

CHARLES R. GEISST, *Monopolies in America: Empire Builders & Their Enemies from Jay Gould to Bill Gates* (Oxford:Oxford University Press, 2000. Pp. x + 355; illus. H/back ISBN 0 19 512301 8, £25.00).

This book is an extraordinarily shallow treatment of an extraordinarily important issue. The political and economic impact of monopolies receives far too little serious treatment in the academic literature given the rapid consolidation of enterprise that we have seen in recent years. Unfortunately, this book lacks any coherent story or even a coherent viewpoint from which to provide insight into either the changes that we see in the present or their historical precursors.

The book's strength is its grand sweep. It starts with de Tocqueville and ends with Microsoft. There are separate chapters on each decade from 1860 to 1990, so if you want a sense of who the big players – firms, businessmen, politicians, and even an occasional intellectual or activist -- were in any decade, a quick perusing of the appropriate chapter will provide it. In each chapter, Geisst combines a review of the major anti-trust cases with a description of the activities of the largest firms and mini-biographies of many of the men who led them. He integrates a discussion of popular culture's view of monopoly and big business. The integration of politics and economics, biography and business history, ideology and law could give us fresh insights into monopolies, our attitudes toward them and their impact on the economy and society. Unfortunately, the book offers little more than tantalizing tidbits in this direction.

For example, Geisst concludes his chapter on the New Deal by arguing that the Glass-Steagall Act was the most important piece of anti-trust legislation passed during the decade. Most American economists don't think of the Glass-Steagall Act, which required the break-up of commercial and investment banking, as anti-trust legislation at all. But in the context of a country concerned about the amalgamation of political and economic power, not just market power narrowly defined, this is a claim worth exploring. More importantly, given the recent repeal of Glass-Steagall Act, as well as a spate of research examining the impact of banking structure on the organization of other sectors, this may be a particularly apt time to ask whether legal limitations on banking concentration and diversification encouraged competition outside of the banking industry.¹

Similarly, Geisst broadens our view of U.S. competition policy by his inclusion of the debate over public ownership of firms and the growth of the consumer movement. He provides a detailed history of the debate that led to the creation of the Tennessee Valley Association (and a mini-biography of its head, David Lilienthal). But it is never clear what impact Geisst believes that the creation of public enterprise generally, or the TVA in particular, has had on competition, regional economic development, or the dispersion of political power. He discusses the emergence of a consumerist critique of corporations in 1950s and 1960s (including a mini-biography of Ralph Nader). But as in his discussion of the activities of Charles Adams and Henry Lloyd a century earlier, it's not clear what impact these individuals had. It's not clear what economic or social

interests they represent. It's not clear whether they are anti-business or anti-monopoly or just cranks. Geisst seems to change his mind from paragraph to paragraph.

Geisst's reluctance to identify clearly his object of study reflects a larger American ambivalence about the growth of the corporation. We hate monopolies, but we love anyone who makes money. Geisst says at one point that the "term *monopoly* would have to become more comprehensive if it was to have any meaning in the new [conglomerate-dominated] environment of the 1950s and especially the 1960s" (p. 208). But in the next chapter he seems to embrace the decision by the U.S. Justice Department in the early 1980s to adopt economists' much narrower definition of monopoly. While ambivalence about the source, if any, of the problem with monopoly is not unique to Geisst, a clearer and more consistent view of his subject would have led to a more useful book. Hopefully the author will delve more deeply into some of these issues in the future.

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¹ See, for example, William Roy's *Socializing Capital* (Princeton University Press, 1997) and Charles Calomiris and Carlos Ramirez, "Financing the American Corporation: The Changing Menu of Financial Relationships" NBER Working Paper H0079, February 1996.