



Managing the American Economy: From Roosevelt to Reagan.

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Managing the American Economy: From Roosevelt to Reagan. By Nicolas Spulber. Bloomington: Indiana University Press, 1989. Pp. xv, 172. \$25.00

What 20 years ago was the meat and fish of economics is now economic history. The debate over economic policy and economic theory begun in response to the Great Depression—from the Keynesian revolution and the monetarist counterrevolution to the institutionalist guerrilla war and the new classical coup d'état—has lost its edge. The adversarial faiths that animated debates over theory and policy no longer attract true believers in large numbers, and so it becomes possible to write not a monetarist or antimonetarist history of economic theory and policy since 1929 (as in the contributions to Robert J. Gordon, ed., *Milton Friedman's Monetary Framework* [Chicago, 1973]), but simply a history.

Nicolas Spulber has tried his hand at such a balanced theory. He begins with the collapse of pre-Keynesian business cycle theory during the Great Depression. Pre-Keynesian theory had been divided on the causes of depressions. Some attributed depressions to the recognition that past monetary policy had been overinflationary. Others saw depressions as consequences of the recognition, which must happen every so often in an expanding economy with an uncertain future, that some branch of capital accumulation had been pushed too far and that both capital in place and further investments would not yield satisfactory profits. In either case productive resources had to be shifted out of those capital-intensive and capital-producing industries now seen as unproductive, and in the process of shifting resources frictions arose that led to transitory unemployment and idle machines. But the key doctrine was that once a depression had started it had to be seen through; attempts to avoid unemployment by boosting demand and slowing down the transfer of resources would only leave the economy with even more of the types of capital that the market had already judged unproductive and unworthwhile (see Douglass V. Brown, et al., *Economics of the Recovery Program* [New York, 1934]).

Such theories could not be taken seriously in the shadow of the Great Depression. With few exceptions, economists deserted to the institutionalist camp, which attributed the Depression to the failure of the market system to operate in the presence of large-scale production and monopolized industries, or to the Keynesian camp, which rallied to the principle of "effective demand"—itself not so much a theory as a promise to construct a theory that would support the policies of pump-priming, deficit spending, cheap money, and abandonment of the gold standard that appeared to have been effective against the Depression.

Spulber's book then turns to tracking the development of the Keynesian tendency: the cautious, business cycle-damping Keynesianism of the 1950s; the bold, gap-closing, growth-augmenting Keynesianism of the 1960s; the failure of incomes policies in the 1970s to enable governments to deliver full employment, price stability, and rapid economic growth; and the re-emergence in the 1980s of "sophisticated" Keynesianism as the mainstream, but at the price of losing its "consistency . . . elegance, and above all . . . [its] inner confidence."

Spulber's book is not the book I would have written on the topic. It pays too much attention to those who continued to claim that the private economy was naturally stable and self-adjusting and who failed to meditate appropriately on how the Great Depression could have happened even though Hoover's policies closely matched those they would have recommended. It makes light of the slowdown of U.S. productivity growth in the 1970s and the tremendous increase in inequality in the 1980s: pre-tax full-time earnings of a male high school graduate age 25 to 34 fell from \$26,400 1987 dollars in 1973 to \$22,200 1987 dollars in 1986. And its neglect of the international dimension is unfortunate given that the major economic policy problems of the 1970s and 1980s—the reappearance of prolonged high unemployment in Europe and the Latin American debt

crisis—have arisen outside the United States. Nevertheless I will certainly assign it next year for my “Twentieth-Century Economic History” course; it fills a large gap in the body of recent economic history that I try to teach.

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Sports and Freedom: The Rise of Big-Time College Athletics. By Ronald A. Smith. New York: Oxford University Press, 1988. Pp. xiv, 290. \$29.95.

Sports and Freedom is the first publication of the Oxford University Press series in Sports and History. Ronald A. Smith has done extensive work in contemporary periodicals and college archives to trace the developments in college athletics from the first intercollegiate contest, a crew race between Harvard and Yale in 1852, to the initial meeting of the National Collegiate Athletic Association (NCAA), founded (with some aid from President Theodore Roosevelt) “after a national controversy erupted over brutality and questionable ethics in football” in 1905. The story is well told and documented (with over 50 pages of footnotes), containing interesting discussions of the developments in the four major team sports of the period—crew, baseball, football, and track and field, the changing conceptions of the nature of college athletics over time, and the difficulties in controlling athletics within each university as well as among competing universities. Given their initial importance, most attention is given to developments at Harvard, Yale, and others of what would become the Ivy League schools, where many of these issues were initially discussed, disputed, and worked through, even if seldom satisfactorily resolved.

Smith describes the transition from the British (Oxford and Cambridge) origins of U.S. college sports, with the concept of the amateur gentleman as participant, to the controversies arising in the United States with the emergence of a more competitive attitude toward winning and a willingness to take advantage of initially unregulated conditions. Many issues that remain at the center of NCAA debate today were the focus of earlier attention, including rules concerning eligibility, transfer constraints, regulations concerning recruitment of new players, the nature of academic standards, and the impact of commercialism. While some progress in agreement on a few of these issues has been made over the past century, it is striking how long is the history of nonresolution for a number of present-day concerns. Smith attributes the continuation of earlier problems and proposed resolutions to the fact that much in twentieth-century college sports can be regarded as “a ritualized cloning of Harvard and Yale,” those schools which did the most to give “form to intercollegiate athletics” in the nineteenth century. Smith also presents some very interesting material regarding the causes of the persistent difficulties in regulating college athletics and details a number of the key debates within individual colleges, as well as bilaterally between competing schools and in the more formal cartel-like arrangements of the NCAA. Smith describes the emergence of various restrictions on athletics and the disputes among interested parties, from initial student control to the ensuing chaotic attempts at regulation by faculty, and then conflicts among college presidents, trustees, and professional coaches and athletic directors. Given these conflicts, plus the expected disagreements among colleges, it is perhaps not surprising that the outcomes have been, and remain, ones generating dissatisfaction among many participants and observers. Smith’s discussions will also be of interest to scholars interested in analyzing the emergence of the collusive behavior necessary to establish acceptable intercollegiate competition.

Sports and Freedom presents much new information on a generally understudied aspect of late nineteenth-century American life, and Smith places the changing pattern of college sports into a broadened context. Readers will learn much about the evolution of major sports as well as about the role of sports in educational life. The material will