient attention to the decentralised forms of Japanese industrial organisation.⁸⁶

In 1992 the Democrats under Bill Clinton finally recaptured the presidency. Their victory owed something to the broader sense of national decline but was largely the result of the mild recession of the early 1990s. After three successive electoral defeats Clinton's 'new Democrats' stressed the virtues of entrepreneurship, education and infrastructure expenditure for a global and information driven economy and appealed to affluent 'wired workers'. They won significant support from many in Silicon Valley. They distanced themselves from the 1980s advocates of industrial policy.⁸⁷

Clinton's concern with national competitiveness echoed Theodore Roosevelt's progressivism. Some economists feared that it implied a neo-mercantilist turn towards support of 'national champions' and that some unionists hoped it meant a new focus on high-technology manufacturing. Clinton disappointed these hopes and fears his administration employed the rhetoric of competitiveness to justify a conservative fiscal policy and trade liberalisation.⁸⁸

The economic recovery that commenced from the mid 1980s had contributed to the Republican victories of 1984 and 1988 although voter concern persisted about trade and budget deficits. Academic economists and policy analysts were more concerned with the continued stagnation in productivity growth despite major investment in new technologies such as Information Technology (IT). However from the mid 1990s productivity growth surged. A major contribution to this recovery was made by retail in particular 'Big Box' stores such as Wal-Mart. For the first time retail became a major focus of management studies. Many economists argued that after a long delay investment in IT had finally yielded benefits. The mood of much liberal commentary shifted sharply. In 1990 a Massachusetts Institute of Technology research team had articulated a strategy for 'regaining the productive edge' but in 1998 a follow-up publication cautioned against drastic change. Even radical critics of capitalism admitted the productivity upsurge although they disputed its significance. The productivity upsurge contributed to the rapid reduction in the federal deficit. With inflationary expectations broken by the 1980s recession unemployment fell sharply with little impact on inflation. Economic liberals outside the US, such as Australian journalist Paul Kelly took the American resurgence as evidence of the importance of flexible markets and as refutation of social democratic arguments for increased human capital expenditure.⁸⁹

86 Robert Reich, "Entrepreneurship reconsidered: the team as hero," *Harvard Business Review*, no. May-June (1987); Herbert Stein, *Presidential Economics: The Making of Economic Policy from Roosevelt to Clinton* (Washington, DC: American Enterprise Institute, 1994), 495; Richard K. Lester, *The Productive Edge: A New Strategy for Economic Growth* (New York, NY: Norton, 1998).

87 K. Baer, *Reinventing democrats: the politics of liberalism from Reagan to Clinton* (Lawrence, KS.: University Press of Kansas, 2000), 33-43, 166-169, 214, 234-235, 257; Richard B. McKenzie, *Trust on Trial: How the Microsoft Case is Reframing the Rules of Competition* (Cambridge, MA.: Perseus Publishing, 2000), 192-197

88 David Vogel, "The Triumph of Liberal Trade: American Trade Policy in the Postwar Period," in *Taking Stock: American Government in the Twentieth Century*, ed. Morton Keller and R. Shep Melnick (New York, NY: Cambridge University Press, 1999), 41-53; Joseph H Stiglitz, *The Roaring Nineties: Why We're Paying the Price for the Greediest Decade in History* (London: Penguin, 2004); Lynn Williams, "Reinventing Labor," *Harvard Business Review*, no. July-August (1993), 118; Mowry, *Theodore Roosevelt and the Progressive Movement.*, 335-36; Paul R. Krugman, *Pop internationalism* (Cambridge, MA: The MIT Press, 1997).

89 Dertouzos, Lester, and Solow, *Made in America*; Thurow, *Head to head.*, 163-166; Robert Brenner, *The boom and the bubble: the US in the world economy* (Verso Books, 2003), 218-38; Dale H. Jorgenson, Mun S. Ho, and Kevin J. Stiroh, *A retrospective look at the US productivity growth resurgence* (New York, NY: Federal Reserve Bank of New York, 2003), 3; Paul R. Krugman, *The return of depression economics and the crisis of 2008* (New



Widespread use of IT was only part of the reforms that increased enterprise productivity. Transaction cost economists had defended managerial prerogative and argued that workers were compensated for alienation at the workplace by higher pay rates. However innovations in human resource management such as flexible job definitions, training, work teams, and incentive pay contributed substantially to the productivity upsurge.⁹⁰

Early twentieth-century conservatives had tacked to the left, as with Roosevelt's trust-busting, to maintain support from an electorate deeply suspicious of corporate power. President Clinton tacked to the right and sometimes relied on Congressional Republicans to overcome the opposition of the increasingly liberal Congressional Democrats on issues such as welfare reform and trade liberalization. In both cases presidents responded to electorate-wide concerns with living standards.⁹¹

Despite the economic boom under Clinton and his moderate policies Democratic relations with business never became as close as during the 1960s. Business was frequently pragmatic in support for Democratic incumbents, particularly as the conservative hopes raised by the 1994 Republican sweep of Congress ebbed, but Republicans enjoyed disproportionate business support. Media commentary was preoccupied by working-class conservatism but in fact cultural factors were most significant as a determinant of electoral behaviour among wealthy voters, for whom cultural politics of either the left or right was consumption good. Managers of large firms overall however remained consistently conservative in their voting behaviour, small businessmen and entrepreneurs moved rightward from the 1960s whilst professionals and routine white-collar workers moved leftward. In large corporations political disagreements between Republicans and Democrats could add fuel to personal rivalries.⁹²

The theorists of 'corporate liberalism' had argued that American liberalism, whether by conscious conspiracy or an unexplained process of structural determination, had come to serve the purposes of capital accumulation. However American capitalists disagreed with the theory and as the Democrats became more homogenously liberal business became more and formally aligned with conservative Republicanism. The liberal Democratic ascendancy of the 1960s gave way to the triumph of a remarkably conservative Republicanism, the conservative backlash of the 1970s identified problems of opportunism and bounded rationality as endemic not to capitalism but to the state.

By the early twenty-first American capital was divided on regional and cultural grounds as it had been in the later 19th century. As in the 1890s populist Democrats complained about the influence of wealthy 'cultural Democrats' on their party and conservatives seeking populist credibility echoed these complaints. However analysis of the political contributions of board members and of employees from major corporations found that new economy firms, such as those in IT, tended to the left and resources industries to the right, with contributions from the finance sector evenly split. It was mostly public opinion, not the influence of the wealthy that pulled Democrats to the right.

York, NY: WW Norton & Co Inc, 2009), 141-44; DeLong, Basu, and Jovanovic, "Productivity Growth in the 2000s"; RK Lester, *The Productive Edge: A New Strategy for Economic Growth* (New York: WW Norton, 1998); Paul R. Krugman, "The Wal-Mart Decade," *New York Times*, 28 January 2011; Paul Kelly, "Knowledge is not enough," *The Australian*, 23 June 2001; Lester, *Productive Edge*; Ann Satterthwaite, *Going shopping: Consumer choices and community consequences* (New Haven, MA.: Yale University Press, 2001), 211

90 Oliver E. Williamson, *The economic institutions of capitalism: firms, markets, relational contracting* (New York, NY.: Free Press, 1987), 231-239; Lisa M Lynch, *The adoption and diffusion of organizational innovation: Evidence for the US economy*, Institute for the Study of Labor (Bonn: Institute for the Study of Labor, 2007).

91 Eric M. Uslander, "The Democratic Party and Free Trade: An Old Romance Restored," *Law and Business Review of the Americas* 6(2000), 358

92 Andrew Gelman, *Red state, blue state, rich state, poor state: why Americans vote the way they do* (Princeton, NJ.: Princeton University Press, 2008); Matthew Yglesias, "Business Executives Are Conservative," in *yglesias.thinkprogress* (Center for American Progress 2010); William D. Cohan, *House of cards: how Wall Street's gamblers broke capitalism* (New York, NY: Doubleday, 2010), 288-289, 407

The political orientations of corporations and their employees reflected in part their market position and the extent to which their internal structure was hierarchical or collegial. Microsoft's financial contributions were split evenly between liberal and conservative candidates, unlike newer and smaller IT companies such as Google whose contributions skewed strongly to the left. In the long-run however the success of enterprises such as Google would probably depend on them following the path of IBM and turning from cutting edge innovation to the servicing of corporate clients. The political views of their staff and owners would then be expected to shift to the right. The liberal sympathies of some IT capitalists, such as Larry Ellison or Bill Gates, were also of a particular variety, they were strong supporters of market-friendly reforms to public education and hostile to teacher unionism.⁹³

Joseph Schumpeter had argued that the rationalisation and bureaucratisation of corporate capitalism would undercut the legitimacy of capitalism. This argument might seem refuted by the consistent conservatism of corporate capitalists and by the complete marginalisation of socialism in post-war America. However the dominance of corporate capitalism shifted the political landscape to the left. The American business conservatism of the 1950s was quite distinct from that of the 1990s. The Japanese political left has always been marginal but at its peak the Japanese model of consensual capitalism was notably egalitarian compared to other capitalist economics. Lech Walesa once described Japan as a country where socialism worked. In the short-term Bill Clinton seemed to have revived American liberalism yet his political ascendancy was not underpinned by broader institutional changes. The New Deal had created a new political order that endured the Republican revival of the 1950s and the cold war, Clinton left only memories of a golden age of peace and prosperity between the fall of the Berlin Wall and 9/11. After 2000 the Republicans would speedily dismantle his legacy.⁹⁴

Antitrust policy during the Clinton presidency demonstrated a partial continuity between the new Democrats and their populist antecedents. The Democrats accepted that antitrust policy should promote efficiency rather than defend small business for its own sake but adopted the arguments of the 'post-Chicago' school that market dominance particularly in high technology and network industries could suppress innovation. The government took a more aggressive antitrust approach best represented by its pursuit of Microsoft. The suit against Microsoft had the support of some Chicago School critics of the populist antitrust legacy but liberals more sympathetic to the populist tradition were critical of Clinton's antitrust performance.⁹⁵

-
- 93 Gelman, *Red state, blue state.*, 17-23; Yglesias, "Business Executives.," Harold Meyerson, "Wall Street Democrats vs. Main Street Democrats," *The American Prospect*(2007), http://www.prospect.org/cs/articles?article=wall_street_democrats_vs_main_street_democrats; Christopher Caldwell, "American Oligarchy," *The Weekly Standard* 15, no. 32 (2009); Adam Bonica, "Citizens United and the Myth of a Conservative Corporate America," in *Ideological Cartography* (2010); Christian. Zappone, "Wall Street betting on Democratic Congress," CNN, http://money.cnn.com/2006/10/31/news/political_donations/index.htm; David Callahan, "The Real Liberal Elite," *The American Prospect* 2010; Lloyd Miller, "Lessons in longevity, from I.B.M.," *New York Times*, 18 June 2011; Claire Cain Miller, "Google Grows, and Works to Retain Nimble Minds," *New York Times*, 28 November 2010; Matthew Symonds and Larry Ellison, *Softwar: an intimate portrait of Larry Ellison and Oracle* (New York, NY: Simon and Schuster, 2004), 392-397; Joanne Barkan, "Got Dough? How Billionaires Rule Our Schools," *Dissent*, no. Winter (2011), <http://www.dissentmagazine.org/article/?article=3781..>
- 94 Schumpeter, *Capitalism, socialism, and democracy*; B. Emmott, *Rivals: How the Power Struggle Between China, India, and Japan Will Shape Our Next Decade* (London: Penguin, 2009); Sean Wilentz, "20 Years Later: How Bill Clinton Saved Liberalism From Itself," *The New Republic*(2011), <http://www.tnr.com/article/politics/95615/clinton-twenty-years-later>.
- 95 Robert Bork, "High-Stakes Antitrust: The Last Hurrah?," in *High-Stakes Antitrust: The Last Hurrah?*, ed. R. Hahn (Washington, D.C.: AEI-Brookings Center for Regulatory Studies, 2003); McKenzie, *Trust on Trial.*, 207-210; Daniel Rubinfeld, "Maintenance of Monopoly: U.S. v. Microsoft (2001)," in *The Antitrust Revolution: Economics, Competition and Policy*, ed. John Kwoka and Lawrence White (New York: Oxford University Press, 2009); Skitol, "Shifting Sands.," 255, 261; Stephen D. Houck, "Antitrust Enforcement in High Tech Industries," *Cornell Journal of Law and Public Policy* 9(1999), 6; Pitofsky, "Antitrust at the Turn of the Twenty-first Century.," 591; Litan and Shapiro, *Antitrust policy.*, 3, 11, 33, 37; Elizabeth Sanders, "Antitrust and American Democracy," *The Long Term View* 5, no. 4 (2003).



In the best of times in the late 1990s observers gave little attention to emerging systemic problems in the US economy. Clintonian Democrats celebrated the 'new economy' and predicted a continuation of the productivity upsurge, their left wing critics complained that productivity growth was overstated and that social inequality persisted.⁹⁶

In these best of times the American economy became increasingly financialised. Marxists had long been preoccupied by 'finance capital' but tended to interpret this as the dominance of a discrete financial sector rather than the widespread dissemination of financial means of control. The financial sector remained a small portion of overall employment but absorbed an increasing share of national income and made a major contribution to increased income inequality. The coordination tasks once undertaken by corporate bureaucracies became the responsibility of ever larger financial institutions which like many of the fin-de-siècle trusts failed to demonstrate economies of scale. Even within non-financial enterprises Chief Financial Officers rose to prominence from the late 1970s in response both to inflation and shareholder activism.⁹⁷

Also noteworthy during this period, particularly after tax legislation reforms in 1986 removed disincentives, was the disaggregation of multidivisional enterprises into a network of Multi-level subsidiary firms (MLSF). The rise of the MLSF seemed the triumph of the invisible hand: external financial markets were to take over the enforcement of profit targets on the former divisions, now separate corporations, of the old M-form. Firms less involved in direct political lobbying were more likely to pursue disaggregation.⁹⁸

The rise of the MLSF and broader trends towards financialisation and disaggregation sparked debate among observers. David Langlois argued that improved communication and management techniques presaged the final demise of the Chandlerian 'visible hand'; markets had finally caught up with technology. He instanced the American mortgage market as an example of economic disaggregation. At its peak this argument suggested that the libertarian vision of the firm as a nexus of contracts had finally eventuated. Namoi Lamoreaux and others dissented that business history had not come to an end, and that in an environment of unpredictability and rapid change the optimum method of economic coordination would change constantly. Bounded rationality meant that organizational innovations were sometimes the result of fads and fashions as less innovative enterprises scrambled to catch up with corporate leaders. New forms of economic organization such as outsourcing were not in all cases a rational response to the economic environment but could reflect the influences of fads and fashions.⁹⁹

The panic of 2007 and after

The political fortunes of American liberalism were closely linked to understandings of corporate enterprise. For much of the 20th century antitrust populism provided a rallying point, congruent with national values and consistent with the weakness of the American state. The bureaucrats of the great Chandlerian corporations were never themselves liberals but their corporate practice in some aspects represented liberal and even socialist values. A political struggle within and without

96 D. Henwood, *After the New Economy* (Melbourne: Scribe, 2003), 56-143; DeLong, Basu, and Jovanovic, "Productivity Growth in the 2000s.", 142-143

97 Alan Greenspan, "The Crisis," in *Brookings Papers on Economic Activity*, ed. David H. Romer and Justin Wolders (Washington, DC.: Brookings Institute, 2010); Greta Krippner, "The financialization of the American economy," *Socio-Economic Review* 3, no. 2 (2005), 174-201; Zorn, "Rise of the CFO", 346-59; Michel Aglietta, *A Theory of Capitalist Regulation: the US experience* (London: New Left Books, 1979), 257-259.

98 Prechel, *Big business.*, 207-49

99 Langlois, "Vanishing hand."; Lamoreaux, Raff, and Temin, "Markets and Hierarchies."; Davis, Diekmann, and Tinsley, "Fall of the conglomerate firm."; Luis Araujo and Lars-Erik Gadde, "Efficiency-seeking or recipe-following? The case of outsourcing" (paper presented at the Proceedings of the 25th Industrial Marketing and Purchasing Group Conference, Marseille, France, 2009).

the large corporations from the 1970s transformed the structure of American capitalism. The rise of Chicago school economics in the 1970s and the decline of the Chandlerian corporation challenged the populist tradition. In the 1990s Liberal antitrust regrouped around a focus on innovation. Netscape replaced the 'mom and pop' store as the victim of monopoly. Yet this new liberalism gave little attention to how enterprise disaggregation and financialisation meant that principal-agent problems were of constantly growing importance.

The financial panic that commenced in 2007 demonstrated that problems of opportunism and bounded rationality were endemic within the 'new economy'. Observers had already argued that restructuring could be counterproductive directed to generate short-term share price increases and consequent increases in managerial remuneration and that the MLSF opened way to opportunism as demonstrated in the collapse of Enron in 2001.¹⁰⁰

The events of 2007 demonstrated that business history had not come to an end. It was clear that economic structures had not evolved by a process of Darwinian competition to the best of all possible worlds. The political triumphs of the Republican right after 2000 and the slowing of economic growth after the busting of the 'dot.com' bubble had already encouraged some Democrats to call, in a muted revival of the themes of the early 1980s, for a more activist state. The 2007 crisis radicalised many. Some economists and former Clintonian Democrats shifted leftward, like Paul Krugman, and called, like the old institutional economists, for economic inquiry to take a more inductive and historical turn. Long forgotten concerns about managerial autonomy from shareholders, wage stagnation, competitiveness in high technology products and the future of manufacturing suddenly reappeared as topics of liberal discussion and Democratic political strategy.¹⁰¹

In the election of 2008 Barack Obama appealed to an electorate fearful of the emerging economic crisis and to a liberal constituency traumatised by the Presidency of George Bush. As President however Obama was slow to realise, if he ever fully did, that the Bush years were not simply an aberrant product of an illegitimate 'victory' in 2000 and the forced patriotism of the 'war on terror'. The economic model that Clinton had championed had slowly expired from the bursting of the dot.com bubble in 2000-2001. Obama, like most mainstream Democrats had invited support from the financial sector, and continued to do so during his term, and had supported the unpopular 'bailout' of financial institutions. Obama followed in the footsteps of Woodrow Wilson when the times called for a new Franklin Roosevelt. Obama's record in government disappointed many liberals and dissent rose to new heights in 2011 as the economic recovery ebbed. Many argued that the President should have advocated a far more ambitious stimulus package in early 2009 and accused him of having capitulated to conservative economic orthodoxy. Legislative initiatives that sought to impose constraints on executive pay as conditions of government financial support had little impact. Obama's liberal critics included some such as Brad DeLong and Paul Krugman who had previously supported Bill Clinton's fiscal conservatism and pursuit of free trade, despite the angst this had generated among many traditional liberals. The liberal critics of Obama struggled

100 Greenspan, "The Crisis.", 17-19; Dan Krier, *Speculative management: stock market power and corporate change* (New York, NY: State University of New York Press, 2005); Burrough and Helyar, *Barbarians at the Gate: The fall of RJR Nabisco.*, 111; Harvey N. Prechel and John Boies, "Capital Dependence, Business Political Behavior, and Change to the Multilayered Subsidiary Form," *Social Problems* 49, no. 3 (2002)., 309-11; Anna Barnett-Hart, "The Story of the CDO Market Meltdown: An Empirical Analysis" (Bachelor of Arts (Hons), Harvard University, 2009)., 90-98

101 Paul R. Krugman, "How Did Economists Get It So Wrong?," *New York Times*, 2 September 2009; Gary P. Pisano and Willy C. Shih, "Restoring American Competitiveness," *Harvard Business Review* 87(2009); Lori Montgomery and Brady Dennis, "New Democratic strategy for creating jobs focuses on a boost in manufacturing," *Washington Post*, 4 August 2010; Brookings Institution, "The Hamilton Project. About Us," <http://www.brookings.edu/projects/hamiltonproject/About-Us.aspx>; Mark J Roë, "How capitalist is America?," *Project Syndicate* 2011, no. 27 June (2011), <http://www.project-syndicate.org/commentary/roe4/English>; Peter Orszag, "As Kaldor's Facts Fall, Occupy Wall Street Rises," <http://www.bloomberg.com/news/2011-10-19/kaldor-s-facts-fall-occupy-wall-street-rises-commentary-by-peter-orszag.html>.



to explain why his performance was disappointing. Some emphasized his personal deficiencies others revived, often without acknowledgement, aspects of older radical critiques of 'corporate liberalism' with financiers and rentiers now rather than General Motors or Ford cast as the new ruling class. The attempt to revive corporate liberalism struggled to explain the progressive alienation of many of Obama's former supporters from the finance industry. Academic analysts of politics preferred to emphasise the institutional blockages to decisive Presidential action and the economic conservatism of American public opinion.¹⁰²

Conclusion

American liberalism has been shaped by both the crises and triumphs of capitalism. In the 1970s Democratic President Jimmy Carter like Grover Cleveland in the 1890s was unable to effectively respond to an economic crisis and thus encouraged the mass defection of working-class voters to the right. The 1930s provided the opposite example as the successful response of the Democrats to the Great Depression initiated a fundamental realignment. The establishment of the Federal Reserve was an effective response by Wilson to the panic of 1907 and contributed to Wilson's re-election in 1916. The capitalist boom of the 1950s and 1960s underpinned the rapprochement between unions and business in the core industrial sector that sustained the liberal gains of the New Deal. The economic boom of the later 1990s contributed to Bill Clinton's success and established in the mind of voters a connection between the Democrats and economic prosperity that powerfully advantaged Obama in 2008 as economic issues came to preoccupy voters. This was despite the fact that the roots of the panic of 2007 lay in the financialised and debt-fuelled capitalism that Clinton had celebrated.

By late 2011 the crisis of American capitalism, like those of the 1890s, 1930s and 1970s, had inspired a crisis of liberalism, but whether this crisis would result in renewal as in the 1930s or collapse as in the 1890s remained unclear. The resurgent Republicans echoed the themes of McKinley's 1896 campaign, including advocacy of a deflationary monetary policy and accused the 'anti-business' Democrats of responsibility for the recession. Mitt Romney, the leading candidate for the 2012 Republican nomination, more directly represented corporate capitalism than almost any other past Republican nominee. Romney may have been personally distant from the evangelical conservatism of the Republican base but contrary to what theorists of corporate liberalism would have predicted he was untroubled to pledge allegiance to socially conservative values. As the euphoria of Obama's election dissipated a renascent radical left, although still tiny, echoed the themes of the 1960s

102 Jeffrey Sachs, "Budgetary Deceit and America's Decline," *Huffington Post* (2011), http://www.huffingtonpost.com/jeffrey-sachs/budgetary-deceit-and-amer_b_907684.html; Paul R. Krugman, "What Obama Wants," *New York Times*, 17 July 2011; ———, "Review of John Kenneth Galbraith's *The Good Society: The Humane Agenda*," <http://www.pkarchive.org/cranks/GalbraithGoodSociety.html>; ———, "The Rentier Regime," *New York Times*, 6 June 2011; Jonathon B. DeLong, "I Am Now, and Have for Eighteen Years Been, a Rubinite..." in *Grasping Reality* (2011); Steven M. Davidoff, "Efforts to Rein In Executive Pay Meet With Little Success," *New York Times*, 12 July 2011; Peter Whoriskey, "With executive pay, rich pull away from rest of America," *Washington Post*, 18 June 2011; Andrew Ross Sorkin, "On Obama, Wall St. Shows a Reluctance to Commit," *New York Times*, 27 June 2011; Kevin Drum, "The American Public Hates Stimulus Spending," *Mother Jones* (2011), <http://motherjones.com/kevin-drum/2011/07/american-public-hates-stimulus-spending>; Jonathan Bernstein, "Public Opinion Isn't Forcing Spending Cuts," in *A plain blog about politics* (2011); Andrew Gelman, "A simple theory of why Obama didn't come out fighting in 2009," in *The Monkeycage* (2011); Drew Westen, "What Happened to Obama?," *New York Times*, 6 August 2011; Susanne Craig and Ben Protess, "Others Go, but Buffett Stays on President's Side," *New York Times*, 2 October 2011; Jake Interrante and Bob Cusack, "Wall Street executives turn back on Obama, start donating to Romney," *The Hill*, no. 22 August (2011), http://thehill.com/homenews/campaign/177675-wall-street-execs-turn-back-on-obama-give-to-romney?wpisrc=nl_fix.

new left critic of liberalism. 'Occupy Wall Street' might presage the emergence of a new economic populism of the left.¹⁰³

Despite these trends it would be too early to write off either American liberalism or American capitalism. Even in the midst of the current severe recession an international study that tracked 10,000 firms in twenty countries across a decade identified American management as still the best in the world. The hyper-rationalisation and individualisation characteristic of late capitalist culture undercut the left's hopes for collective agency but it also eroded popular support for the pietistic social conservatism of the Republicans. A year out from the 2012 Presidential election the American future was more contested and uncertain than at any time since the 1890s and 1930s.¹⁰⁴

103 Shira Schoenberg, "Romney sharpens attacks on Obama in N.H.," *Boston.com* (2011), <http://www.boston.com/Boston/politicalintelligence/2011/08/romney-sharpens-attacks-obama/nUJQLy5BOWBVvJ8xpvkeKl/index.html>.

104 Nicholas Bloom et al., "Why American Management Rules the World" in *Harvard Business Review. The Conversation* (2011); Richard Harvey Brown, *Culture, Capitalism, and Democracy in the New America* (New Haven, CT: Yale University Press, 2005); Satterthwaite, *Going shopping.*, 166



REFERENCES

- Achen, Christopher H., and Larry M. Bartels. "Myopic Retrospection and Party Realignment in the Great Depression." <http://www.princeton.edu/~bartels/myopicretrospectionrealignmentdepression.pdf>. <Accessed 6 October 2011 >. 2008.
- Aglietta, Michel. *A Theory of Capitalist Regulation: the US experience*. London: New Left Books.1979.
- Alchian, Armen, and Harold Demsetz. "Production, information costs, and economic organization." *The American Economic Review*, vol. 62, no. 5 (1972).
- Aldrich, John. *Why parties?: The origin and transformation of political parties in America*. Chicago, IL.: University of Chicago Press.1995.
- Allen, Michael P. "Capitalist responses to state intervention: Theories of the state and political finance in the New Deal." *American Sociological Review*, vol. 56, no. 5 (1991).
- Anderson, Benedict. *Imagined communities: Reflections on the origin and spread of nationalism*. London: Verso.1991.
- Araujo, Luis, and Lars-Erik Gadde. "Efficiency-seeking or recipe-following? The case of outsourcing." Paper presented at the Proceedings of the 25th Industrial Marketing and Purchasing Group Conference, Marseille, France, 2009. <http://impgroup.org/uploads/papers/7047.pdf>. <Accessed 7 November 2010>.
- Arnold, Thurman. "Must 1929 Repeat Itself?" *Harvard Business Review*, vol. 26 (1948).
- Baer, K. *Reinventing democrats : the politics of liberalism from Reagan to Clinton*. Lawrence, KS.: University Press of Kansas.2000.
- Baldwin, William. "Efficiency and competition: The Reagan administration's legacy in merger policy." *Review of Industrial Organization*, vol. 5, no. 2 (1990).
- Balto, David. "Antitrust Enforcement in the Clinton Administration." *Cornell Journal of Law and Public Policy*, vol. 9 (1999).
- Baran, P., and P. Sweezy. *Monopoly Capital: An Essay on the American Social and Economic Order*. Harmondsworth: Penguin.1968.
- Barkan, Joanne. "Got Dough? How Billionaires Rule Our Schools." *Dissent*. Winter, <http://www.dissentmagazine.org/article/?article=3781>. 2011.<Accessed 10 October 2011>.
- Barnett-Hart, Anna. "The Story of the CDO Market Meltdown: An Empirical Analysis." Bachelor of Arts (Hons), Harvard University, 2009.
- Baumol, William J. *The free-market innovation machine : analyzing the growth miracle of capitalism*. Princeton: Princeton University Press.2002.
- Bell, Daniel. *The end of ideology: On the exhaustion of political ideas*. New York: Free Press; Collier-Macmillan.1965.
- Berle, Adolph. "Corporations and the Modern State." In *The Future of Democratic Capitalism*, edited by S.H. Patterson, 35-62. Philadelphia: University of Pennsylvania Press. 1950.
- Berle, Adolph, and Gardiner Means. *The Modern Corporation and Private Property*. New York, NY.: Harcourt, Brace & World, Inc.1968.
- Bernstein, Jonathan.2011. "Public Opinion Isn't Forcing Spending Cuts." *A plain blog about politics*. <http://plainblogaboutpolitics.blogspot.com/2011/08/public-opinion-isnt-forcing-spending.html>. <Accessed 4 August 2011>.
- Bloom, Nicholas, Rebecca Homkes, Raffaella Sadun, and John Van Reenen.2011. "Why American Management Rules the World." *Harvard Business Review*. The Conversation. http://blogs.hbr.org/cs/2011/06/why_american_management_rules.html. <Accessed 18 June 2011>.
- Bonica, Adam.2010. "Citizens United and the Myth of a Conservative Corporate America." *Ideological Cartography*. <http://ideologicalcartography.com/2010/07/12/citizens-united-and-the-myth-of-a-conservative-corporate-america>. <Accessed 21 July 2010>.
- Bork, Robert. *The antitrust paradox: A policy at war with itself*. New York, NY.: The Free Press.1993.
- . "High-Stakes Antitrust: The Last Hurrah?" In *High-Stakes Antitrust: The Last Hurrah?*, edited by R. Hahn, 45-71. Washington, D.C.: AEI-Brookings Center for Regulatory Studies. 2003.
- Bowles, Samuel. "The production process in a competitive economy: Walrasian, neo-Hobbesian, and Marxian models." *The American Economic Review*, vol. 75, no. 1 (1985).
- Bowles, Samuel, David Gordon, and Thomas Weiskopf. *Beyond the Wasteland: A Democratic Alternative to Economic Decline*. London: Verso.1986.
- Bowman, Scott. *The modern corporation and American political thought: law, power, and ideology*. University Park, PA.: Pennsylvania State University Press.1996.

- Brady, Robert. *Business as a System of Power*. New York, NY: Columbia University Press.1943.
- Brand, D. "Competition and the New Deal Regulatory State." In *The New Deal and the Triumph of Liberalism*, edited by S. Milkis and J. Mileur, 166-92. Amherst, MA: University of Massachusetts Press. 2002.
- Brandeis, L. "The Regulation of Competition Versus the Regulation of Monopoly." <http://www.law.louisville.edu/library/collections/brandeis/node/260>. <Accessed 10 December 2009 >. 1912.
- Braverman, Harry. *Labor and monopoly capital: The degradation of work in the 20th century*. New York, NY: Monthly Review Press.1974.
- Brenner, Robert. *The boom and the bubble: the US in the world economy*: Verso Books.2003.
- Brenner, Robert, and Mark Glick. "The regulation approach: theory and history." *New Left Review*, vol. 188 (1991).
- Brick, H. "The Postcapitalist Vision in Twentieth-Century Social Thought." In *American Capitalism: Social Thought and Political Economy in the Twentieth Century*, edited by N. Lichtenstein, 21-46. Philadelphia, PA.: University of Pennsylvania Press. 2006.
- Brinkley, Alan. *The end of reform: New Deal liberalism in recession and war*: Alfred A Knopf Inc.1995.
- Brody, David. *Steelworkers in America: the Nonunion Era*. Cambridge, MA.: Harvard University Press.1960.
- Brookings Institution. "The Hamilton Project. About Us." <http://www.brookings.edu/projects/hamiltonproject/About-Us.aspx>. <Accessed 15 September 2010 >. 2010.
- Brown, Richard Harvey. *Culture, Capitalism, and Democracy in the New America*. New Haven, CT: Yale University Press.2005.
- Bryan, W. J. "Cross of Gold." <http://teachingamericanhistory.org/library/index.asp?document=163>. <Accessed 4 March 2010 >. 1896.
- Bryan, William J. "The Problem of the Trusts." *New York Times*, 11 November 1911.
- Bryan, William J. "Bryan's Thirteen Questions." *New York Times*, 18 July 1911.
- Burnham, Walter D. *Critical Elections and the Mainsprings of American Politics*. New York: W. W. Norton & Co.1970.
- Burris, Val. "The two faces of capital: Corporations and individual capitalists as political actors." *American Sociological Review*, vol. (2001).
- Burris, Val, and James Salt. "The Politics of Capitalist Class Segments: A Test of Corporate Liberalism Theory." *Social Problems*, vol. 37 (1990).
- Burrough, B, and J Helyar. *Barbarians at the Gate: The fall of RJR Nabisco*: Harper Paperbacks.1991.
- Caldwell, Christopher. "American Oligarchy." *The Weekly Standard*, vol. 15, no. 32 (2009).
- Callahan, David. "The Real Liberal Elite." *The American Prospect*, 1 September 2010.
- Caplan, Bryan. "Kolko 40 Years Later." <http://www.mail-archive.com/armchair@gmu.edu/msg03394.html>. <Accessed 28 September 2010 >. 2003.
- Chandler, Alfred D. *Strategy and structure : chapters in the history of the American industrial enterprise*. Cambridge, MA.: The MIT Press.1969.
- . *The visible hand : the managerial revolution in American business*. Cambridge, MA.: Belknap Press.1977.
- Christian, David. *Maps of time : an introduction to big history*. Berkeley,, California: University of California Press.2004.
- Coase, Richard. "The Nature of the Firm." *Economica*, vol. 4, no. 16 (1937).
- Cochran, Thomas C., and William Miller. *The age of enterprise: a social history of industrial America*. Rev. ed. New York,: Harper.1961.
- Cohan, William D. *House of cards: how Wall Street's gamblers broke capitalism*. New York, NY: Doubleday.2010.
- Cohen, Nancy. *The reconstruction of American liberalism, 1865-1914*. Chapel Hill, NC: The University of North Carolina Press.2002.
- Colletti, Lucio. "Bernstein and the Marxism of the Second International." In *From Rousseau to Lenin: Studies in Ideology and Society*, edited by Lucio Colletti, 45-108. New York, NY.: Monthly Review Press. 1969.
- Craig, Douglas. *After Wilson: the struggle for the Democratic Party, 1920-1934*. Chapel Hill, NC.: University of North Carolina Press.1993.
- Craig, Susanne, and Ben Protess. "Others Go, but Buffett Stays on President's Side." *New York Times*, 2 October 2011.
- Dahl, RA. *A preface to economic democracy*: Berkeley, CA. University of California Press.1986.
- "Danger to Democrats if Bryan Wins Fight." *New York Times*, 25 June 1912.



- Dark, Taylor. "Organized Labor and the Carter Administration: The Origins of Conflict." In *The Presidency and Domestic Policies of Jimmy Carter*, edited by H. D. Rosenbaum, 761-82. Westport, Cl.: Greenwood Press. 1994.
- Davidoff, Steven M. "Efforts to Rein In Executive Pay Meet With Little Success." *New York Times*, 12 July 2011.
- Davis, Gerald F., Kristina A. Diekmann, and Catherine H. Tinsley. "The decline and fall of the conglomerate firm in the 1980s: The deinstitutionalization of an organizational form." *American Sociological Review*, vol. 59, no. 4 (1994).
- De Tocqueville, Alexander. *Democracy in America: And Two Essays on America*. London: Penguin 2003.
- DeGraaf, Leonard. "Corporate Liberalism and Electric Power System Planning in the 1920s." *Business History Review*, vol. 64, no. 1 (1990).
- DeLong, J. Brad, Susanto Basu, and Boyan Jovanovic. "Productivity Growth in the 2000s." In *NBER Macroeconomics Annual 2002*, edited by Mark Gertler and Kenneth Rogoff, 113-58. Cambridge, MA.: National Bureau of Economic Research. 2002.
- DeLong, J. Brad. 2011. "I Am Now, and Have for Eighteen Years Been, a Rubinite.." *Grasping Reality*. <http://delong.typepad.com/sdj/2011/01/i-am-now-and-have-for-eighteen-years-been-a-rubinite.html>. <Accessed 7 January 2011>.
- Democratic Party. "1912 Democratic Party Platform." <http://www.presidency.ucsb.edu/ws/index.php?pid=29590>. <Accessed 3 June 2010 >. 1912.
- Dertouzos, Michael L., Richard K. Lester, and Richard M. Solow. *Made in America: Regaining the productive edge*. New York, NY: HarperPrerennial.1990.
- Desai, Meghnad. *Marx's Revenge: The Resurgence of Capitalism and the Death of Statist Socialism*. London: Verso.2004.
- Douglas, Paul H. *Real wages in the United States, 1890-1926*. Boston, MA.: Houghton Mifflin.1930.
- Drum, Kevin. "The American Public Hates Stimulus Spending." *Mother Jones*, <http://motherjones.com/kevin-drum/2011/07/american-public-hates-stimulus-spending>. 2011.<Accessed 7 July 2011>.
- Eads, George, Arthur Levitt, Thomas McCraw, Robert Reich, and Lester C. Thurow. "The political realities of industrial policy." *Harvard Business Review*, vol. 61, no. 5 (1983).
- Edwards, Alba. *Comparative Occupational Statistics for the United States, 1870 to 1940*. Washington, D.C.: Government Printing Office.1943.
- Emmott, B. *Rivals: How the Power Struggle Between China, India, and Japan Will Shape Our Next Decade*. London: Penguin.2009.
- Fama, Eugene F. "Agency Problems and the Theory of the Firm." *The Journal of Political Economy*, vol. 88, no. 2 (1980).
- Ferguson, Thomas. *Golden rule: The investment theory of party competition and the logic of money-driven political systems*. Chicago, Il.: University of Chicago Press.1995.
- Ferguson, Thomas, and Joel Rogers. *Right turn: The decline of the Democrats and the future of American politics*: Hill and Wang.1987.
- Fligstein, Neil. *The transformation of corporate control*. Cambridge, MA.: Harvard University Press.1990.
- Freyer, Tony A. *Antitrust and global capitalism, 1930-2004*. Cambridge: Cambridge University Press.2006.
- . *Regulating big business: antitrust in Great Britain and America, 1880-1990*. Cambridge: Cambridge University Press.1992.
- Galambos, Louis. "The Agrarian Image of the Large Corporation, 1879-1920: A Study in Social Accommodation." *The Journal of Economic History*, vol. 28, no. 3 (1968).
- . "What have CEOs been doing?" *The Journal of Economic History*, vol. 48, no. 2 (1988).
- Galbraith, John K. *American capitalism: the concept of countervailing power*. Boston, MA.: Houghton Mifflin.1952.
- . *The New Industrial State*. London: Hamish Hamilton.1967.
- Gelman, Andrew. *Red state, blue state, rich state, poor state: why Americans vote the way they do*. Princeton, NJ.: Princeton University Press.2008.
- . 2011. "A simple theory of why Obama didn't come out fighting in 2009." *The Monkeycage*. <http://themonkeycage.org/blog/2011/08/08/a-simple-theory-of-why-didnt-obama-come-out-fighting-in-2009>. <Accessed 16 August 2011>.
- Gerstle, Garry. *American crucible: Race and nation in the twentieth century*. Princeton, NJ.: Princeton University Press.2002.

- Ghosal, Vivek. *Regime Shift in Antitrust Laws, Economics and Enforcement*. Atlanta, GA.: Georgia Institute of Technology; Center for Economic Studies.2011.
- Gramsci, Antonio. *Selections from the Prison Notebooks*. New York, NY: International.1971.
- Greenspan, Alan. "The Crisis." In *Brookings Papers on Economic Activity*, edited by David H. Romer and Justin Wolders. Washington, DC.: Brookings Institute. 2010.
- Hamilton, Shane. "The Populist Appeal of Deregulation: Independent Truckers and the Politics of Free Enterprise, 1935–1980." *Enterprise & Society*, vol. 10, no. 1 (2009).
- Harrison, Bennett, and Barry Bluestone. *The Great U-turn: Corporate restructuring and the polarizing of America*. New York: Basic Books.1990.
- Hart, Herbert L. A. *The Concept of Law* Oxford: Clarendon Press.1961.
- Hartz, Louis. "United States History in a New Perspective." In *The founding of new societies: studies in the history of the United States, Latin America, South Africa, Canada, and Australia*, edited by Louis Hartz. New York, NY: Harcourt, Brace & World 1964.
- Hawley, Ellis W. "The Discovery and Study of a 'Corporate Liberalism.'" *Business History Review*, vol. 52, no. 3 (1978).
- . *The New Deal and the problem of monopoly: A study in economic ambivalence*. New York, NY: Fordham University Press.1995.
- Hayes, Robert, and Stephen Wheelwright. *Restoring our competitive edge: Competing through manufacturing*. Hoboken, NJ: John Wiley & Sons Inc.1984.
- Henwood, D. *After the New Economy*. Melbourne: Scribe.2003.
- Heydon, J. Dyson. *The restraint of trade doctrine*. 3 ed. Sydney: LexisNexis Butterworths.2008.
- Hicks, John. *A theory of economic history*. Oxford: Oxford University Press.1973.
- Hintze, Otto. "Economics and Politics in the Age of Modern Capitalism (1929)." In *The Historical Essays of Otto Hintze*, edited by Felix Gilbert. New York, NY: Oxford University Press. 1975.
- Hoerr, John P. *And the Wolf Finally Came: The Decline of the American Steel Industry*. Pittsburgh, PA: University of Pittsburgh Press.1988.
- Hofstadter, R. "What Happened to the Antitrust Movement?" In *The Paranoid Style in American Politics and Other Essays*, edited by R. Hofstadter, 188-232. Harvard, MA.: Harvard University Press. 1964.
- Horwitz, Morton J. *The transformation of American law, 1870-1960: The crisis of legal orthodoxy*. Cambridge, MA: Harvard University Press.1994.
- Houck, Stephen D. "Antitrust Enforcement in High Tech Industries." *Cornell Journal of Law and Public Policy*, vol. 9 (1999).
- Hounsell, David. *From the American System to Mass Production: 1800-1932*. Baltimore, MD.: John Hopkins University Press.1984.
- Hovenkamp, Herbert. *Enterprise and American law, 1836-1937*. Cambridge, MA.: Harvard University Press.1991.
- . *The Neal Report and the Crisis in Antitrust*. Iowa City, IA.: University of Iowa Legal Studies Research Paper 09-09.2009.
- Interrante, Jake, and Bob Cusack. "Wall Street executives turn back on Obama, start donating to Romney." The Hill. 22 August, http://thehill.com/homenews/campaign/177675-wall-street-execs-turn-back-on-obama-give-to-romney?wpisrc=nl_fix. 2011.<Accessed 9 October 2011>.
- Jacoby, Neil H. "Splitting Apart Big Oil." *New York Times*, 18 June 1976.
- Jorgenson, Dale H., Mun S. Ho, and Kevin J. Stiroh. *A retrospective look at the US productivity growth resurgence*. New York, NY: Federal Reserve Bank of New York.2003.
- Kalman, Laura. *The strange career of legal liberalism*. New Haven, CT: Yale University Press.1998.
- Kefauver, Estes. "Needed Changes in Legislation." *The American Economic Review*, vol. 38, no. 2 (1948).
- Keller, M. "Trade Policy in Historical Perspective." In *Taking Stock: American Government in the Twentieth Century*, edited by M. Keller and R. S. Melnick, 15-34. New York: Cambridge University Press. 1999.
- Kelly, Paul. "Knowledge is not enough." *The Australian*, 23 June 2001.
- Kempton, Murray. "Blue Collar Blues." *New York Review of Books*, February 8 1973.
- Klausen, J. "Did World War II End the New Deal?" In *The New Deal and the Triumph of Liberalism*, edited by S. Milkis and J. Mileuer, 193-230. Amerst, MA.: University of Massachusetts Press. 2002.
- Klein, Erza. "The Senate Democrats' disappointing final act." *Washington Post*, 27 September 2010.
- Kleppner, Paul. *The Cross of Culture: A Social Analysis of Midwestern Politics, 1850-1900*. New York, NY: Free Press.1970.



- Kolko, Gabriel. *Railroads and regulation: 1877-1916*. New York, NY: Norton.1970.
- . *The triumph of conservatism: A Reinterpretation of American History, 1900-1916*. New York, NY: Free Press.1963.
- Kovaleff, T. "The Carter Antitrust Policy in Perspective." In *The Presidency and Domestic Policies of Jimmy Carter*, edited by H. D. Rosenbaum, 627-48. Westport, CI: Greenwood Press. 1994.
- Krier, Dan. *Speculative management: stock market power and corporate change*. New York, NY: State University of New York Press.2005.
- Krippner, Greta. "The financialization of the American economy." *Socio-Economic Review*, vol. 3, no. 2 (2005).
- Krock, Arthur. "Sham and Real Platform Planks Against Monopoly." *New York Times*, 8 July 1936.
- Krugman, Paul R. "1938 in 2010." *New York Times*, 5 September 2010.
- . "How Did Economists Get It So Wrong? ." *New York Times*, 2 September 2009.
- . *Pop internationalism*. Cambridge, MA: The MIT Press.1997.
- . "The Rentier Regime." *New York Times*, 6 June 2011.
- . *The return of depression economics and the crisis of 2008*. New York, NY: WW Norton & Co Inc.2009.
- . "Review of John Kenneth Galbraith's *The Good Society: The Humane Agenda*." <http://www.pkarchive.org/cranks/GalbraithGoodSociety.html>. <Accessed 16 August 2011 >. 1996.
- . "The Wal-Mart Decade." *New York Times*, 28 January 2011.
- . "What Obama Wants." *New York Times*, 17 July 2011.
- Kwoka, John, and Lawrence White. "Horizontal Structure: The Economic and Legal Context." In *The Antitrust Revolution: Economics, Competition and Policy*, edited by J. Kowka and L. White, 8-29. New York: Oxford University Press. 2009.
- "La Follette's Platform." *New York Times*, 6 July 1924.
- Lakatos, I. "Falsification and the Methodology of Scientific Research Programs." In *Criticism and the Growth of Knowledge*, edited by I. Lakatos and A. Musgrave, 91-196. Cambridge: Cambridge University Press. 1970.
- Lamoreaux, Naomi R. "Martin Sklar's *The Corporate Reconstruction of American Capitalism: An Economic Historian's Perspective*." *Business and Economic History*, vol. 21 (1992).
- Lamoreaux, Naomi R. *The great merger movement in American business, 1895-1904*. Cambridge Cambridge University Press.1985.
- Lamoreaux, Naomi R., Daniel M.G Raff, and Peter Temin. "Beyond Markets and Hierarchies: Toward a New Synthesis of American Business History." *American Historical Review*, vol. 108 (2003).
- Langlois, Richard N. "The vanishing hand: the changing dynamics of industrial capitalism." *Industrial and Corporate Change*, vol. 12, no. 2 (2003).
- Laski, Harold J. *The State in Theory and Practice*. London: George Allen & Unwin.1935.
- Leip, David. "Atlas of U.S. Presidential Elections." <http://uselectionatlas.org>. <Accessed 4 March 2011 >. 2011.
- Leontief, Wassily. "For a National Economic Planning Board." *New York Times*, 14 March 1974.
- Lester, Richard K. *The Productive Edge: A New Strategy for Economic Growth*. New York, NY: Norton.1998.
- Lester, RK. *The Productive Edge: A New Strategy for Economic Growth*. New York: WW Norton.1998.
- Levi, Margaret. *Of rule and revenue*. Berkeley, CA.: University of California Press.1989.
- Lindblom, CE. *Politics and Markets: the world's political economic systems*: Basic Books, New York, NY.1977.
- Link, Arthur S. *Woodrow Wilson and the progressive era, 1910-1917*. New York: Harper & Row.1982.
- Litan, Robert E, and Carl Shapiro. *Antitrust policy during the Clinton administration*. Berkeley, CA: Competition Policy Center, Institute of Business and Economic Research, University of California, Berkeley.2001.
- Lowi, Theodore. "The public philosophy: interest-group liberalism." *The American Political Science Review*, vol. 61, no. 1 (1967).
- Lustig, Richard. *Corporate liberalism: The origins of modern American political theory, 1890-1920*. Berkely, CA.: University of California Press.1982.
- Lynch, Lisa M. *The adoption and diffusion of organizational innovation: Evidence for the US economy*, Institute for the Study of Labor. Bonn: Institute for the Study of Labor.2007.
- Mann, M. *The sources of social power: A history of power from the beginning to AD 1760*. Vol. 1. Cambridge: Cambridge University Press.1986.

- Mannheim, Karl. *Ideology and Utopia: An Introduction to the Sociology of Knowledge*. London: Routledge.1936.
- Marglin, Stephen A. "What do bosses do? Part I." *Review of Radical Political Economics*, vol. 6, no. 2 (1974).
- Marx, Karl. *Capital: a critique of political economy*. Vol. 1. Harmondsworth: Penguin.1976.
- . *A Contribution to the Critique of Political Economy*. New York, NY: International.1970.
- Matusow, AJ. *The Unraveling of America: A history of liberalism in the 1960s*: Athens, GA., University of Georgia Press, 1989.1986.
- "May Amend Sherman Law." *New York Times*, 16 May 1911.
- McCartin, Joseph A. *Labor's great war: the struggle for industrial democracy and the origins of modern American labor relations, 1912-1921*. Chapel Hill, NC: The University of North Carolina Press.1997.
- McCarty, N., K. Poole, and H. Rosenthal. "Polarized America." http://voteview.com/Polarized_America.htm. <Accessed >. 2010.
- McCraw, Thomas. *Prophets of Regulation: Charles Franices Adams, Louis D. Brandeis, James M. Landis, Alfred E. Kahn*. Cambridge, MA: Harvard University Press.1984.
- McKenzie, Richard B. *Trust on Trial: How the Microsoft Case is Reframing the Rules of Competition*. Cambridge, MA.: Perseus Publishing.2000.
- McQuaid, Kim. "Corporate liberalism in the American business community, 1920-1940." *Business History Review*, vol. 52, no. 3 (1978).
- Meyerson, Harold. "Wall Street Democrats vs. Main Street Democrats." *The American Prospect*, http://www.prospect.org/cs/articles?article=wall_street_democrats_vs_main_street_democrats. 2007.<Accessed 14 May 2010>.
- Milkis, S. "Franklin D. Roosevelt, the Economic Constitutional Order, and the New Politics of Presidential Leadership." In *The New Deal and the Triumph of Liberalism*, edited by S. Milkis and J. Mileur, 31-72. Amherst, MA.: University of Massachusetts Press. 2002.
- Miller, Claire Cain. "Google Grows, and Works to Retain Nimble Minds." *New York Times*, 28 November 2010.
- Miller, Lloyd. "Lessons in longevity, from I.B.M." *New York Times*, 18 June 2011.
- Mills, C. Wright. *The power elite*. New York: Oxford University Press.1959.
- Mink, Gwendolyn. *Old labor and new immigrants in American political development: union, party, and state, 1875-1920*. New York, NY: Cornell University Press.1990.
- Montgomery, Lori, and Brady Dennis. "New Democratic strategy for creating jobs focuses on a boost in manufacturing." *Washington Post*, 4 August 2010.
- Mowry, G. *Theodore Roosevelt and the Progressive Movement*: The University of Wisconsin Press.1946.
- Mueller, Dennis C. *Public choice III*. Cambridge: Cambridge University Press.2003.
- Noble, David F. *America by design: Science, technology, and the rise of corporate capitalism*. New York: Oxford University Press.1979.
- Nordhaus, William. *Retrospective on the Postwar Productivity Slowdown*. Edited by Yale University Cowles Foundation. New Haven, CT.: Cowles Foundation, Yale University.2004.
- North, Douglass C. *Structure and change in economic history*. 1st ed. New York: Norton.1981.
- Northern Securities Company v. United States*, 197 United States Reports 193 (1904).
- Norton, RD. "Industrial policy and American renewal." *Journal of Economic Literature*, vol. 24, no. 1 (1986).
- Novick, Peter. *That noble dream: The 'objectivity question' and the American historical profession*. Cambridge: Cambridge University Press.1988.
- Orren, Karen. "The Laws of Industrial Organization, 1870-1920." In *The Cambridge History of Law in America, vol. 2, The Long Nineteenth-Century (1789-1920)*, edited by Michael Grossberg and Christopher Tomlins, 531-67. Cambridge Cambridge University Press. 2008.
- Orszag, Peter. "As Kaldor's Facts Fall, Occupy Wall Street Rises." <http://www.bloomberg.com/news/2011-10-19/kaldor-s-facts-fall-occupy-wall-street-rises-commentary-by-peter-orszag.html>. <Accessed 7 November 2011 >. 2011.
- Palmer, Donald, Brad M. Barber, Xueguang Zhou, and Yasemin Soysal. "The friendly and predatory acquisition of large US corporations in the 1960s: The other contested terrain." *American Sociological Review*, vol. 60, no. 4 (1995).
- Perelman, Michael. "Constant Capital and the Crisis in Contemporary Capitalism: Echoes from the Late Nineteenth Century." <http://michaelperelman.files.wordpress.com/2010/03/constan.pdf>. <Accessed 7 July 2010 >. 2010.
- Perlman, Selig. *A Theory of the Labor Movement*. Philadelphia, PA.: Porcupine Press.1979.



- Pisano, Gary P., and Willy C. Shih. "Restoring American Competitiveness." *Harvard Business Review*, vol. 87 (2009).
- Pitofsky, R. "Antitrust at the Turn of the Twenty-first Century: A View from the Middle." *St John's Law Review*, vol. 76 (2002).
- "Platform is Ready for the Convention." *New York Times*, 28 June 1912.
- Plotke, David. *Building a Democratic Political Order: Reshaping American Liberalism in the 1930s and 1940s*. Cambridge: Cambridge University Press. 1996.
- Populist Party. "Platform of the Populist Party." <http://teachingamericanhistory.org/library/index.asp?document=963>. <Accessed 17 July 2010 >. 1892.
- Posner, Richard A. *Antitrust law*. Chicago, IL: University of Chicago Press. 2001.
- . *Overcoming law*. Cambridge, MA: Harvard University Press. 1995.
- Poulantzas, Nicos. *Political power and social classes*. London: New Left Books. 1978.
- Prasad, Monica. *The politics of free markets: the rise of neoliberal economic policies in Britain, France, Germany, and the United States*. Chicago, IL: University of Chicago Press. 2006.
- Prechel, Harvey N. *Big business and the state: Historical transitions and corporate transformation, 1880s-1990s*. New York, NY: State University of New York Press. 2000.
- Prechel, Harvey N., and John Boies. "Capital Dependence, Business Political Behavior, and Change to the Multilayered Subsidiary Form." *Social Problems*, vol. 49, no. 3 (2002).
- Progressive Party. "Declaration of Principles of the Progressive Party." http://www.pbs.org/wgbh/amex/presidents/26_t_roosevelt/psources/ps_tprogress.htm. <Accessed 3 March 2010 >. 1912.
- Radosh, Ronald. 2009. "America's Socialist Future: Martin J. Sklar vs. John B. Judis." *Ron Radosh*. <http://pajamasmedia.com/ronradosh/2009/06/03/americas-socialist-future-martin-j-sklar-vs-john-b-judis/>. <Accessed 17 May 2010>.
- Reich, Robert. "Entrepreneurship reconsidered: the team as hero." *Harvard Business Review*, vol., no. May-June (1987).
- . "Why the U.S. needs an industrial policy." *Harvard Business Review*, vol., no. January-February 1982 (1982).
- Republican Party. "Platform." <http://projects.vassar.edu/1896/gopplatform.html>. <Accessed 7 May 2010 >. 1896.
- Reutter, Mark. *Making steel: Sparrows Point and the rise and ruin of American industrial might*. Chicago, IL: University of Illinois Press. 2004.
- Riggs, Douglas. "Consumer Goods." *New York Times*, 23 February 1986.
- Ritter, Gretchen. *Goldbugs and Greenbacks: the antimonopoly tradition and the politics of finance in America*. New York, NY: Cambridge University Press. 1999.
- Robinson, Ronald. "Non-European foundations of European Imperialism: sketch for a theory of collaboration." In *Studies in the theory of imperialism*, edited by Robert Owen and Bob Sutcliffe. London: Longman. 1972.
- Roe, Mark J. "How capitalist is America?" *Project Syndicate*. 27 June, <http://www.project-syndicate.org/commentary/roe4/English>. 2011. <Accessed 28 June 2011 >.
- . *Strong managers, weak owners: the political roots of American corporate finance*. Princeton, NJ: Princeton University Press. 1996.
- Rohatyn, Felix. "Public-Private Partnerships to Stave Off Disaster." *Harvard Business Review*, vol. 57, no. 6 (1979).
- Roosevelt, Franklin D. "Recommendations relative to the strengthening and enforcement of the anti-trust laws." *American Economic Review*, vol. 32, no. 2, part 2 (1942).
- Roosevelt, Theodore. *The new nationalism*. New York: The Outlook Company. 1910.
- . "The Strenuous Life." <http://teachingamericanhistory.org/library/index.asp?document=608>. <Accessed 7 March 2010 >. 1899.
- Rostow, Walter W. *The stages of economic growth: A non-communist manifesto*. Cambridge: Cambridge University Press. 1990.
- Rothbard, Murray N. "The Hoover Myth [1966]." In *For a New America: Essays in History and Politics from Studies on the Left, 1959-1967*, edited by James Weinstein and David W. Eakins. New York, NY: Vintage Books. 1970.
- Rubinfield, Daniel. "Maintenance of Monopoly: U.S. v. Microsoft (2001)." In *The Antitrust Revolution: Economics, Competition and Policy*, edited by John Kwoka and Lawrence White, 530-57. New York: Oxford University Press. 2009.

- Sachs, Jeffrey. "Budgetary Deceit and America's Decline." *Huffington Post*, http://www.huffingtonpost.com/jeffrey-sachs/budgetary-deceit-and-amer_b_907684.html. 2011. <Accessed 24 July 2011>.
- Sandel, Michael J. *Democracy's Discontent: America in Search of a Public Philosophy*. Harvard University Press. 1996.
- Sanders, Elizabeth. "Antitrust and American Democracy." *The Long Term View*, vol. 5, no. 4 (2003).
- . *Roots of reform: farmers, workers, and the American state, 1877-1917*. Chicago, IL: University Of Chicago Press. 1999.
- Sarasohn, David. "The Election of 1916: Realigning the Rockies." *Western Historical Quarterly*, vol. 11, no. 3 (1980).
- Satterthwaite, Ann. *Going shopping: Consumer choices and community consequences*. New Haven, MA.: Yale University Press. 2001.
- Schlesinger, Arthur M. *The Politics of Upheaval*. Boston, MA.: Houghton Mifflin. 1960.
- . *The Vital Center: The Politics of Freedom*. 2 ed. London: Andre Deutsch. 1970.
- Schmalensee, Richard. "Thoughts on the Chicago Legacy in U. S. Antitrust." In *How the Chicago School Overshot the Mark: The Effect of Conservative Economic Analysis on U.S. Antitrust*, edited by Richard Pitofsky, 11-12. Oxford: Oxford University Press. 2008.
- Schoenberg, Shira. "Romney sharpens attacks on Obama in N.H." *Boston.com*, <http://www.boston.com/Boston/politicalintelligence/2011/08/romney-sharpens-attacks-obama/nUJQLy5BOWBvJ8xpvkeKI/index.html>. 2011. <Accessed 9 October 2011>.
- Schumpeter, Joseph A. *Capitalism, socialism, and democracy*. 5th ed. London: Allen and Unwin. 1976.
- Seltzer, Alan L. "Woodrow Wilson as 'Corporate-Liberal': Toward a Reconsideration of Left Revisionist Historiography." *The Western Political Quarterly*, vol. 30, no. 2 (1977).
- Shergold, Peter R. *Working-Class Life: the 'American standard' in comparative perspective, 1899-1913*. Pittsburgh, PA.: University of Pittsburgh Press. 1982.
- Skitol, Robert A. "The Shifting Sands of Antitrust Policy: Where It Has Been, Where It Is Now, Where It Will Be in Its Third Century." *Cornell Journal of Law and Public Policy*, vol. 9, no. 1 (1999).
- Sklar, Martin J. "Capitalism and Socialism in the Emergence of Modern America: The Formative Era, 1890s-1916, part 1." <http://h-net.msu.edu/cgi-bin/logbrowse.pl?trx=vx&list=h-shgape&month=9712&week=c&msg=TZvkJCjCvWHTO8QMB%2bEWA&user=&pw=>. <Accessed 4 March 2010 >. 1993.
- . "Capitalism and Socialism in the Emergence of Modern America: The Formative Era, 1890s-1916, part 2 " <http://h-net.msu.edu/cgi-bin/logbrowse.pl?trx=vx&list=h-shgape&month=9712&week=d&sg=58f8wL31xKelpYk7M045Bg&user=&pw=>. <Accessed 4 March 2010 >. 1993.
- . *The Corporate Reconstruction of American Capitalism, 1890-1916: The Market, the Law, and Politics*. Cambridge: Cambridge University Press. 1988.
- . "Periodization and historiography: The United States considered as a developing country." In *The United States as a Developing Country: Studies in U.S. History in the Progressive Era and the 1920s*, edited by Martin J Sklar. Cambridge University Press: Cambridge. 1992.
- . "Some political and cultural consequences of the disaccumulation of capital: origins of postindustrial development in the 1920s." In *The United States as a developing country: Studies in U.S. History in the Progressive Era and the 1920s*, edited by Martin J. Sklar. Cambridge: Cambridge University Press. 1992.
- . "Thoughts on Capitalism and Socialism: Utopian and Realistic." *The Journal of the Gilded Age and Progressive Era*, vol. 2, no. 4 (2003).
- . "Woodrow Wilson and the developmental imperatives of modern U. S. liberalism." In *The United States as a Developing Country: Studies in U.S. History in the Progressive Era and the 1920s*, edited by Martin J Sklar. Cambridge: Cambridge University Press. 1992.
- Skocpol, Theda. *Protecting soldiers and mothers: the political origins of social policy in the United States*. Cambridge, MA.: Harvard University Press. 1995.
- Skowronek, Stephen. *Building a new American state: The expansion of national administrative capacities, 1877-1920*. Cambridge: Cambridge University Press. 1982.
- Smith, Adam. *An inquiry into the nature and causes of the wealth of nations* Oxford: Clarendon Press. 1976.
- Smith, George. D. *From Monopoly to Competition: The Transformations of Alcoa, 1888-1986*. Cambridge: Cambridge University Press. 2003.
- Smith, Mark A. *American business and political power: public opinion, elections, and democracy*. Chicago, IL: University of Chicago Press. 2000.
- Sorkin, Andrew Ross. "On Obama, Wall St. Shows a Reluctance to Commit." *New York Times*, 27 June 2011.
- Standard Oil Co. of New Jersey v. United States*, 221 United States Supreme Court Reports 1 (1911).



- Stein, Herbert. *Presidential Economics: The Making of Economic Policy from Roosevelt to Clinton*. Washington, DC: American Enterprise Institute.1994.
- Stein, Judith. *Running steel, running America: Race, economic policy and the decline of liberalism*. Chapel Hill, NC: The University of North Carolina Press.1998.
- Stigler, George J. "The economists and the problem of monopoly." *The American Economic Review*, vol. 72, no. 2 (1982).
- Stiglitz, Joseph H. *The Roaring Nineties: Why We're Paying the Price for the Greediest Decade in History*. London: Penguin.2004.
- Swain, Nigel. *Hungary: the rise and fall of feasible socialism*. London: Verso Books.1992.
- Symonds, Matthew, and Larry Ellison. *Softwar: an intimate portrait of Larry Ellison and Oracle*. New York, NY: Simon and Schuster.2004.
- Teixeria, Ray, and John Haplin. *The Progressive Tradition in American Politics*. Washington, DC.: Center for American Progress.2010.
- Thurow, Lester C. *Head to head: The coming economic battle among Japan, Europe, and America*. Sydney: Allen & Unwin.1993.
- . *The Zero-Sum Society: Distribution and the Possibilities for Economic Change*. Harmondsworth: Penguin.1981.
- United States v. Aluminium Co. of America*, 148 F. 2d 416 (1945).
- United States v. American Tobacco*, 221 United States Supreme Court Reports 106 (1911).
- United States v. Trans-Missouri Freight Association*, 166 290 (1897).
- Uslander, Eric M. "The Democratic Party and Free Trade: An Old Romance Restored." *Law and Business Review of the Americas*, vol. 6 (2000).
- Veblen, Thorstein. *The theory of business enterprise*. New York, NY.: Charles Scriber.1904.
- "The Verdict of the Nation." *New York Times*, 4 November 1914.
- Vietor, Richard. H. K. "Contrived competition: Airline regulation and deregulation, 1925-1988." *The Business History Review*, vol. 64, no. 1 (1990).
- Vogel, David. *Fluctuating Fortunes: The Political Power of Business in America*. New York, NY: Basic Books.1989.
- . "The Triumph of Liberal Trade: American Trade Policy in the Postwar Period." In *Taking Stock: American Government in the Twentieth Century*, edited by Morton Keller and R. Shep Melnick. New York, NY: Cambridge University Press. 1999.
- Webber, Michael. *New Deal fat cats: business, labor, and campaign finance in the 1936 presidential election*. New York, NY.: Fordham University Press.2000.
- Weinstein, James. *The corporate ideal in the liberal state, 1900-1918*. Boston, MA: Beacon Press.1968.
- . *The Decline of American Socialism, 1912-1925*. New York: Monthly Review Press.1967.
- Weir, Margaret. *Politics and jobs: The boundaries of employment policy in the United States*. Princeton, NJ.: Princeton University Press.1993.
- Welke, Barbara. *Recasting American liberty: gender, race, law, and the railroad revolution, 1865-1920*. New York: Cambridge University Press.2001.
- Westen, Drew. "What Happened to Obama?" *New York Times*, 6 August 2011.
- White, Lawrence J. "Trends in Aggregate Concentration in the United States." *The Journal of Economic Perspectives*, vol. 16, no. 4 (2002).
- Whoriskey, Peter. "With executive pay, rich pull away from rest of America." *Washington Post*, 18 June 2011.
- Whyte, W. *The Organization Man*. Harmondsworth, Middlesex: Penguin.1960.
- Wilentz, Sean. "20 Years Later: How Bill Clinton Saved Liberalism From Itself." *The New Republic*, <http://www.tnr.com/article/politics/95615/clinton-twenty-years-later>. 2011.<Accessed 1 October 2011>.
- Williams, Lynn. "Reinventing Labor." *Harvard Business Review*, vol., no. July-August (1993).
- Williams, William A. *The Contours of American History*. London: Jonathan Cape.1961.
- Williamson, James. *Federal antitrust policy during the Kennedy-Johnson years*. New York, NY: Greenwood Publishing 1995.
- Williamson, Oliver E. *The economic institutions of capitalism: firms, markets, relational contracting*. New York, NY.: Free Press.1987.
- "Wilson the Issue in Many States." *New York Times*, 1 November 1914.
- Wilson, Woodrow. *The new freedom: a call for the emancipation of the generous energies of a people*. New York, NY: Doubleday, Page & Company.1913.

- . "On Labor." <http://historymatters.gmu.edu/d/5723>. <Accessed 3 May 2010 >. 1912.
- Wood, Ellen M. *The origin of capitalism: a longer view*. London: Verso 2002.
- Wright, Erik O. *Class, Crisis and the State*. London: New Left Books. 1978.
- Yglesias, Matthew. 2010. "Business Executives Are Conservative." *yglesias.thinkprogress*. <http://yglesias.thinkprogress.org/2010/08/business-executives-are-conservative>. <Accessed 7 August 2010>.
- Zappone, Christian. "Wall Street betting on Democratic Congress." CNN, http://money.cnn.com/2006/10/31/news/political_donations/index.htm. <Accessed 21 October 2009 >. 2006.
- Zorn, Dirk M. "Here a chief, there a chief: the rise of the CFO in the American firm." *American Sociological Review*, vol. 69, no. 3 (2004).

