

BORDER CROSSINGS

BY

RICHARD ADELSTEIN

I first met Bill Barber in 1975, when I came to interview for a position in economics at Wesleyan University, where Bill had taught for almost twenty years. I'd shown some interest in interdisciplinary work, so my hosts made sure my tour included the College of Social Studies, an unusually intensive undergraduate program that combined three years of close study in economics, government, history, and philosophy with a relentless regime of weekly essays and tutorial meetings. Bill had his office there, across the campus from the other economists, and taught half his courses in the college, which he'd helped to found. It was, my skeptical hosts cordially informed me, modeled on the way philosophy, politics, and economics were taught together at Oxford, and had little to do with "real" economics, the kind they did, with its high theory and, even then, its commitment to econometrics. As I soon learned, the college was the brain-child of a group of tweedy Oxonians with a mission: to teach these subjects together in a way that recognized the essential unity of the social sciences and history and, in the teaching of each, drew insights and context from all the others. This wasn't how I'd been taught economics, or anything else. I knew nothing about Oxford, and next to nothing about history and philosophy. But in the two hours I spent that day at the College of Social Studies with Bill and his collaborators in the mission, all of them subjects of the same cordial skepticism in their own departments, I became one of them myself.

Bill was trained as a development economist; his first book (1961), based on his Oxford dissertation, concerned the economies of central Africa. But once he was at Wesleyan, his scholarship, like that of his collaborators, was strongly influenced by his teaching in the college and drew increasingly on the neighboring disciplines represented there. In 1968, eight years after he began teaching in the new enterprise, Bill's best-known work appeared. *A History of Economic Thought* is not a traditional history of the discipline. As such histories go, it's short, and, despite its title and the occasional nod to Carl Menger or the Physiocrats, it makes no attempt to survey the field and confines itself to the century and a half separating Adam Smith from John Maynard Keynes. It focuses chronologically on four schools of thought—classical, Marxist, neoclassical, and Keynesian—and on just seven major figures: Smith, T. Robert Malthus, David Ricardo, John Stuart Mill, Karl Marx, Alfred Marshall, and Keynes, all of them British but Marx, who lived and wrote in London. The Corn Laws and Poor

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ISSN 1053-8372 print; ISSN 1469-9656 online/19/03000319-323 © The History of Economics Society, 2019
doi:10.1017/S1053837219000166

Laws figure prominently and point to the book's real purpose, which is to show specifically how these economists tried to understand the burgeoning markets that emerged in Britain and propagated across the globe during this period, how they worked and didn't work, and how their development was linked to the political and social currents of the time. It's the perfect book for its intended use, as learned commentary on the original texts in an intensive, essay-friendly nine-week introduction to the operation of markets for first-year students in the college, who were, at the same time, being similarly introduced to the (then rather Anglocentric) history of Europe from the French Revolution to World War II and the various forms and theories of government it produced during these years. It teaches economics in a rich historical context that is always close to the surface, so as to highlight its close connections to politics and philosophy. And, as fifty years in print, in eight languages, testifies, it's very easy to learn a lot of economics by reading it.

By the time I arrived at Wesleyan, Bill's interests were turning toward the history of economics in the United States, a subject he approached with the same broad, cross-disciplinary vision and attention to historical and political context he brought to his teaching in the college. He organized a conference at Wesleyan and edited a subsequent collection of essays (1988), including five of his own, that traced the incorporation of political economy, and later economics, into the curricula of fourteen prominent American colleges and universities through the nineteenth century. Taken together, they offer more than a useful local (or provincial) history of prevailing doctrine, a clear account of the emergence of American political economy early in the nineteenth century and its turn to scientific economics at its end. They also illuminate the role played by this disciplinary ascent, and that of the broader social sciences, in the larger transformation of American higher education through the century, as practical learning and then scholarly research came to supplant the classical studies deemed appropriate for the education of colonial clergymen. And this larger picture is visibly embedded in a still broader frame, the history of the nation itself, as developments in doctrine and ideology are given context first by the sectional conflict that led to the Civil War and then by the rapid industrialization and urbanization that followed it. The effect of these nested perspectives is striking: a distinctive history of American economics is situated in the history of American higher education, and of America, in a new way, illuminating all three at once. All as Bill intended it should.

Bill grew up in Kansas during the Depression and, like everyone else who endured it, was deeply marked by the experience. Well before the conference, he'd begun research on the unprecedented prominence and impact of professional economists within the first two Roosevelt administrations, the reaction of other economists outside government to the economic and social policy they helped formulate, and the consequences of these intellectuals' proximity to power for the development of both American economics and American government. This book, *Designs within Disorder: Franklin D. Roosevelt, the Economists, and the Shaping of American Economic Policy, 1933–1945*, was not published until 1996 because, as Bill recounts in the preface, its introductory chapter, on Herbert Hoover's legacy to Roosevelt, grew into a book of its own, *From New Era to New Deal: Herbert Hoover, the Economists, and American Economic Policy, 1921–1933*, which appeared in 1985. By then, and not coincidentally, I'd become interested in much the same problem that Bill had, and eventually reached some different conclusions about Roosevelt and the New Deal (Adelstein 1991) than Bill

would in *Designs within Disorder*, not an atypical outcome in this very contested scholarly territory. But there is, I think, now a remarkable consensus among American historians around what was, in the 1970s and early '80s, a radically new portrayal of Herbert Hoover, not so much as the president who preceded Franklin Roosevelt but as Secretary of Commerce and, as one associate put it, "Undersecretary of all other Departments" in the Harding and Coolidge administrations during the 1920s. This gift of understanding is the work of two excellent historians, both intimately familiar with the American Midwest from which Hoover had come: Ellis Hawley and Bill Barber. But what they taught us all about Hoover had an especially profound effect on me, professionally and personally.

My parents, fifteen years older than Bill, were working-class immigrants in Chicago during the Depression and, like millions of others, worshipped at the church of the New Deal for the rest of their lives. When I was thirteen, in the summer of 1960, Herbert Hoover himself appeared on our small television, addressing the Republican convention. He seemed stern and sad at the same time, lamenting the decline in morality he saw around him. But my mother spat contempt at him. He'd done nothing in the Depression to help working people like her, she said, and even called out soldiers to evict the veterans who'd come to Washington to demand the small bonus they'd been promised for serving in World War I. Of course, I agreed, as did everyone we knew, and as I read and learned more about it, so, it seemed, did the bulk of scholarly opinion, in suitably refined terms. This began to change in 1974, when Hawley published an important essay on Hoover's years at Commerce. He emphasized Hoover's vision of an "associative state," a system of central economic planning that relied on private trade associations to coordinate production and demand, and delegated to organized big business the task of rationally managing a complex industrial economy toward stability by applying techniques derived from the emerging science of administration. Hoover sought to use the state to build and coordinate a huge administrative machine that could synoptically survey and manage the economy, and then turn control of the machine over to the professional managers who had succeeded the robber barons as captains of industry, trusting them to operate it in the public interest. Hawley locates the Great Engineer in the context of political development and state-building, and in this light shows him to be a modernist and innovator.

A decade later, Bill discussed some of this as well, stressing its "economic" side, Hoover's insistence that scientific management of the economy was superior to passive reliance on natural economic laws, and that the federal government's role in this was to facilitate efficiency and stability in production by gathering and distributing information among firms about production costs and expectations of demand. But Bill's real contribution was to recognize Hoover in an even more unfamiliar role, as a Keynesian before Keynes who, as early as 1922, clearly understood both the relationship among employment, income, and aggregate spending and the stabilizing potential of countercyclical investment. In response to the economic downturn of 1921, Hoover convened a conference on unemployment (itself a sign of a new approach to economic policy) that concluded that carefully timed spending on public works, three-quarters of which was done at that time by the individual states and municipalities, could smooth much of the fluctuation in business activity and employment. Remarkably, this conclusion rested on an explicit, thorough discussion (with flow charts!) in the conference report of the "multiplying effects" on income and employment that would be realized

in an economy operating below full capacity by successive rounds of consumer spending after the initial investment in public works. In this, Bill shows, Hoover's thinking was far more advanced than any of the leading American economists of the day, his intuitive macroeconomic acumen matched only by the journalists Waddill Catchings and William Foster, whom most serious economists dismissed as cranks. The most insightful American macroeconomist of the 1920s, it turns out, was not Irving Fisher or Wesley Mitchell but an obscure Pennsylvania state bureaucrat named Otto T. Mallery, the intellectual force behind the conference report and, with Hoover, a persistent, energetic proponent of its conclusions throughout the decade. In 1919, well before such ideas gained traction among university economists, Mallery had argued for countercyclical saving and investment expenditure by the states and municipalities to dampen the highs and lows of the business cycle, and described in colorful detail both the direct stimulation that spending on public works would entail and the indirect "multiplier" effects that would be felt across the economy as this added purchasing power increased demand for consumer goods (Barber 1985, pp. 13–22). Who knew?

Hoover, Bill demonstrates, also understood that mass production required mass consumption. He consistently preached the gospel of high wages to support purchasing power and urged voluntary unemployment insurance schemes on businessmen who proved only too willing to endorse such policies in the abstract but could see no alternative to slashing wages and laying off workers when the cycle turned down in 1929. Hoover knew what to do to manage a stable economy: keep purchasing power high and, during good times, save up funds to finance large-scale investment by private firms and state and local governments that could then be spent to prop up demand and wages in bad times. Fifteen years after the conference on unemployment, Keynes would come to the same conclusion, with one crucial difference. Keynes would have the national government, the only entity capable of the massive borrowing and spending that effective countercyclical policy required, manage aggregate demand, and Hoover would not. Strongly committed to the principles of limited government that the New Deal overthrew, he encouraged the proponents of the new science of administration to design a planning mechanism capable of serving the public interest and use the national government to help build it. But he left the definition of that interest, and control of the mechanism itself, in private hands. As Bill's finely wrought account shows, Hoover's attempt to reconcile the economics of the twentieth century with the politics of the nineteenth was the hallmark of his public life, and in the crisis of the Depression, its contradictions were his ruin. Far from the distant, unfeeling incompetent my mother had described, he was almost a tragic figure, a technocratic visionary brought down by his inability to embrace the kind of government his economic vision required.

At the end of the book, Bill (Barber 1985, p. 195) quotes Rexford Tugwell, writing of Hoover in the 1940s: "[T]hrough his public activity and especially throughout his Presidency, regardless of anything he said, there was steady preparation for, even progress toward, the posture assumed by events in 1933. The Hundred Days was the breaking of a dam rather than the conjuring out of nowhere of a river." Bill's book has this quality as well. Though others have drawn different conclusions from those that Bill did about what followed Hoover's departure from office, important streams of scholarship in several disciplines have flowed from his breaking of this scholarly Hoover Dam. Barber's and Hawley's composite portrait of Hoover has left a deep mark on the historiography of the interwar period in the United States, and on history's

reception of Hoover himself. Hawley's work is American political history at its best. But Barber's scholarship is political history, and economic history, and intellectual history all at once, with the whole, as in the College of Social Studies, exceeding the sum of its parts. Here, as in the later book on the Roosevelt years, and indeed in all his mature scholarship, Bill's ability to reach authoritatively across the disciplines, to draw insights and context from one to complement and enrich the analysis of the others, gives his work unusual nuance, depth, and resonance. Having learned so much from so many sources, he has something to teach almost everyone.

Bill was a big, athletic man who was hobbled for most of his life by injuries to his feet suffered during ten days in a cold, muddy trench in the Vosges in 1944, trials that seemed to enlarge and burnish his warmth and natural empathy. His capacious intellect was matched by the breadth of his spirit and the extraordinary kindness and generosity that came so easily to him and made so many love him. I am one, grateful not just for his invitation to join that conference on higher education and his support in the new scholarly paths it opened for me, but for a hundred other moments of compassion and consideration that have enriched my life as well. But I knew all of this long before I'd experienced most of it. When I arrived at Wesleyan in 1975, Bill was fifty, I was twenty-eight, and my contract was for just one year—it was the only job I'd been offered. So I had to try again the following year, this time with somewhat better luck, as I landed offers at two fine universities in addition to a regular appointment at Wesleyan. My wife and I struggled with the decision, until she asked me a question that got right to the heart of things.

“What do you want to be when you're fifty?”

I seem to have answered in an instant, “I want to be like Bill Barber,” to which she replied sensibly that the best way to do that was to stay at Wesleyan until I, too, was fifty. I did, and now I'm past seventy. But though I've never given up trying, I haven't yet met the extraordinary standard Bill Barber set, as a teacher, as a scholar, and as a person. My consolation is that there are so few others who have.

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