This is not to say that urban civilization as we now find it meets legitimate expectations, and that dispersion of industries over wider areas in smaller units is not possible and desirable. The “curse of bigness,” to which Justice Brandeis referred, has afflicted cities as it has other units of social life, including corporations, but the answer lies not in fragmentation of these larger units but rather in the invention of appropriate methods of control to make them the effective servants of man which they can become with the application of intelligence, of good will, and of planning. The attack that needs to be made is not on cities but on the unnecessary stupidities that men practice by building cities and living in them. If we were to spend half the time that we now waste in the futile task of protesting against cities, as such, in making our cities fit for men to live in, there would be some hope for the future.

Louis Wirth


The Government Printing Office is the most important and by far the most exasperating publishing house in the United States. Its lists are full of items indispensable to the study of social life. Nowadays, its books and pamphlets are well printed and well made. But the problem of tracing or keeping up with government publications has become almost unmanageable, what with totally inadequate catalogues and indices, and the Office’s amiable refusal to answer its mail. To follow government publications in any one field requires at a minimum a full-time secretary, an expert research assistant, a genius in cataloguing, and an experienced Washington lobbyist. Such facilities are unhappily beyond the reach of most academicians and of most libraries.

If the Government Printing Office were even tolerably effective in marketing its product, Dr. Lynch’s book could have been half its present size, and presumably half its present prohibitive price. For in large part it is a descriptive guide to what happened in the course of the TNEC investigation between 1938 and 1941. That extremely important and symptomatic inquest into American economic life is reported in eighty-one volumes, issued with the austere stamp of the G.P.O., and generally out of print. Dr. Lynch’s study deals exclusively with the thirty-seven volumes of Hearings, and the Committee’s Report, leaving the forty-three valuable monographs either to speak for themselves, or to wait another descriptive index.

The Temporary National Economic Committee was authorized by Congress in the wake of the “Recession” of 1937–38. That catastrophe, more severe in many ways than the drop after 1929, thoroughly bewildered the government and the public. Partly out of a natural desire to focus blame on others, partly out of its laudable interest in finding out what was wrong, the Administration proposed, and the Congress adopted, the unusual constitutional procedure of an investigation by a joint committee representing both Houses of Congress and the executive departments. The structure

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† Prof. Theodore J. Kreps, the TNEC’s Director of Research, points out that the conception of the investigation existed before the Recession of 1937. 36 Am. Econ. Rev. 938, 941–42 (1946). But surely it was public concern with the apparent endlessness, and the recurring virulence of the depression which created the momentum necessary to carry the project through Congress.
of the committee did much to eliminate the traditionally inquisitorial atmosphere of
many Congressional investigations—not an unmixed blessing, since it effectively pre-
vented any inquiry into the wisdom of government policy during the thirties, especially
the policy of the Federal Reserve Board, the Treasury, and the Congress.

The terms of reference of the committee were:

"(a) To make a full and complete study and investigation with respect to the matters re-
ferred to in the President's message of April 29, 1938, on monopoly and the concentration
of economic power in and financial control over production and distribution of goods and services
and to hear and receive evidence thereon, with a view to determining, but without limitation,
(i) the causes of such concentration and control and their effect upon competition; (2) the
effect of the existing price system and the price policies of industry upon the general level of
trade, upon employment, upon long-term profits, and upon consumption; and (3) the effect of
existing tax, patent, and other Government policies upon competition, price levels, unem-
ployment, profits, and consumption; and shall investigate the subject of governmental ad-
justment of the purchasing power of the dollar so as to attain 1926 commodity price levels; and

(b) To make recommendation to Congress with respect to legislation upon the foregoing
subjects, including the improvement of antitrust policy and procedure and the establishment
of national standards for corporations engaged in commerce among the States and with
foreign nations."2

The background of the resolution was President Roosevelt's monopoly message of
April 29, 1938, which by implication viewed the economic crisis as the consequence in
large part of monopolistic industrial organization.3 The resolution itself, however, was
broad and comprehensive, and gave the committee full freedom to study all aspects of
the economy.

The committee never really undertook to measure the increase, if any, in the degree
of concentration of economic power, nor the effect of such concentration on efficiency,
employment, or the size of the national income. It did investigate a number of scattered
economic questions related to the problems of achieving more competition and more
regular employment in a democratic and capitalist society. Some of its research, both
by way of the examination of witnesses, and the subsidy of monographs prepared by
outside scholars, is of very high quality; a good deal is mediocre; and some, downright
poor. The Final Report of the committee is feeble, and many important topics were
untouched, or dealt with lightly, in the course of the investigation and the monographs.
Nonetheless, the TNEC was worth what it cost, for students at least, if not immediate-
ly for government policy.

However, the statutory purpose of the investigation was to provide guidance for
legislation and for administration. In this purpose, the TNEC was a failure. Its failure
was not primarily an accident of personnel. Almost any persons who could have been
chosen to direct the research would have made equivalent errors. The failure of TNEC
was an intellectual failure, repeated in different forms at every level of our society. It
mirrors the failure of the New Deal to solve the problem of unemployment, and reflects
our general confusion and ignorance as a community on the vital issue of how a modern
economy can be effectively directed. The blame for the failure of TNEC must be
shared by all those who in our society have assumed responsibility for the development
and transmission of ideas about economic policy. There were American economists

2 Pub. R. 113, 75th Cong. 3d Sess. (1938). One of a good many minor shortcomings of Dr.
Lynch's book is that he fails to give the text of this Resolution. One might mention also per-
sistent misspelling of Professor Chamberlin's name, and like sins.

3 S. Doc. 173, 75th Cong. 3d Sess. (1938).
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who might have done a better job. But they had not succeeded in persuading an enlightened and well-meaning government that they were right.

The TNEC's Hearings touch on many topics. In several cases scandals were uncovered, leading to litigation of considerable importance. The glass container monopoly; the investment policy of the insurance companies; the so-called gap between savings and investment; oil; steel; the movies and beryllium—these were some of the issues of the investigation, presented helter-skelter and without plan. No coherent conception of the problem as a whole ever emerges. One has the impression that deep and unresolved disagreements as to the causes of booms and slumps plagued the staff and the committee throughout their work, and did much to make the TNEC documents an undigested mass, not the panels of a great design.

Dr. Lynch presents a workmanlike and reasonably critical account of the entire episode. He gives the substance and the upshot of much of the testimony, in broad terms, and describes the politics and personalities of the investigation. His main criticism is that in the testimony, and especially in the Recommendations, inadequate attention was given to the problem of savings and investment, and to the forces which lead periodically to a falling off of investment, and thus of national income as a whole. Dr. Lynch, like most of the participants in this phase of the TNEC's work, suffers from an acute case of underconsumptionism. He goes only a short way into the factual intricacies of the problem, being content with the conclusion, so comforting to our liberal and humanitarian values, that a more equal distribution of income would reduce the volume of savings, and thus the chance that a lesser volume of investment expenditures could lead to depression. He doesn't consider the possibility that the factors which have periodically interrupted investment might operate equally, or even more strongly, in an economy of lower savings; or that an economy in which income was largely devoted to consumption might become one in which capital equipment was not improved or even maintained. In such an economy, however egalitarian, productivity and real wages would fall, and society would confront the bleak problems of capital shortage and capital decay which are proving so troublesome in Britain and France.

Perhaps the most significant omission in Dr. Lynch's critique of the scope and plan of the TNEC investigation is his failure to comment on the absence of any study by the TNEC of the effectiveness of the government's economic policies for coping with the depression of the thirties. This omission is doubly curious, in view of the express command of the joint resolution establishing the Committee that such questions be considered. Dr. Lynch soundly and vigorously criticizes the NRA—although the TNEC doesn't go even that far. However, neither Dr. Lynch nor the TNEC make any systematic effort to appraise the monetary and financial policies of the New Deal; the theory and especially the timing of its budget deficits; its tax policy; its international economic policy; the economic consequences of its labor policy; the contribution of its trust-busting program after the end of the NRA; or other aspects of its total impact on the course and development of economic life in the United States. We live in a society where government has decisively important economic functions. It is hard to imagine an adequate investigation of unemployment during the depression which never mentioned such factors.

The great Keynes once said that "the Economic Problem, as one may call it for

4See, e.g., Hartford-Empire Co. v. United States, 323 U.S. 386 (1945).
short, the problem of want and poverty and the economic struggle between classes and nations, is nothing but a frightful muddle, a transitory and an unnecessary muddle.” Keynes hoped and believed that “the day is not far off when the Economic Problem will take the back seat where it belongs, and that the arena of the heart and head will be occupied, or re-occupied, by our real problems—the problems of life and of human relations, of creation and behavior and religion.” He made these optimistic remarks in 1931, in the midst of a terrible depression which almost everywhere lasted until the war, and inflicted immeasurable suffering on all peoples. In one sense, Keynes’ prediction was therefore wrong. It was wrong, however, only because our intellectual leadership has almost uniformly failed in the mission which is its only social excuse: the mission of useful and realistic analysis, and of effectively popular rational guidance for policy. That failure is painfully represented in the heroic but unproductive experience of the TNEC. The men who directed the TNEC had a magnificent opportunity to appraise the working of our system of public law for the control and direction of economic life. They had the attention of the country, and might have made a real contribution towards the education of public opinion, and of public policy. We could legitimately expect them to study what went wrong in the thirties, and to point out how we could learn from the inevitable mistakes of our first experiments in the public control of the national economy. Their achievement, though respectable, does not satisfy such a standard; nor does Dr. Lynch’s.

EUGENE V. ROSTOW*

NOTE

In the article Liberal Education, the Case-System and Jurisprudence in the February issue of the REVIEW it was stated: “... there was striking unanimity in the reviews of Professor Hall [Hall, Readings in Jurisprudence] that the editing had been too severe and each reviewer had a different set of examples to cite.” Reviews appearing in Yale, Pennsylvania, and Illinois law reviews were cited in footnote. Professor Hall has written to point out that there were twenty-four reviews of his book, that only four reviewers criticized the editing and then only in part, and that in general the book received high praise from all reviewers as a contribution to the field and a pedagogical tool.

It was not the intention of the article to report exhaustively on reviews of the book but simply to cite the opinions of several reviewers as evidence that in a compilation of materials, such as Professor Hall’s, the editing job was in our opinion impossible and was bound to displease some readers. The use of “unanimity” may, therefore, have been misleading.

It was also not the intention of the article to disparage in any way the Hall Readings but rather to compliment Professor Hall in doing so well “at the impossible.”

H. K., JR.

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5 Keynes, Essays in Persuasion vii (1932).