

wrote of that understanding, “by using as one’s master key a general historico-philosophical theory, the supreme virtue of which consists in being supra-historical.”¹ This is not to undermine the role of a series of universal contradictions which structure much of our local activity:² here we enter into the second problem, the issue of banality.

Theory is plagued by the twin problems of evolutionary thought and dichotomous categories. Dynamic social relations are relegated to the margins of academic theory.³ For that reason, theorists can produce texts whose relation to concrete categories are distant. We need to produce theory which emerges out of the contradictory realm of concrete categories. For that reason, we need to take seriously the forms of social consciousness and produce philosophy from them. The categories of philosophy and of theory fail to produce a theory which is adequate to its concrete objects. Any attempt to produce such a theory appears banal because it fails to reproduce the slogans of academic practice. Chandavarkar’s book argues that industrial capital in India relies upon extra-economic coercion because of a nexus of reasons, such as the high price of capital, the abundance of labor, the ability to forge a system of labor procurement which allowed society to bear the costs for the reproduction of the labor force. The limitations of Indian capital, in other words, are not an incomplete modernization, but the strategies of capital-in-general itself. Far from being a manifesto for the intensification of capitalism to solve the problems of the Bombay cotton textile industry, *The Origins* argues for a thorough reconstruction of production and of the social sphere; without such a reconstruction, the brutal structuring processes of colonial capital will continue unabated.

Vijay Prashad

GORDON, COLIN. *New deals. Business, labor, and politics in America, 1920–1935.* Cambridge University Press, Cambridge [etc.] 1994. xii, 329 pp. £40.00; \$59.95. (Paper: £15.95; \$17.95.)

The unraveling since the 1970s of the mechanisms initiated by the New Deal for linking political and economic life has inspired historians to reassess the origins and nature of Franklin Roosevelt’s government itself. The most influential writers of the immediate postwar decades had depicted the New Deal as the establishment through the federal government of instrumentalities to counteract the previously dominant power of industry and high finance, which had been momentarily humbled by economic collapse, and to strengthen capitalist democracy by the pursuit of social justice. Among the first revisionist critiques was that associated with the concept “corporate liberalism”, which identified leaders of the business world itself as the key architects of New Deal reforms and stressed the continuities between the policies of the Roosevelt administration and those of its predecessors. That interpretation of twentieth-century history

¹ Marx/Engels, *Selected Correspondence* (Moscow, 1975).

² Martin Nicolaus, “The Universal Contradiction”, *New Left Review*, 59 (1970).

³ Philip Corrigan, “Feudal Relics or Capitalist Monuments? Notes on the Sociology of Unfree Labour”, *Sociology*, 11 (1977).

clearly left its mark on Colin Gordon, who studied at the University of Wisconsin and now teaches at the University of British Columbia.

Gordon's approach differs significantly from that of the "corporate liberalism" school, however, because he does not assign a guiding role to far-sighted business executives, who placed the stabilization of the capitalist system above the pursuit of immediate economic interests. On the contrary, Gordon returns to an older intellectual legacy of the Midwest, most prominently associated with Mary and Charles Beard, and argues: "it is usually a good idea to exhaust material motives before falling back on 'softer' explanations" (p. 8). The pursuit of economic self-interest, he contends, has outweighed all other motives in shaping modern American politics, including any appeals to class solidarity that may have been addressed to either employers or workers.

The political order within which American businessmen have pursued their rational self-interest, however, has been intrinsically dominated since its foundation by those who are successful in business, but has also fragmented the exercise of state power through a federal system of government. Moreover, although the capacity of business executives to shape economic and political life appears in this book as virtually irresistible, the very measures which they have designed and instituted have chronically *failed* to accomplish the goals which the industrialists had in mind. Gordon's volume might have been subtitled "the futility of omnipotence".

His interpretation of the New Deal, therefore, has a majestic simplicity, which is embellished by prodigious research into the records of business leaders and organizations, a broad view of the national economy, and a direct and lively style of writing. It is essentially this: between the two world wars all sectors of American industry suffered from excess capacity. During the 1920s dominant companies in each sector sought to restrain price competition by trade associations, but their inability to police their competitors effectively (not to mention their propensity to flout their own rules for immediate advantage) prompted business leaders to turn with virtual unanimity to the federal government for regulatory authority in response to the Great Depression. Although the National Industrial Recovery Act of 1933 (NRA) granted trade associations immunity from anti-trust laws and the capacity to enforce rules, that effort also fell foul of the self-interest that had inspired it. The complexities and contradictions of administering NRA codes of industrial practice rapidly generated conflict within industry and mounting opposition from the very people who had initially favored the act.

The breakdown of the NRA experiment, Gordon continues, led businessmen to turn to the enforcement of uniform labor standards as the most promising surrogate for governmental regulation of price and trade practices. Drawing on decades of experience in such industries of coal, clothing, and construction with "regulatory unionism", business leaders envisaged industrial unionism as "the best of the available options" (p. 220) and actively participated in shaping the National Labor Relations Act (Wagner Act) and the Social Security Act of 1935. But the new laws failed to produce the regulation of prices and of entry into industries that their sponsors had wanted, as compensation for the restraints on managerial authority industrial unions brought. Business quickly became disenchanting with the "The Employers' Frankenstein" (p. 214).

The explanation of the Wagner Act and its consequences is the least persuasive part of Gordon's book. Although his exposition of the dominant power of

business in American political life and of the inescapable contradictions inherent in industry's own efforts at self-regulation is compelling, the presentation of industrial unionism exclusively in terms of the needs and ideas of manufacturers flies in the face of the dogged resistance of prominent corporations to unionization of their own employees and to the enforcement of the Wagner Act. Moreover, it expands an analysis which Stanley Vittoz had developed for three sick industries of the 1920s (*New Deal Labor Policy and the American Industrial Economy*) into a more dubious depiction of *all* industries, while ignoring the influential domains of finance and retailing altogether. Readers may find a more satisfactory account of the emergence of a new group of policy-makers and of their links to the business world in Steven Fraser, *Labor Will Rule: Sidney Hillman and the Rise of American Labor*.

Federal labor agencies, and even more the friendly state and municipal officials who created a more favorable political climate for workers' organizations, set out to transform industrial life, not simply through new administrative mechanisms, but also by empowering workers to act collectively on their own behalf. "Although arguments from the business community shaped federal legislation," Gordon writes in a less strident formulation, "they scarcely constituted support for the Wagner act" (p. 218). That leaves unanswered the question: just who did support it?

To understand the origins of the New Deal future historians will need to take careful account of both the dominant role of business in national life and Senator Connally's observation: "Businessmen do nothing but bellyache" (p. 286). Nevertheless, periods of significant political transformation cannot be explained solely by the short-term pursuit of economic gain by members of one social class.

David Montgomery

HORNE, GERALD. *Black Liberation/ Red Scare. Ben Davis and the Communist Party*. University of Delaware Press, Newark (NJ) 1994. 455 pp. £42.50.

JOHANNINGSMEIER, EDWARD P. *Forging American Communism. The Life of William Z. Foster*. Princeton University Press, Princeton 1994. xiv, 433 pp. Ill. \$29.95; £25.00.

Just as the First World War opened the twentieth century, the events of 1989–1990 with the collapse of the socialist camp and the communist movement outside of it may represent its finale. In this somewhat shortened century one of the essential threads was the communist attempt to overthrow and replace capitalism or at least limit its most brutalizing aspects. The failure of this movement, however, does not negate its role as a historical protagonist which at times did strongly influence the course of events.

In comparison with many other communist parties, that of the United States was far more marginal. Eradicated as a political force by the end of the 1950s – the events of 1956 coming before the general anticommunist offensive of the Cold War had terminated – its development did, however, foreshadow what would happen in general to the entire movement. In this sense the history of the CPUSA may take on a greater significance than at first seems apparent.