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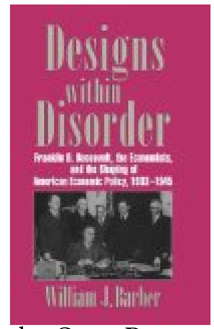
William J. Barber. *Designs within Disorder: Franklin D. Roosevelt, the Economists, and the Shaping of American Economic Policy, 1933-1945 (Historical Perspectives on Modern Economics).* Cambridge: Cambridge University Press, 1996. ix + 178 pp. $80.00 (cloth), ISBN 978-0-521-56078-8.



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Published on EH.Net (July, 1997)

Designs Within Disorder is William Barber's sequel to his earlier work on economic thinking in the 1920s, entitled *From New Era to New Deal: Herbert Hoover, the Economists, and American Economic Policy, 1921-1933* (New York, 1985). Similar to his earlier study, *Designs Within Disorder* concentrates on what economists were saying during the New Deal, how Franklin D. Roosevelt listened to and responded to their suggestions, and the ultimate impact these economic thinkers had on long-term federal economic policy. In the case of Franklin Roosevelt, Barber believes that professional economists had a president who was willing to listen to them and who was a "consumer" of what they had to offer. Although not a great economic thinker, Roosevelt himself, in Barber's opinion, was "an uncompromising champion of consumer sovereignty" (p. 1). He provided those with more learning and understanding of economic matters an opportunity to develop their ideas. Roosevelt's Washington, in short, was a "laboratory affording economists an opportunity to make hands-on contact with the world of events" (p. 2). After much experimentation, the end result was an "Americanized version of Keynesian macroeconomics" which became part and parcel of governmental policy by the end of the 1930s. In this sense, the Roosevelt years were "a watershed in economic policy and in economic thinking" (p. 3).

To make his case, Barber details how economists affected Franklin Roosevelt throughout his years in office. Beginning with the 1932 campaign, Barber argues that Roosevelt's Brain Trust would not have received the endorsement of the American Economic Association. What Adolf Berle, Rexford Tugwell, and Raymond Moley had in common besides "geographical proximity" was their commitment to using the federal government to address the economic crisis caused by the Great Depression. Providing rather traditional and highly questionable critiques of what Berle and Tugwell, particularly, were saying. Barber makes it clear that these individuals were anti-Brandesians in their approach and thinking. Perhaps more significantly, the author spends a considerable amount of time examining what the Cornell group (George Warren and F.A. Pearson) were calling for in regards to inflationary policies and what Irving Fisher wanted to accomplish with his theories of reflation. Fisher, in fact, not only did not approve of the Brains Trust and their recommendations but he also was quite happy with Roosevelt's bombshell message to the London Economic Conference. Instead, as Barber details, Fisher called for a managed currency, breaking away from the gold standard, and implementation of the Thomas amendment to the Agricultural Adjustment Act. As for Franklin Roosevelt in the midst of these divergent economic theories, Barber believes that the president showed "antipathy towards the respectable economic thinking throughout 1933" and supported structural interventions in industry and agriculture and in his monetary experimentation.

Barber next turns his attention to the ideas of individuals like Leon Henderson (National Recovery Administration), Leverett Lyon, Isador Lubin (Commissioner of Labor Statistics), and Gardiner Means. His analysis of the National Recovery Administration and Agricultural Adjustment Administration is fairly traditional and his conclusion that Roosevelt wanted to find a way to sustain governmental interventionism in the economy with judicial approval is far from original in theory or conception. The author does much better in explaining the differences between the theoretical ideas of John M. Keynes and Irving Fisher, although their impact on Roosevelt is lost in the argument itself. Barber feels that the president was and remained "a fiscal conservative at heart" anyway (p. 88). Barber argues that with the recession of 1937-1938 the debate between the structuralists (a la Berle/Tugwell) and the monetarists (a la Fisher and the Cornell Group) re-appeared. Despite Fisher's strong case for 100 percent reserves, Roosevelt was more concerned with adding an income orientation to macro-economic policy with fiscal activism as a key ingredient (p. 115).

Finally, in his last chapters, Barber takes his argument through the later 1930s, World War II, and the immediate post-war era. Seeing Harry Hopkins' appointment as Secretary of Commerce as a turning point towards official acceptance of Keynesianism, Barber details how Hopkins brought in young academics sympathetic to this approach, how the president barely tolerated Thurman Arnold and his anti-trust movement, and how people like John K. Galbraith in the Office of Price Administration helped to mobilize America's wartime economy. In the end, however, individuals like Galbraith left the New Deal. In fact, Barber concluded that the Full Employment Act was more of a victory for the opponents of the Keynesian approach than one would have suspected. Still, Keynesianism took hold after 1945 only after it had infiltrated the universities (p. 171).

How does one assess *Designs Within Disorder*? On the positive side, Barber has provided a very interesting perspective on the importance of economic ideas and their champions/proponents at a critical moment in American history. His coverage of the period, 1929-1947, is also very thorough. He shows clearly how some economists perceived the *General Theory* of Keynes and what reaction it received within and outside of the New Deal. And, most importantly, Barber provides a very detailed and lucid exposition of Irving Fisher's ideas.

Yet, just as there are strong points in the study, there are some serious shortcomings. Barber's use of primary sources is limited at best. He tends to take too many ideas and quotes out of secondary works, some of which are rather dated. He also has a tendency to reiterate traditional interpretations almost without question. This is particularly true in his characterization of New Dealers such as Rexford Tugwell. However, the more serious problems deal with the individuals on whom he concentrates. Barber spends almost all of his time on individuals who were either on the outside of the New Deal looking in or who were on the inside of the New Deal but not very influential. The best example here is Irving Fisher. While the author's analysis of Fisher is quite good, the fact remains that Fisher never had a role or position within the New Deal nor did any New Dealer in a position of authority even listen to him. Barber, moreover, fails to recognize the changing political environment within the New Deal itself. He never even mentions individuals like Ben Cohen or Thomas Corcoran and the impact they had on the president, especially in the way they filtered people and ideas that they wanted Roosevelt to meet or hear about. Finally, Barber credits Roosevelt with so much in terms of providing economists with an opportunity to influence policy, but the president himself is seldom even mentioned, no less analyzed in terms of his own thinking on what these economists were telling him and his close advisors. Somehow, Roosevelt is lost amidst the intellectual environment that Barber has created.

Nevertheless, although these shortcomings are serious, they do not negate the overall contributions that *Designs Within Disorder* makes. William Barber has written an interesting work on the importance of economic thinking during the Great Depression years. In so doing, his efforts remain worthwhile.

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Citation: Michael V. Namorato. Review of Barber, William J., *Designs within Disorder: Franklin D. Roosevelt, the Economists, and the Shaping of American Economic Policy, 1933-1945 (Historical Perspectives on Modern Economics).* EH.Net, H-Net Reviews. July, 1997.

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