

marginalist economists, that dynamic competition is never perfect and that in reality dynamic competition is the rule rather than the exception represents the background of chapter 3. Here the analysis focuses more specifically on the causes identified by Italian economists to explain the existence of market power, particularly the emergence of big business and of oligopolistic markets.

Chapter 4 pushes the analysis in a different direction, switching the focus from the theoretical contribution by the four major Italian economists of the time to their role as applied scholars. This chapter therefore investigates how these central figures of the Italian scientific community of the time looked at the fit and the heuristic power of their theories in dealing with contemporary radical changes, such as the rise of issues related to gender, mutating features of the labor market, the spread of socialism, and World War I. Chapter 5 represents the coherent development of the previous chapters, by looking at these economists' attitudes toward the state. The chapter analyzes both their views in regard to the state as a concept and their active role as policymakers. What emerges, contrary to some stereotypes surrounding these figures, is a rather multi-faceted view of the state, of its roles, and of the duties of the elites governing the state itself. Finally, the concluding section summarizes the main message(s) of the volume, wrapping up the very diverse and articulated set of ideas discussed in the book.

Overall this reviewer's assessment of this book is positive. Despite the apparent narrow focus on a limited number of economists and, at the other extreme, the very wide nature of the topic under study, the book manages to provide a coherent analysis, touching upon a number of relevant aspects. Also, it spans the history of economic thought, economics, and economic history, being therefore of potential interest to a wide audience, both Italian and international.

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Money, Power, and the People: The American Struggle to Make Banking Democratic. *By Christopher W. Shaw.* Chicago: University of Chicago Press, 2019. 400 pp. Notes, index. Cloth, \$30.00. ISBN: 978-0-226-63633-7.

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Reviewed by Judge Glock

This book is shaped in the classic mold of progressive historiography. On the one side are benighted bankers and plutocrats grinding the faces of

the poor; on the other, righteous farmers and workers railing against injustice. Ultimately, “the people” triumph by writing necessary reforms into the books of law, but these laws blunt the demand for more radical change. Such a description could apply to hundreds of books that emerged in the mid-twentieth century about the Progressive movement and the New Deal, and it fits this contemporary one as well.

Christopher Shaw’s almost traditional take on banking reform is refreshing. Revisionism has recast most early twentieth-century reform as an effort at social control, racism, and reaction. Shaw, by contrast, has done the archival spadework to show just how widespread the demand for banking reform was among the working classes and how much of their program was enacted. Although ideological blinders limit its impact, *Money, Power, and the People* is an essential contribution to the literature on the era.

The book’s basic argument is that the people, represented by farmers’ and workers’ groups, demanded the expansion of government into the banking business, and they got it. The book begins with the Panic of 1907 and shows how it elicited calls for the government to guarantee bank deposits and to create postal savings banks. With an assist from William Jennings Bryan, the people got four states to pass deposit guaranties. With an assist from President William Taft, they got the federal government to create a postal savings system in 1910.

Shaw admits that the Federal Reserve Act of 1913 emerged from bankers’ concerns but notes the popular victories embodied in a government Federal Reserve Board and changes to bank discounting policies, as well as the 1916 Federal Farm Loan Act. He passes over the 1920s in all of ten pages but then shows how farmers and workers lobbied for the enactment, against banker pleas, of the Federal Deposit Insurance Corporation, an inflationary gold policy, and several mortgage-support programs during the New Deal.

Shaw uses extensive quotations from the National Grange, Farmers Union, and American Farm Bureau Association, as well as assorted state and local chapters, to demonstrate farmers’ focus on postal banking, federal mortgages, and banking guaranties over decades. He also highlights resolutions and quotes from the American Federation of Labor, as well as assorted state and city chapters and innumerable locals, to show workers made the same demands. By contrast, quotes from the American Bankers Association and its allies show they opposed most of the reform proposals at the time. The majority of the book is taken up with such quotes and sources. Although they can become tedious, they more than make Shaw’s argument.

One of the most important contributions of the book is to demonstrate the sophistication of popular critiques of banking in the era.

While historians marvel at the intricate banking debates of the nineteenth century, most assume the subject became esoteric after the 1896 “Battle of the Standards.” By contrast, Shaw shows that small unions and tiny farmers’ cooperatives engaged in spirited discussions about the purchasing power of money, the nature of currency creation, and the danger of pyramided bank reserves right up through the New Deal. In fact, many of the same characters from the 1890s, such as William “Coin” Harvey and Jacob Coxey, found large followings in the 1930s. The Farmer-Labor Party and the Liberty Party even nominated Harvey and Coxey, respectively, for president in 1932. Shaw dates the end of what he calls “banking politics” to the post–World War II period, where he demonstrates that calls for banking reform disappeared from the platforms of farmer and union groups, which now focused on other government programs.

Shaw considers the charge that racism, most especially anti-Semitism, colored the movement for banking reform. He discusses how Tom Watson, Father Charles Coughlin, Henry Ford, and Representative Louis McFadden, among others, engaged in anti-Semitic rants as part of their plea to restructure banking. But he also points out that many bankers, including J. P. Morgan Jr., were themselves anti-Semites. Shaw’s quotes show that racism was not the driver of popular demands.

The book focuses less on struggles in Congress and relies on the extensive secondary literature for the shaping of many banking bills. Like most political histories, it also spends little time looking at how the federal government operated these new programs after enactment. The absence of these perspectives does lead Shaw to underestimate how often there was a “slip ’twixt the cup and the lip” for many of these seemingly popular reforms. Subtle banker efforts in Congress, and extensive post-enactment banker control over everything from the Federal Farm Loan Banks to the Home Owners’ Loan Corporation, meant even popular victories could be turned to the benefits of banks.

But such concerns are secondary to the book’s main purpose. It reinvigorates a traditional historiography and should settle any debates about the scale and scope of the popular demands for banking reform in the early twentieth century.

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