Volker R. Berghahn’s new book examines the ‘special relationships’ between the United States and both Britain and Germany in the twentieth century by studying business relations between the three countries. It is no surprise that the relationship between the USA and Britain is called ‘special’ — time and again, politicians from both sides of the Atlantic have emphasized the particularity of the Anglo-American relationship, especially during the two world wars. To speak of a German-American ‘special relationship’, on the other hand, might seem more unusual. By drawing on the statements and speeches of American politicians, businessmen, and journalists, however, Berghahn can show that many American businessmen regarded the German economy as much more dynamic and efficient than the British. According to Berghahn, American enterprises largely conducted business with Britain only during the First World War and then after 1933. After 1918 and again after 1945, German-American business relations were pursued seamlessly, regardless of the deep estrangement during the wartime years, whereas American entrepreneurs’ interest in doing business with their British counterparts abated as soon as the German market was accessible again. Berghahn concludes that the ‘shifts in the balance of German-American “special relations” ran countercyclically to the shifts in Anglo-American business relations’ (p. 10). He therefore regards the American-British-German triangle as an interconnected whole, and not as two separate bilateral relations.

Looking at such transatlantic interconnections between 1900 and 1957 (the book’s title is misleading as the study covers only the first half of the twentieth century), Berghahn concludes that, all in all, the economic relationship between the USA and Germany was a much more remarkable ‘special relationship’ than the Anglo-American one. The backlash from the two world wars notwithstanding, trade and foreign investment between Germany and the USA continued to grow, whereas economic relations between Britain and the USA declined in the long run. Why was this the case? And why did American businessmen consider Germany a much more interesting
market? In general, Americans perceived the British economy as stagnating and, especially after the First World War, as paralysed by labour disputes. Germany, on the other hand, was considered a much more dynamic business location. This is why even after 1945, the calamities of Nazi rule and the Second World War notwithstanding, American entrepreneurs were keen to revive earlier business connections, a process that Berghahn sees as a ‘survival of traditions and institutions that dated back to the late nineteenth century’ (p. 363). In his eyes, the German economy’s revival after 1945 was a consequence of the fact that German enterprises were able to adopt American business principles. Other factors were that the German economy was characterized by an emphasis on high-quality services and products, efficient vocational training, and cooperative industrial relations, all of which gave it a competitive edge over the British economy.

The book is organized into six thematic chapters. The first examines the expectations of the European–American business nexus expressed in newspapers at the turn of the twentieth century. All observers were convinced that the emergence of the USA as a major industrial power would, sooner or later, challenge the predominance of European economies in global markets. Because of their economic performance in the decades before 1914, however, the Germans also had high hopes of being counted among the leading industrialized countries of the twentieth century. The second chapter describes how economic methods were exchanged across the Atlantic. German engineers and entrepreneurs regularly visited industrial centres on the American East Coast to study Taylorism and Fordism. American visitors to Europe, in turn, returned puzzled and disillusioned by what they had seen in Britain, where many industrialists with their Oxbridge classics education had little understanding of the problems of modern production and marketing. The Americans, by contrast, were impressed by German businessmen and the German system of education and training, both of skilled workers and managers and scientists involved in research and development in engineering firms.

As chapter three points out, American relations with Britain became more ‘special’ again with the outbreak of the First World War, until the two sides became formal allies with America’s entry into the war. This relation quickly deteriorated after 1918, however, not least
because American business elites were determined to undermine the City of London’s primacy as the financial hub of the world in favour of Wall Street. In chapter four, Berghahn describes how American businessmen began to look towards Weimar Germany again after the mid 1920s. With its political system stabilizing, German industry once more seemed a more promising prospect for economic engagement than the rather undynamic British economy. The bursting of the speculative bubble in 1929 and the following Great Depression, however, affected Germany more deeply than Britain, leading to political radicalization and, finally, the Nazi seizure of power in 1933.

Chapter five describes the dilemma many American firms found themselves in when dealing with Germany after 1933. Whereas many withdrew their investments from Germany, companies that had production facilities in the country found it more difficult to cut ties. Some American businesses in Germany, such as IBM and General Motors, became involved in efforts to prevent the outbreak of war, or, once the fighting had begun, supported an armistice as late as 1941. Although Britain and the USA became allies again after the outbreak of the Second World War, their relations were far from harmonious. Since Britain was largely bankrupt by autumn 1940, it could no longer pay for American deliveries of food and weapons and thus became more dependent on American loans, as chapter six points out. The consequences of this increasing economic imbalance were felt especially after the end of the war. When the two countries differed on the issue of maintaining British imperial rule during the Suez Crisis in 1956, President Eisenhower threatened to trigger the collapse of the British currency, which forced the British to withdraw from Egypt.

On the whole, Berghahn provides interesting insights into the thinking of businessmen and politicians on both sides of the Atlantic and convincingly relates their economic concerns to geopolitical deliberations. One downside of the book, however, is the lack of a proper bibliography. The references are merely cited in the endnotes which forces readers to comb through the annotations of each and every chapter to find out what sources and literature the author used. It would be very welcome if renowned academic publishers such as Princeton University Press could spare their readers this bother. This is probably the result of cost-cutting, but it considerably impedes the use of their publications.
Although Berghahn describes an aspect of transatlantic economic cooperation that is often underestimated, he is not the first to compare the productivity of German and American businesses, and point to the greater efficiency of American firms. Nearly a quarter of a century ago, Alfred D. Chandler argued that American and German enterprises embodied two—albeit different—varieties of managerial capitalism. Britain, he argued, remained ensnared in inefficient personal capitalism, and was incapable of developing similar organizational structures to its German and American competitors, which is why the global market share of British firms eroded after the late nineteenth century. Berghahn does not consider Chandler’s study which, although many of its comparative findings have been seriously challenged over the last two decades, is still a cornerstone of today’s business history. By largely neglecting it, Berghahn misses a chance to achieve one of the aims of his study, namely, to ‘persuade social and cultural historians to reintegrate the elements of business cultures and political economy in their research and teaching’ on the one hand, and ‘to convince economic historians not to look exclusively toward quantitative macroeconomics and mathematical modelling, but toward their colleagues in traditional departments of history’ on the other (p. 364).

This approach is highly topical and Anglo-American historians might learn a great deal from their counterparts in Germany, where an intense debate has been conducted on how to integrate cultural history approaches into business and economic history. More than a decade ago, the volume *Wirtschaftsgeschichte als Kulturgeschichte* set the standard for this endeavour,¹ and a recently published volume, *Auf der Suche nach der Ökonomie*,² aimed to further advance the debate. It is a pity that Berghahn as a specialist in German history neither mentions this debate among German-speaking historians, nor cites the relevant research literature, as this might have been helpful information for Anglophone scholars.

One of the outcomes of this controversy is that social and cultural historians benefit from the results obtained by economic and busi-

¹ Hartmut Berghoff and Jakob Vogel (eds.), *Wirtschaftsgeschichte als Kulturgeschichte: Dimensionen eines Perspektivenwechsels* (Frankfurt am Main, 2004).
ness historians, not least because this allows them to sharpen their arguments. It would therefore have been interesting to see how Berghahn could have reconciled the contemporary opinion which is the basis of his book with the quantitative analysis of Mira Wilkins’s *Maturing of Multinational Enterprise* (1974), or her 2004 study *History of Foreign Investment in the United States*. Wilkins’s data shows that throughout the twentieth century, US multinationals favoured Britain over Germany for their overseas investments, and that British investment in the USA consistently exceeded German investment.

But it seems that an analytical approach of this sort is not the primary aim of Berghahn’s impressive overview of how businessmen from both side of the Atlantic assessed each other in the first half of the twentieth century, even though he repeatedly argues for the necessity of bridge-building between economic history on the one hand and political and cultural history on the other. Rather, he is interested in making a novel contribution to the scholarly debate on Americanization and the notion that the twentieth century can be construed as the American century. In 1902, the British journalist William T. Stead published *The Americanisation of the World*. This book attracted a good deal of attention at the time and has also influenced recent historiographical attempts to describe how European societies were shaped by the American way of life, which was seen as a role model or a threat to European values respectively. Fewer scholars, however, have turned the telescope of historical investigation around and examined the attitudes of American elites towards Europe, which is the focus of Berghahn’s study.

Berghahn also mentions repeatedly that his study of transatlantic history could, or perhaps should, be extended to a global history. He justifies this claim by pointing out that both German and American foreign policy was influenced by Japan’s rise to become a global player after the turn of the twentieth century. Such an approach would ultimately transcend the North Atlantic area, which still provides the framework for many business histories, and take into account global

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historical studies such as Kristin L. Hoganson’s study *Consumers’ Imperium*, and Sebastian Conrad’s notion of the ‘globalization of the nation-state’. One possible research trajectory would be to examine the extent to which Western businessmen assessed their operations on a global level and compared business opportunities in Europe with those in Latin American or Asian markets after 1900. Berghahn does not elaborate on this idea in any depth. But it is not the least merit of his book that he opens up such research perspectives beyond the beaten path of both conventional business history and American history.