provided the title for the book. T. K. Jones, deputy under secretary of defense, told Scheer that the United States could recover fully from an all-out nuclear war in just two to four years. According to Jones, survival is simply a matter of building primitive shelters: "Dig a hole, cover it with a couple of doors and then throw three feet of dirt on top." This approach is meant to be reassuring, and inexpensive as well, because "if there are enough shovels to go around, everybody's going to make it."

But a nuclear explosion is not the same thing as a shell going off down the road, nor can shovels protect the population from an all-out exchange. Whether or not Chipman, Jones, and the other nuclear war-fighters entirely believe what they are saying, their words and actions pose an additional danger to an already imperiled world.

BIG BUSINESS AND PRESIDENTIAL POWER: FROM FDR TO REAGAN
by Kim McQuaid
(William Morrow & Co.; 326 pp.; $17.00)

William Ragen

This is a comprehensive, well-told tale of the political education of America's large corporations during the past half-century. McQuaid, a historian and the author of *Creating the Welfare State* as well as of many articles on business-government relations, recounts how leaders of big business came to terms with the rise in power of the Federal government and developed the political skills to use that power to advantage. He deals primarily with economic policy; and because the direction of economic policy has come mainly from the executive branch since 1932, it is this branch that is central to the discussion.

McQuaid focuses his investigations on the efforts of the Business Council, founded in 1933 by such "forward thinking" big business leaders as Henry Harriman (a utility executive and president of the U.S. Chamber of Commerce) and Gerard Swope (president of GE). The crisis of the Depression had convinced these corporate leaders that laissez-faire policies would lead not to economic recovery but to political upheaval and that something had to be done by the Federal government, Adam Smith notwithstanding. The question was how best to direct government policy.

The Business Council, a little-known but extremely influential appendage to the Federal government, was "surely one of the more unusual efforts ever made to associate the nation's corporate elite with the federal government. Traditional American concepts of governmental structure, in fact, had very little relevance when applied to this organization." The Council, made up still today of about sixty chief executive officers (CEOs) drawn from the largest firms in the country, was born as a quasi-public advisory agency that nonetheless had a great deal of autonomy. It was officially an agency of the Commerce Department, had its offices in the Commerce Department, and presented confidential reports to executive branch policy-makers; yet the Council paid for its own staff, operated behind a veil of secrecy, and picked its own members and agenda.

Although certainly more influential than the average special-interest group, the Council did not have much success in implementing its program during the reform phase of the Roosevelt administration. For one thing, not all business leaders were ready for such compromises as Federal control over labor arrangements. The often truculent and obstructionist views of virtually all of the business community, both large and small, left it politically isolated and impotent. Yet members of the Business Council were more likely to adopt pragmatic positions than were members of broader-based groups such as the Chamber of Commerce or the National Association of Manufacturers.

New to the ways of Washington, CEOs tried to apply the model of well-defined corporate hierarchies to the Federal government. But hierarchies are of little relevance to the political world, with its balances of power and overlapping jurisdictions. This was especially true during the Roosevelt administration, given FDR's fondness for maintaining a degree of creative confusion.

Big business did learn, however. A seemingly responsible and practical "yes, but" approach proved far more effective than a reactionary, ideological "no, never." Realizing that unions and the National Labor Relations Act of 1935 were permanent forces and not temporary aberrations, the Business Council was able to influence passage of the Taft-Hartley Act of 1947, a severe political setback for labor. Mobilization for the war gave business a second chance at participating in economic planning; the results were very lucrative defense-contracting procedures and tax breaks.

The Business Council was not always forward-thinking. During the Eisenhower administration, big business was unable to accept even a conservative Keynesianism, hence little was done to combat the recession of 1957-58. The results were large losses for the Republican party—and for business—in the 1958 and 1960 elections. So dissatisfied was the Business Council with the Kennedy administration and with attempts by Commerce Secretary Luther Hodges to limit its independence, that it disaffiliated itself from the government and lost some of its access and influence.

Nonetheless, the Business Council and the related Business Roundtable (formed during the Nixon administration) have continued to influence government decisions by adapting to changing political realities. The original Reagan supply-side program emphasized cuts in personal income taxes, but big business was able to lobby for cuts in its own taxes, especially taxes on large, capital-intensive firms.

McQuaid leaves many questions unanswered. If the Council played a game of *Realpolitik*, opting for power and influence over ideological purity, groups representing small and medium-sized firms took a more doctrinaire approach that precluded compromise and made victory politically impossible. Yet McQuaid never discusses why there should have been such a divergence. Nor does he make clear why Kennedy, in pushing his economic program, sought out big business as an ally and not, e.g., labor. This fine political history is thus marred by a lack of political and economic analysis.

Nonetheless, McQuaid's detailed investigation does much to clarify economic decisions and gives a very useful perspective on current policy debates in the Reagan administration. WV

SAUDI ARABIA: RUSH TO DEVELOPMENT
by Ragaei El Mallakh
(Johns Hopkins University Press; 472 pp.; $32.50)

Phillip J. Heyl

Before the exploitation of oil in Saudi Arabia, the primary source of foreign revenue was tourism—specifically, pilgrimages to the holy cities of Mecca and Medina—and the mainstay of the Saudi economy was the rather basic exchanges between nomadic herders and the more sedentary villages. Since the first of the oil price increases generated by the Organization of Petroleum Exporting Countries (OPEC) in 1973, the kingdom has become an economic giant. Each time the price of a barrel of oil increased by a dollar, the Saudi annual income increased by over $3 billion. In 1979