

with the cigars to which a reporter at Donelson had erroneously declared him to be addicted), he not only failed but to a degree was disgraced. Only at the end with bankruptcy and inoperable cancer in his path did he rally for one last heroic victory before the dark closed in. Keeping himself painfully alive by an exercise of will he wrote the *Personal Memoirs* that left a fortune to his family and rehabilitated his reputation.

In this first volume to appear of the new Library of American Biography edited by Professor Oscar Handlin of Harvard, Mr. Catton proves beyond question his competence to complete the definitive biography of Grant begun by the late Lloyd Lewis. In his preface Mr. Handlin calls attention to present day parallels.

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### ECONOMICS AND INDUSTRY

ROOSE, KENNETH D. *The Economics of Recession and Revival: An Interpretation of 1937-38.* (Yale Studies in Economics, Vol. 2.) Pp. xi, 280. New Haven, Conn.: Yale University Press, 1954. Price \$4.00.

Dr. Roose has made a careful study of the short but sharp depression of 1937-38 which interrupted so alarmingly the recovery of the thirties. He uses mainly the tools of national income analysis, interpreting the movement of national income in terms of its three major components: household consumption, private investment, and government expenditure. His main conclusion is that the government and investment sectors, rather than the consumption sector, were responsible for the decline. The decline in the government contribution was associated directly with the rise in government cash receipts as a result of the introduction of social security and the consequent reduction of the cash deficit to zero. The decline in investment is associated with a decline in profits, and is further attributed to various unfavorable factors such as a rise in costs,

the hostility of government to business, the undistributed profits tax, and the trauma produced by the recent Great Depression.

There is an extensive discussion of the various theories and opinions which have been put forward concerning the episode, which points towards a certain lack of unanimity among professional opinion. The evidence which the author presents in support of his main thesis, though not conclusive, is certainly impressive, and his general point of view that depressions are not to be regarded as part of a regular cyclical phenomenon, but that each depression is in an important sense unique and must be analyzed with the tools of national income analysis, is one with which the reviewer has much sympathy.

It is in a study of this sort, however, that the weaknesses as well as the strengths of national income analysis emerge. The principal weakness seems to be the absence of any adequate over-all view of the causes of distributional shifts. In particular, the absence of any adequate explanation of the decline in profits in 1936-37 is a marked defect of the study—a defect, however, which reflects the present state of received economic theory. To attribute the fall in profits to a rise in costs, as Dr. Roose seems to do, surely merely states the problem in other words.

The style of the work betrays its origin in a Doctor of Philosophy thesis. One sometimes wonders if the main function of a doctoral committee is not to remove any trace of humor, lightness, or interest from the work. The presentation of the data is not always done in a way that makes it easy for the reader. Nevertheless, a great deal of interesting material has been collected, and one hopes that Dr. Roose's interest in this area will inspire him to continue a similar type of analysis for other depressions because the value of this type of study grows by the availability of comparisons.

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GROSS, BERTRAM, and WILFRED LUMER. *The Hard Money Crusade.* Pp. xiv, 178. Washington: Public Affairs Institute, 1954. \$2.00.