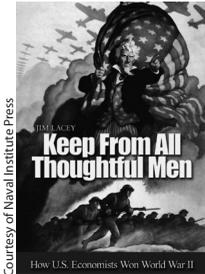


appears daunting, the careful construction of chapters keep the reader moving. Meticulously researched, this work relies heavily upon secondary sources and *The Papers of George Washington* project sponsored by the University of Virginia. Chernow does a marvelous job of depicting George Washington as a man struggling to rise to the occasion, and succeeding.



Keep From All Thoughtful Men: How U.S. Economists Won World War II

by Jim Lacey

Reviewed by Michael J. Fratantuono, Associate Professor, Department of International Studies and Department of International Business & Management, Dickinson College

Annapolis, MD:
Naval Institute
Press, 2011

304 pages

\$34.95

Over the past two decades, economic forces have contributed to changing structure and rising interdependence within the global system. As a result, national leaders and security analysts now factor economics into their strategic thinking. Despite that contemporary mindset, Professor Jim Lacey—a one-time US infantry officer and now consultant, analyst, and Ph.D. historian—believes that the majority of his colleagues and nearly all of the general public neither understand nor appreciate the leading role that professional economists played during the years 1941 to 1944. He attributes that blind spot to shortcomings in previous scholarly work. His goal is to set the record straight.

Professor Lacey's central premise is that a small group of economists were able to demonstrate in authoritative terms that the strategic plans formulated during 1942 by political leaders and military officers were not economically feasible. As a result of their analysis, leaders decided to postpone a full-scale invasion of Europe from 1943 to June of 1944. If the economists had not been persuasive and the United States and her allies had moved ahead in 1943, soldiers, sailors, and airmen would not have had the material assets needed to achieve a decisive outcome. An earlier invasion of Europe would have certainly prolonged World War II which, in turn, would have necessitated much higher costs in terms of both blood and treasure; more speculatively, it may have even led to a different ultimate outcome.

Professor Lacey highlights two innovations in the field of economics that were important to the war effort. First was the revolution in the conduct of monetary policy that proved to be essential in financing the war. That is, the policymakers at the Federal Reserve, the central bank of the United States, became adept at influencing the actions of commercial bankers for the purposes of indirectly controlling the US money supply. They did so by using the tools that are now commonplace, such as altering required reserve ratios and discount rates and engaging in open-market operations. Those actions helped maintain high levels of liquidity in the banking system. That meant that private

sector firms could borrow the funds they needed for investing in new plants and equipment at relatively low rates of interest. The key implications of those policies are first, that in contrast to the experiences of other countries in other wars, the US mobilization was financed as much by money creation as it was by government borrowing. Second, that in light of that first fact, mobilization occurred in a growing economy rather than in an economy of fixed magnitude.

The second innovation was the creation of the so-called National Income and Product Accounts, which provide to this day the conceptual framework for measuring economic activity on a national level. The framework, which was developed by Simon Kuznets (an accomplishment which earned him the 1971 Nobel Prize in Economics), enabled the team of economists responsible for ramping industrial activity toward military ends—a team which also included Robert Nathan and Stacey May—to make plausible estimates of economic magnitudes; to assess the feasibility of the “wish-list” and “must-need” items identified by military strategists; and to make recommendations about the allocation of scarce resources to competing channels and the sequencing of production activities.

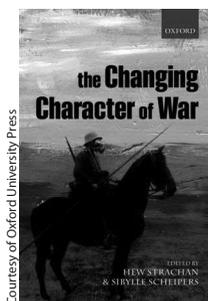
Professor Lacey describes the efforts of the three protagonists—who worked in the Planning Division of the Office of Production Management during the war years—to detail the economic logic for the war effort in an environment characterized first by newly emerging government agencies that at the outset often worked at cross-purposes, and second by powerful and combative bureaucrats and military officers who frequently had their own agendas.

Professor Lacey references that context when he finally reveals the inspiration for the rather unusual title of his book. He describes the reaction of General Brehon Sumervell (who as head of the US Army Service of Supply reported directly to Chief of Staff General George C. Marshall) to reports written by Kuznets that called for scaling back expectations and delivery schedules in order to ensure smooth delivery of munitions, and for creating a “super-organization” within the federal government that could coordinate military strategy and economic production. After reading the report, Sumervell wrote to division-head Nathan: “To me this is an inchoate mass of words. . . . I am not impressed with either the character or basis of the judgments expressed in the reports and recommend they be carefully hidden from the eyes of thoughtful men.”

In part prelude to and in part by-product of making the case for the economists, the author acknowledges at the outset that he must debunk four myths shared by many historians. First, contrary to popular belief, a document authored by Lieutenant General Albert Wedemeyer in 1941 did not provide the foundation for the US strategic planning effort. Second, it was not British intransigence at the Casablanca Conference in January of 1943 that led General George C. Marshall to change his thinking about a possible allied invasion of Europe in 1943; instead, it was the estimates made by the economists. Third, the nearly impossible production goals that President Roosevelt articulated in early 1942 did not serve either a useful or inspirational purpose; if they had not been harnessed by the logic of the economists, the US economy would have

enormously suffered. Fourth, although American households had to forego purchases of durable goods such as automobiles and appliances, they did not experience undue hardship or an overall decline in consumption; instead, household consumption levels rose along with the overall economy.

Professor Lacey successfully develops his arguments in painstaking and methodical fashion, as reflected in the fact that the book includes nearly 120 pages of appendixes, notes, and bibliographic references. For that he deserves strong compliments. Nonetheless, the book is essentially a retrospective work of narrative history. Since it is not informed by any overarching theoretical framework from fields that might be relevant, such as leadership or organizational theory, the book does not explicitly offer any forward-looking lessons learned or generalizations. Furthermore, with respect to style, the narrative is densely packed with details and is not an easy read. For those reasons, while the book will find favor among those who have a strong interest in military history or in rethinking the role of economics and logistics in warfare, it will not be popular with a wide audience.



Oxford: Oxford University Press, 2011

564pages

\$110.00

The Changing Character of War

edited by Hew Strachan and Sibylle Scheipers

Reviewed by John Nagl, President of the Center for a New American Security

In the aftermath of al Qaeda's attacks on the United States in September 2001, the British Leverhulme Trust awarded Oxford University a grant for a five-year study to examine what it called "The Changing Character of War." The result is this ambitious edited volume, consisting of twenty-seven essays along with an introduction and conclusion that attempt to tie them together into a coherent whole—a remarkably difficult task, given their widely varying subjects.

The leader of this effort is the exquisitely qualified Hew Strachan, Chichele Professor of the History of War at Oxford's All Souls College and noted historian of the First World War. Assisted by Sibylle Schiepers, who teaches at St. Andrews, he has assembled many of the United Kingdom's best thinkers on war and international relations, along with several Americans and a scattering of authors from around the world. The focus was to understand what appeared to be, at least on this side of the Atlantic, a revolution in the character of warfare in which nonstate actors were suddenly able to challenge the most powerful state in the world.

The historians who wrote most of the essays are unsurprisingly skeptical about the magnitude of the apparent change—a skepticism which appears more firmly grounded the more the September 11th attacks recede into history. They find more continuity than change in the relationship between the state and war as best explained by Carl von Clausewitz. Napoleon harnessed the power of