

towns. Valid as these views may be, the Saints were very dependent on imports from the start (even on salt) and became increasingly tied to other Americans, both regionally and nationally.

To determine how this growing interaction helped shape the landscape, we must delve more deeply into all of the archival materials available and develop geographic landscape histories for each major region of Mormon Country.

Ideally, we should examine the whole spectrum of Mormon-Gentile settlement, from the individual homestead to the largest city of Zion. (For a splendid new study of Mormon town founding, see John W. Reps, *Cities of the American West*, Princeton University Press, Chapters IX and X, 1979.) Only then can anyone, building on Francaviglia's pioneering effort, produce a definitive "Making of the Changing Mormon Landscape."

## A Mormon and a Prophet

*Marriner S. Eccles: Private Entrepreneur and Public Servant.* By Sidney Hyman. Stanford, California: Stanford University Graduate School of Business, 1976. xviii + 456 pp. Appendixes, footnotes, index. \$15.00.

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"Marriner Eccles was American economic history," says G. L. Bach in the foreword to this enlightening biography. Eccles' life was an "extraordinary encapsulation in one man of the explosive changes" in business and government from the 1920s generally to the 1950s, and although he was often thought of as a maverick, even a traitor to his class during the Depression particularly, he emerges as a hero here.

By 1931 Eccles began to recognize that some things were fundamentally wrong with the national economy. He did not accept the theory that if the Depression was allowed to run its course, conditions would automatically be created which would lead to recovery. He began to question the economic orthodoxy of the time that a balanced federal budget must precede a new economic upsurge. He soon came to conclusions, which he refined over the next several years, that we

generally associate with John Maynard Keynes, who published his famous economic treatise in 1936.

Eccles believed consumption was the fundamental problem of his day: "The end of production is consumption and not money, and whenever our capital accumulations reach a point where our production is beyond the ability of our great mass to consume goods, not because of lack of desire, but because of lack of purchasing power, we have a depression." Eccles argued that business would not invest and spend until a proven market became available for its goods. To accomplish such, he explained, the consumer must be given buying power via increased federal spending for public works and social services. Only the federal government held the power to regulate credit and money. Only the federal government was capable of assuming the great debt necessary for a manipulation of the economic system. Eccles further contended that massive federal deficit spending would greatly increase the national income through increased employment and an expansion in the volume of business to the point that the federal budget would come into balance through a natural growth in tax revenues. The national debt being relative to the national income, a sizeable debt would appear minor compared to the much greater national income. Finally, with a booming

economy government's taxing power and control of the money supply could check inflation. The consequent government surpluses could be applied to debts from the Depression.

Eccles vigorously spoke his mind. During February 1933, in hearings before the Senate Finance Committee, he had the opportunity to present his theories plus a specific program for immediate government action. Only one committee member voiced agreement. Two years later, however, *Fortune* magazine published a long article on Eccles outlining some of the ideas and proposals he had voiced at those hearings. The author then added: "Anyone who will translate the latter suggestions into their present [New Deal] alphabetical symbols and compare the earlier general statements of economics with the economics of the present administration will be forced to conclude that M. S. Eccles, of Ogden, Utah, was not only a Mormon, but a prophet."

Hyman is clearly an admirer of Eccles and writes the story as such. As is often the case with biography, the hero comes across as unusually intelligent, noble and altruistic. His adversaries tend to be portrayed as self-serving and ignorant. While Marriner Eccles was an extremely important figure who deserves the recognition of this positive biography, a clearer understanding of his struggles might have emerged with a deeper penetration into his opponents' viewpoints. Although Hyman exhibits a clear understanding of the various strains of economic thought during Eccles' public service, he does not appear to have carefully researched the careers of other actors in this political drama. The paucity of footnotes (only 3 pages for a 440-page book) tends to confirm this. The sources to which he refers, other than Eccles' materials, are rather lean.

That Marriner Eccles developed a complete theory of compensatory economics before Keynes is historically significant. In Washington he strongly advocated adoption of his theory before and during the New Deal and eventually saw it become the explanation for New Deal deficit spending. But how did an uneducated western businessman arrive at such conclusions? Hyman's account of this

crucial question is less than satisfying.

Although Eccles read very little, in 1931 he carefully studied the writings of William Trufant Foster on the Depression. Foster was moving in the direction of a theory of compensatory economics. Several other economists and journalists were also heading in this direction in opposition to economic orthodoxy. Such may have influenced Eccles' thinking, but to what extent is not clear. It would seem, however, that Eccles drew upon some of these writings to support his own views on economic policy. Hyman argues that Eccles' "analysis of the Great Depression and his recommendations for recovery would eventually surpass Foster's in concreteness, trenchancy, and fundamental challenge to the reasoning of major leaders of business opinion." Yet Hyman's comparison is limited. The question of how Eccles developed his new economic theories is a crucial one. Hyman might have outlined Foster's contributions more extensively and been more specific in pointing out how Eccles' theories went beyond Foster's.

According to Hyman, Eccles essentially came to his new (and at the time unorthodox) conclusions about the economy through a process of self cross-examination. By this method he was able to reject the presupposed body of beliefs to arrive at a new perspective. "Marriner's eventual break with economic orthodoxy," explains Hyman, "was prefigured in his long contest with the Utah hierarchs of his father's generation regarding the management of private enterprises." In this analysis Hyman does not go beyond the answer he and Eccles presented in Eccles' memoirs, *Beckoning Frontiers*, published in 1951. Basil Rauch, one of the earliest historians of the New Deal, wrote that this memoir did "little to help us understand how Saul became Paul. We are asked to believe that a forty-year-old banker was converted to compensatory economic theory by naked-eye observation and experience without benefit of Keynes." One could add that there were other intelligent bankers who had the ability to reason and ask soul-searching questions. What then was there about Eccles which enabled him to arrive at his unique answers?