
REVIEWS OF BOOKS

- A. D. CHANDLER, JR., *The Visible Hand: The Managerial Revolution in American Business*, Cambridge: Harvard University Press, 1977, xvi + 608. Tables, maps, notes, appendixes, and index.

This is a study of "the rise of modern business enterprise and its managers," the institution and the men Chandler holds responsible for changing the "processes of production and distribution in the United States." The work's unifying "theme," says the author, "is that modern business enterprise took the place of market mechanisms in coordinating the activities of the economy and allocating its resources. In many sectors of the economy the visible hand of management replaced what Adam Smith referred to as the invisible hand of market forces... As modern business enterprise acquired functions hitherto carried out by the market, it became the most powerful institution in the American economy and its managers the most influential group of economic decision makers. The rise of modern business enterprise in the United States, therefore, brought with it managerial capitalism" (p. 1).

No other history of American business succeeds as well as this one in describing and analyzing the rise, development, and impact of one of today's most important institutions — the "multiunit enterprise administered by a set of salaried middle and top managers." Nor does any other work explain more convincingly the emergence, growth, and role of what Chandler calls a "new subspecies of economic man — the salaried manager" — the individual who, together with others like him, composed the managerial hierarchies that took over "the functions formerly handled by price and market mechanisms." These two so widely important developments — the large multiunit enterprise

that replaced the once dominant small business unit and the new managerial class that took over the job of the traditional owner-manager — are of relatively recent origins, largely the products of the “revolutionary changes in the processes of production and distribution” that emerged in the 1840’s and culminated in the 1920’s, the period often referred to as the era of America’s transformation from a rural, loosely organized, agricultural country to an urban, tightly integrated, industrial nation.

Though Chandler’s chief concern is with the evolution of modern large-scale businesses, he begins his story with an excellent account of the half-century that preceded their appearance, the years from the ratification of the Constitution to the 1840’s, “when a new source of energy, coal, began to be used extensively in production and the railroad and telegraph began to provide fast, regular, all-weather transportation and communication” (p. 13). Until coal and steam speeded production and distribution, businessmen, seeing no need to adopt new forms and procedures, continued to adhere to established ways and practices. And though small individually owned and managed enterprises continued to predominate, much as they had at the close of the colonial era, a rapidly growing population and an expanding market led to specialization in commerce, finance, transportation and, to a lesser extent — chiefly because of technological and market limitations — in production. Chandler’s account of the emergence of specialized enterprises, which contributed so significantly to the demise of the all-purpose merchant — the dominant entrepreneur of the pre-1840’s — and helped lay the foundations for the development of modern American business, provides both a superb, up-to-date summary of the pre-industrial world at work and richly detailed synthesis of the rise of new specialists — cotton factors, importers and wholesalers who dealt in a single commodity, banks and insurance firms, transportation companies, and manufacturers. Among the latter, Chandler focuses on two types of enterprises: textile mills, because they served as “a basic model for later mass production,” and arms works, for their pioneering efforts at “modern scientific factory management.”

None of these developments, however, contributed as much to the rise of the professional manager as did the railroad and the telegraph, “the first modern business enterprises in the United States.” Because the companies that built the railroads and telegraph lines, Chandler explains, “were the first to require a large number of full-time managers to coordinate, control, and evaluate the activities of widely scattered operating units,” these businesses “provided the most relevant models for enterprises in the production of goods and services when such enterprises began to build, on the basis of the new transportation and communication network, their own geographically extended, multiunit business empires” (p. 79). The organizational and managerial innovations initiated by the superintendents of the major intersectional railroads of the 1850’s and 1860’s, such as those put into effect by James McNeil Whistler

of the Western, Benjamin H. Latrobe of the Baltimore & Ohio, Daniel C. McCallum of the Erie, J. Edgar Thompson of the Pennsylvania, gave rise to the first modern business bureaucracies, headed by a new type of businessmen, trained salaried managers. Chandler analyzes the growth and spread of professional management with skill and insight, showing why and how it developed in the railroad business, the reasons similar internal administrative structures and systems were adopted by companies in other industries where expanding markets and a growingly complex technology led to increased specialization within the enterprise that required more sophisticated methods of cost and accounting controls and improved administrative coordination. Some of the most significant and revealing pages of this exceptional work may very well prove to be those dealing with the growth of "managerial enterprise" in different industries, such as urban mass transit and, in communications, the postal, telegraph, and telephone systems. The "new transportation and communication infrastructure" that evolved in the years 1850 through the 1880's contributed directly to the rise of modern managerial enterprises in distribution and production. Present-day mass marketing had its beginnings in the pre-Civil War decade with the rise of the first modern commodity dealers, the specialists who replaced traditional merchants in distributing farm crops. The success and effectiveness of these dealers rested upon various ancillary enterprises, most importantly, commodity exchanges, all of which owed their growth and expansion to the railroad and telegraph. Chandler's account of the evolution of modern America's mass distribution and mass production enterprises is filled with many new, interesting details on specific firms and institutions, as well as balanced and judicious appraisals of the wider impact of these managerial innovations, not only on the business system but on the economy and society in general.

By the 1890's, the decade that witnessed the next major development in the evolution of modern America's business system, large-scale managerial enterprise was most fully developed in the nation's transportation and communication industries; to a lesser extent in production, except where complex technology dictated high specialization; to a still lesser degree in distribution; and, perhaps, least of all, in finance. In nearly all these industries, as Chandler makes clear, steadily growing markets and increasingly more complex technology, continued to push both old and new companies towards further specialization. But, important as this was, what distinguishes the post-1890's decades, was the move toward the integration of mass production and mass distribution enterprises. By the beginning of the twentieth century, the single economic-function firm, so typical of the previous half-century, gave way to today's "integrated industrial enterprise," a giant corporation bringing together in a single firm "the types of distributing organization created by the mass marketers with the types of factory organization developed to manage the new processes of mass production" (p. 285). Whether the modern industrial

enterprise grew to its new status by developing its own marketing, purchasing and other organizations necessary to allow it to execute "the many transactions and processes involved in making and selling a line of products," as was most often the case in the 1880's, or chose to expand by merging with other firms, the more usual method employed in the 1890's, the success of the integrated unit depended heavily upon the quality of the "managerial hierarchies" established "to assure effective administrative supervision and coordination of the processes of production and distribution." By the time the United States went to war in 1917, the integrated industrial enterprise occupied a strategic and powerful position in the nation's economy; during the interwar years the large industrial and marketing companies moved into new industries and across the oceans to new geographical areas.

No brief review such as this can do justice to the many significant topics covered in this impressive study of the origins and development of the modern business corporation and the managerial teams that shape and implement its policies and practices. But it is not only the wealth of facts and ideas that distinguish this prize-winning work; nor is it the massive research in both primary and secondary materials upon which the synthesis rests. What is equally important about this volume is that it suggests new areas for investigation. No student of American history, whatever his field of specialization, can afford to overlook *The Visible Hand*. Few books have so much to say to so many.

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L. CROSBY, *English Farmers and the Politics of Protection 1815-52*, Hassocks, Sussex: The Harvester Press, 1977, pp. iv, 224.

Professor Crosby has spotted and exploited the large gap in English political history of the early nineteenth century represented by electoral pressure from farmers. Contrary to received opinion, the tenantry exerted itself in several nationally important campaigns to gain direct access to power independently of the landlords, and going far beyond any original feeling that all that was needed was to ginger their "natural leaders" among the landowners into promoting rural interests. The interests in question were Protection against imported grain and Protection's *alter ego*, the reduction of fixed charges like tithes and special taxes on agricultural commodities such as malt and hops. Protection and lower costs of course exercised the farm community several times during the price falls after the Napoleonic wars and as late as the mid-century slump, after Repeal.

Economically naive the farmers may have been. David Ricardo saw his rôle on the 1821 committee into distress as being, "to show how little [farmers] were qualified to be advisers on this important question, by exposing their

ignorance of the first principles which should guide our judgements," and he reduced the farmers' spokesman, Webb Hall, to "sorry blustering," in Professor Crosby's words, "and confessions of ignorance." A public tutorial from Ricardo could patently do the same to politicians at any era, conjuring up visions that are not without appeal, but this is not a demonstration of *political* naivety as such. Politicians may reasonably anticipate a less formidable quiz-master. Despite differences in interest because of the different commodities sections of them produced, early nineteenth-century farmers were politically quite effective. They were straight-spoken lobbyists, packers of county meetings, and petition-mongers with considerable impact on the evolution of pressure group politics: for all that ultimately they lost. Even after Repeal the Protectionists, led by Disraeli, lasted as a signal influence in Parliament.

This is Professor Crosby's message to political historians: the unregarded tenantry were not landlords' puppets but substantial independent men of business who were politically vocal (we may, however, remain surprised at their timidity after 1870, given their heritage) and a major force in the emergence of manipulated public opinion. Farmers had a distinct culture (read Surtees, and Cobbett's *Rural Rides*) and the next requirements are for a sociological historian to take their society as seriously as Professor Crosby has taken their politics and a business historian to take up their commercial operations. The present book would have been stronger with more attention paid to these aspects and more to electoral analysis rather than narrative accounts of farmers' movements (special attention is given to Cornwall, Essex and Lincolnshire). A connection between a drop in cereal prices and a reflex agitation among farmers is apparent but the nexus warrants further investigation. What influenced the choice of Protection *versus* lower costs as an issue to fight? One suspects that prior acquaintance with English farming history is a help in appreciating the present book and that more background might usefully have been supplied.

One is obliged to conclude a review of this volume with an expression of horror at the production. The book is reproduced from what was supposed to be, but was not, a "camera-ready typescript." We may all feel sorry for ourselves that severe cost-cutting measures are necessary if historical monographs are to be published nowadays, but Harvester Press have shifted the burden too heavily onto the reader's eyesight.

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I. DE SOLA POOL, editor. *The Social Impact of the Telephone*. (MIT Bicentennial Studies, number 1.) Cambridge, Mass.: MIT Press. 1977. Pp. viii, 502

This is the sort of book that reviewers traditionally call "uneven," another way of stating the truism that in any collection of pieces by different authors

some are better than others. In this case the *mélange* is more than usually motley. The modes are variously narrative, analytical, technical, statistical, impressionistic, speculative, ruminative, even fanciful. This reflects the diversity of authors' fields. Of twenty-three contributors, only two are professional historians. Their fellow essayists include sociologists, economists, political scientists, technologists, geographers, journalists, psychologists, engineers, and experts in various media of communication. Their standards range from the concern for detail and evidence in which historians are trained to mere airy generalizations from common experience. Some journals, indeed, recognize the difficulty of reviewing such collections by simply listing their contents and letting it go at that.

And yet the book has more coherence than all this might suggest. Several elements, aside from the common theme, tie the parts together in some degree. A perceptive editorial commentary introduces each of the five major sections and even some subsections. The scheme is consciously comparative - the effect of the telephone in different societies, times, and circumstances. And the fact that each of the several essays was first presented to the assembled authors at a series of MIT seminars occasioned by the telephone centennial (and financed by AT & T) enables the authors to comment on and refer to each other's views in the finished work. Unfortunately - perhaps unavoidably - this advantage has neither prevented nor mitigated a great deal of repetitiousness. The authors keep unveiling the same revelations, such as the significance of central telephone exchanges in permitting individual dialogue as distinct from the one-way broadcasting of radio and other media. But then, an eclectic collection is likely to be read eclectically; only the reviewer is bound to read it *seriatim* and *in toto*.

The very likelihood that readers of this journal will in fact read the book selectively tends to simplify the task of reviewing it. Only the first of its five main sections is expressly historical: "Alternative Paths of Development: The Early Years." The others respectively deal with the telephone in "Life" (i. e., individual experience and outlook), "The City," "Human Interaction," and "Social Uses." Despite this and the ten-to-one ratio of non-historians, the historical approach pervades many of the essays, sometimes with a touch of naiveté but often with an appealing freshness of viewpoint.

A few of the more explicitly and consciously historical pieces may be mentioned briefly. Sidney H. Aronson leads off with an able account of the development, applications, and significance of central exchanges. Asa Briggs, in a somewhat rambling essay, describes early speculation about the use of the telephone for entertainment and some actual experiments, notably in turn-of-the-century Budapest, in the telephonic broadcasting of musical and talk programs, encouraged by the rise of population density and living standards. Of more conventional interest to readers of this journal are the pieces by Charles Perry on the British experience, 1876-1912, and Jacques Attali and Yves Stourdze

on the French experience to the 1920s. Each of these has an explicit thesis: Perry's, that social attitudes and uncertainty as to the proper institution for control stunted British telephone growth, despite business pressure for it; Attali's and Stourdze's, that French development was delayed in the face of similar business demand by the precedent of the early visual telegraph system as a state instrument for one-way communication to the populace, and the carry-over tendency to regard individual, two-way telephonic intercourse as a threat to established power structures, especially local, combined with the state's leaving of the initiative with those same local power groups. John R. Pierce's knowledgeable sketch of telephone growth and usage over the last century includes a brief comparison of telephone usage in several nations (pp. 170-172). Another consciously — and conscientiously — historical treatment is by J. Alan Moyer, but that, like most of the rest of the book, centres on the American rather than the European experience — in Moyer's case, that of the Boston metropolitan area through the early years of this century.

The book gives rise to a few general impressions and comments. Several writers allude to an unusual "diseconomy of scale" in telephone systems, from the fact that the complexity and hence in a limited sense the expense of interconnection *increases* geometrically with the number of subscribers; but of course, in much of the system's research, development, construction, and equipment, the familiar economy of scale prevails. Several writers, especially Jean Gottmann, address the question of whether the telephone tended toward dispersion or concentration of population, the general opinion being that it did both, because of its indispensability to the high-rise core city. Its more obvious relation to suburban spread is less obviously that of a necessary condition, since the prime factor therein may well have been trolleys, buses, and automobiles, and the telephone's spread more a consequence than a cause.

In general, a recurrent theme is the telephone's ambivalence as a social force, lessening the centralization of people while increasing that of control, for example, or increasing privacy of person while encouraging more causal and frequent interruption, or quickening the transmission of information while forestalling its preservation. In short, the telephone is a tool or a process, not a product, a means not an end, and so can be turned to contradictory purposes. This fact is occasionally adduced to explain what seems to puzzle several writers, including the editor, namely, the neglect of the general subject by previous scholars. Another proposed explanation is the familiarity, indeed the ubiquity, of the telephone, which robs it of novelty and, along with the simplicity and obviousness of its function, makes it hard to say anything about it not self-evident and commonplace — which may be why the writers keep coming around to the same few points. Though none of the writers suggests it in this book, an exact analogy in all these respects would be a study of the social impact of printing, past and present. I, for one, would quail at the job of either writing or reviewing such a work. And this reflection inspires my

admiration for the courage (however well-financed) shown in undertaking this project, as well as my respect, though more measured, for what it has produced.

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- A. GERSCHENKRON: *An Economic Spurt That Failed. Four Lectures in Austrian History*, Princeton University Press, Princeton, New Jersey, 1977, 171 pages.

Alexander Gerschenkron has written a quite extraordinary study where the topic is concerned as well as the style. In this context, the title "lectures" was very well chosen. In an almost conversational tone, he speaks about what is certainly one of the most complicated eras in the history of the Habsburg Monarchy: the Ernst-von-Koerber-Plan to stimulate Austria economically by building canals and rail-roads. The plan was designed to divert people from the serious internal problems of nationalism and to stabilise the political and economic situation by the politics of economic integration. The author has tried to describe this intention and the projects with a certain vividness, sometimes to an extent which is not quite in keeping with the scientific nature of his topic. As the style of the lectures certainly implied, the author has not only concentrated on Koerber's time, policy and purposes, but has also presented some reflections on the history of banking and many other subjects. The book therefore has not so much the character of a systematic walk with a certain aim in view, but of a stroll with a look here and there. In addition, Gerschenkron even gives the reader the chance to participate in the genesis of his study. He has described in some detail his work in the Public Record Office in Vienna: "After reading this passage, I decided to spend several weeks in the Archives of the Ministry of Finance in Vienna (Finanzarchiv), located in Prince Eugene's Inner City palace, whose magnificent baroque staircase stands out in a town that has no scarcity at all of lovely baroque buildings. Received with customary Viennese courtesy, and greatly aided by the small but knowledgeable staff of the Archive, I needed a few days to burrow my way to the relevant files, whereupon I could devote myself to deciphering the documents found" (p. 86). May these compliments to Vienna and the Viennese Archives, found here and there in the book, stimulate other historians also to work on Austrian history!

Another characteristic of this book, written with a good deal of self-confidence, is Gerschenkron's judgment of other historical studies on XIXth century Austria. He almost awards marks to his colleagues. This attitude might be quite understandable, but it takes up perhaps too much space in so small a book. From Alfred Ableitinger, who "betrays neither interest in, nor understanding for, economic problems.." to the "modern economic historians"

Alois Brusatti and Herbert Matis, from Hugo Hantsch, who had "no understanding of the opportunities that were open to Koerber upon his triumphs" to Richard L. Rudolf and many more.

The author's sympathy certainly lies with Ernst von Koerber. It even seems that Gerschenkron's intention went more in the direction of a political study or the history of a politician than of economic history. Koerber becomes a "hero" in this book. We hear not only about his economic and political activities, but also about his personality and his private life, even about his relations with the wife of a Vienna lawyer. On the other hand, Koerber's opponent, Eugen von Boehm-Bawerk, becomes something of an "anti-hero". His reason for opposing Koerber and his plan might have been worth more consideration. In this part of the book, Gerschenkron's lectures come near to the point where history becomes a story and the author, of course, knows and even speaks about this.

"An Economic Spurt That Failed" is an extraordinary book, not only because of the style in which it is written. It is Austrian history in the form of lectures, and is sometimes more a scientific talk or discussion than a systematic political or economic analysis. But first of all, it is an extraordinary book because of his formulation of the question, inquiring not about economic or political success but about an economic spurt that failed. Because, and here I think we can completely agree with Alexander Gerschenkron, "that there is much to learn from the historical failures, and an economic spurt that failed may cast a ray of unflinching light upon things and events that should not be left in obscurity." (p. 4)

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J. GOODY, J. THIRSK, and E. P. THOMPSON, eds., *Family and Inheritance: Rural Society in Western Europe, 1200-1800*. Cambridge - London - New York: Cambridge University Press. 1976. Pp. 421.

These essays in *Family and Inheritance* explore the interaction between familial customs and inheritance patterns in pre-industrial Western European society. The papers, originally presented at the annual Past and Present Society conference, range from studies of inheritance ideology to detailed accounts of practice, with attempts to understand the relationship between the two, bridging the gap. The essays are comparative in approach: half attempt to analyze inheritance practices by looking at several European countries; others are local in approach. However, even those which focus on a small geographic unit generally contrast the different inheritance practices and family patterns found within it.

Jack Goody's opening essay places the whole of Western European in-

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heritance practices in perspective by pointing out the characteristics that European societies shared — especially the right of women to inherit land and office — in contrast to other pre-industrial societies. He relates this peculiarity to the intensive system of agricultural production and the dominant literate character of medieval and early modern Europe. The other essays, written by European social historians, take a comparative approach internal to the Continent and England.

David Sabeau reviews the literature on inheritance and family patterns, noting the need for further study of fictive kinship ties and mate selection in forging extended family ties. Thirsk explores the seventeenth-century debate on primogeniture, theorizing that in England, where younger sons of gentry were not properly provided for during a time of rising living standards, primogeniture was vociferously denounced, while on the Continent where sons were supported despite primogeniture, the system was not attacked. The longest essay, almost half the volume, is J.P. Cooper's examination of inheritance practices among wealthy landowners in England, Spain, France and the Italian city states. He discusses the European spread of strict entailment and primogeniture from the sixteenth century and explores its political and social effects. Because magnates wished to provide for all children, entailed property was increasingly burdened with long-term debts stemming from the provision of large marriage portions for children and doweries for widows. In turn, debt made large land-owners more dependent upon the Crown in their efforts to meet financial demands and provide for children. Only in England where a Crown had its power curtailed in the seventeenth century did the course of events differ.

Essays concentrating on one European country generally try to relate economic structure, family structure, and inheritance in both ideology and practice. Le Roy Ladurie explores the social effects of the ethnography of customary law laid out in the work of Jean Yver (*Essai de geographic coutumiere*, Paris, 1966), analyzing the geographic pattern of the three main French solutions to the problem of inheritance. Lutz Berkner uses census data to discuss the interaction of inheritance practices and family structure in Germany, pointing out that flexible open options in the lives of peasant families generally led to partible inheritance and a nuclear family structure. Cecily Howell takes a long time-perspective, limiting herself to the Midlands. She develops an interesting hypothesis relating child portions to migration and regional economic development. Margaret Spufford extends the work in her monograph (*Contrasting Communities: English Villagers in the Sixteenth and Seventeenth Centuries*, Cambridge, 1974) by examining inheritance practices in relationship to land exploitation patterns and the growing landlessness of the seventeenth century. The final essays by E.P. Thompson and V.G. Kiernan are reminders that historians cannot speak of changing inheritance practices without understanding that the very meaning of property in Europe changed between 1200 and 1800.

The essays share a central concern with how property relationships are reproduced over time and the effect of timing and person in the exchange on the structures of households, demography, and social classes. All are aware of the dangers of generalization when one village may practise ultimogeniture while the neighbouring community practises primogeniture. Yet all are also aware of the need to look for patterns and of the potential for a comparative perspective in answering questions about family and inheritance patterns.

Common themes make the volume an effective whole. All the authors deal with the interrelationship between ideal and practice: demographic realities disrupted practice of the ideal while parental desire to provide for all children threatened the continuation of viable estates. All look beyond the confines of the family to understand how change in its most basic unit affected the wider society and how changes in the society affected the family. The essays as a whole make clear the current state of work in the field and shape the direction of research to come.

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H. A. MISKIMIN, *The economy of later renaissance Europe: 1400-1600*, Cambridge-London-New York: Cambridge University press, 1977. Pp. x, 222.

Professor Miskimin has given us a thoughtful, if somewhat traditional economic history of sixteenth-century Europe which confronts the tendency of recent years to emphasize demography, regional economic trends, the structures of rural society, and sweeping discussions about productivity, demographic crisis, and shifting distribution of wealth. These factors are not ignored, but are given secondary importance. The key to understanding the book is not found in the somewhat misleading title, but in the concluding chapter. There Miskimin refers to having touched upon three modes of perception: the nature and flux of contemporary systems of legal abstractions, the realities of political history, and the development of economic society. (p. 180). The last concept is the revealing one, for the book is clearly a statement about the importance of such traditional issues as the development of capital-intensive industry, the institutions of the state, and the role of money in the economy. In effect this is a history of those parts of the economy most closely linked with the elements of society which create most of conventional history — the narrow elites of government, the church, and long-distance commerce.

Of six substantive chapters, only one deals with the 85% of society in the agricultural sector, while demography gets half of another. The chapter on agriculture is little more than a country by country digest of standard sources such as Heckscher, Malowist, Slicher van Bath, Vicens Vives, and Le Roy Ladurie, with Braudel as the ultimate authority. The other chapters deal with

law and property, money supply, industry, trade, and public and private finance.

My strongest criticism is with the treatment of the country I know best, Spain. The reader comes away with a distorted and sometimes mistaken perception of the country which was, after all, central to the economic and political events of most of Europe for most of the century. The Spanish crown gets credit for its effort to moderate the maltreatment of the Indians of America, yet no note is taken of the coincidence of its "success" with a desperate labour shortage and the development of debt peonage as a system of labour control. (pp. 54-5, 134) We hear of the Mesta, of government mis-management of agricultural policy, and the failure of agriculture to expand despite population pressure. Yet there is no attempt to compare the situation with that of Poland, where landed elements forced development of grain production, not because it was grain, but because it was a marketable export. Wool played the same role in Spain. Furthermore, the government's support of the Mesta in the later sixteenth century was hardly enthusiastic and agriculture did expand. Its productivity did not improve, and the Malthusian crisis Miskimin describes did come about, but the parallels with other regional responses to general market conditions are closer than the discussion would imply. The description of urban and industrial development in the Spanish interior is equally confusing. We hear of the development of Zamora, never of more than secondary importance, while finding no mention of Toledo, a great regional centre by sixteenth-century standards, with almost 70,000 people.

The book suffers from a number of ambiguities due in part to style and organization. One of the more serious involves evaluation of the impact of government regulation. In Chapter Five Miskimin concludes that government regulation was misguided, counterproductive, and generally ineffective. (p. 154) Elsewhere he discusses how the perversion of office into a revenue source grossly crippled the effectiveness of bureaucracy, especially in France. (pp. 169-70) Yet the final conclusion seems to be that the effectiveness of the continental state in shaping economic life to its needs is what marked the difference between the benighted societies of the continent and England, where customary law, property rights, and parliament left the greatest scope for individual profit making. While each point is well argued, as the book is constructed one sometimes wonders about the alternating incapacity and effectiveness of political institutions and the economic significance of either condition. Elsewhere one is left uncertain as to whether new sources of monetary metals stimulated the fifteenth century economy or whether the demands of a reviving economy stimulated bullion production. (p. 33) The introduction of the problem of bullion prices and nominal prices is buried in the middle of a long paragraph which ranges from total money stock to Malestroit as the best reference point for measuring changes. (pp. 39-40) Since the topic is vital to later discussions, it should be set out more clearly. The discussion of the land-

lord's interest in land as opposed to labour when population rose is also confusing. On one page, "with rising pressures on a limited supply of land" the landlords' "control of agricultural labor became even more crucial." while on the next page rising population made it "in the interest of the powerful to regain control of land, to evict all who stood in their way..." (pp. 50, 51) With careful reading the ambiguity resolves itself, but the presentation is hard to follow.

Throughout the book there is a basic problem of definition. The outcome of many economic situations is judged in terms of a somewhat shadowy perception of Europe's march towards free-enterprise capitalism and the levels of productivity which that implies. The French monarch's, along with the Spaniards, get some hard knocks for not realizing that they were obstructing desirable change. This tendency obscures one of the book's stated intentions — that of measuring developments by the objectives and assumptions of contemporaries.

This problem, however, is the counterpoint to one of the strongest aspects of the essay, its serious effort at providing a succinct overview of the underlying assumptions of law and policy in economic matters. Miskimin attempts to develop some sense of the economic mentality of the individuals involved in important political and economic decisions. The discussion of mercantilism and bullionism couched in these terms is particularly interesting.

The book has a number of other strong points. The author knows a tremendous amount about monetary history and about royal finances. Here the book is outstanding. Miskimin's discussion of the quantity theory of money and the price revolution of Hamilton, of the American trade theory of economic fluctuation of the Chaunus, of the world-wide flows of monetary metal of Vilar, Spooner, and their effects on America, Asia, the Baltic, Iberia, and the Netherlands is extremely well done. The analysis of the role of government finance, its links with banking, and the consequent interdependence of the bullion trade, government credit, and international politics is equally valuable and rewarding. Both issues have the author coming down hard on the importance of bullion prices rather than nominal ones — a distinction which, as I said, is introduced early in the book, but with less clarity than one could hope for.

In short, taken as a study of money, trade, government finance, and some of the related problems of economic assumptions and political chronology, the book has a great deal to offer. As an economic history oriented towards the traditional topics of expansion, long-distance trade, and the development of an increasing scale of investment in industry, it also has its merits. As a general survey of the European economy of the sixteenth century, its inadequate treatment of Spain, and limited discussions of demography and agriculture present some significant drawbacks.

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E. E. RICH and Ch. WILSON (editors). *The Cambridge Economic History of Europe Vol. V: The Economic Organization of Early Modern Europe*. C.U.P., Cambridge, 1977. Pp. XI + 749.

The appearance of another heavy tome of the Cambridge Economic History is an event to be noted. So much has been written on early industrialization that any major publication devoted to the economic organization of early modern Europe must merit close attention. In the preface, Charles Wilson is careful to moderate high expectations by emphasising the difficulties in bringing the volume to conclusion. Like Gargantua, it has been a long coming, with lassitude, illness and even death taking their toll of the original contributors. Some of the chapters have waited at length for publication, without adequate revision; and Barry Supple has suffered more than most. For all that, what are we offered?

The first of the eight chapters comes from the pen of Charles Wilson himself. Although not exactly an Introduction to co-ordinate the volume, it sets out to assess the methodology of the period. Over the past century, the "ends and means" of economic history have changed profoundly. The task is far from simple, and the lengthening list of case studies — notably for Holland, Spain, Italy and England — show that economic structures and levels of performance differed widely from one end of Europe to another. He makes it a plea for the uniqueness of change in history and the counter-productiveness of economic analysis: "...in recent decades there has been a growing realization among economic historians of the limitations on the utility of abstract principles and exogenous theory." And that in a Europe which has traditionally favoured an acquisitive society.

The next chapter on agriculture is taken by B.H. Slicher van Bath, a wide ranging and characteristically excellent analysis. It is one of four comprehensive chapters, devoted in turn to trade, money and industry. If he is not entirely in line with his editor on the utility of theory in economic history, "any account of the factors influencing the production and consumption of agrarian goods in our pre-industrial society is hampered by the lack of any basic theory in the writings on the period," his theme is much to the point in early modern Europe. By setting agriculture alongside the vital revolution in a continent where population doubled, the central question emerges of how enough food was produced and distributed to meet growing needs. Agriculture remained important, even where, in privileged cases, it no longer provided the dominant share of income. And although little is really known about the deterioration of rural life during this expansion, it is highly likely that the late eighteenth century saw increasing division of land-holdings, more extended families, and palpable signs here and there of inadequate resources.

On trade, Kristof Glamann has written the longest contribution in the volume, perhaps with justification when commercial expansion had so much

to offer. If he has reservations about the rôle of trade as a dynamic force in this period, it was nevertheless clear that commercial structures were changing, away from the classic trading zone of the Mediterranean to new areas of direct transfers: the Americas and the Far East. Some commodities attained to a "world" retail trade, like cloth and sugar and gems; and some areas of the continent profited more than others from these flows: Holland dominated the Baltic grain trade; and the old river system of the Rhine/Danube remained one of the great arteries of commercial Europe. In a perceptive final section, he shows how a system of trade which started with the medieval staple moved progressively to a more sophisticated complex level of great joint-stock companies.

The section on money falls to the lot of Hermann van der Wee, another important chapter. It deals with the increasing penetration of a monetary economy - at the level of the local economy, then financing world trade through the innovations of fairs, bourses and central markets such as Amsterdam and London. In a third section, he tackles the difficult problem of the mercantile State, and shows how in the better organized economies public debt shifted from the floating commitments of rulers to institutionalized national funds. It was not the least effective in stabilising the currencies of Europe at the close of the *ancien régime*.

In a fourth major contribution, a marvel of compression, Hermann Kellenbenz deals with the organization of industrial production. Industry is here defined as production beyond the capacity of the individual artisan. At that level, Europe presented a picture of high competence at the going technology. The lines of change were clear: from the guild to the putting-out system and on to the factory; the emergence of large-scale mining; and the often contrasting rôles of merchants and governments in equipment and investment. The seventeenth century was a turning-point for these industrial systems, as one tended to a limit and another opened into industrialization.

The other chapters are somewhat shorter, and more specific in objective: an excellent and suave analysis of enterprise by Barry Supple; a survey of the fishing of Europe by A. Mitchell - important for the Dutch, and like them reaching a peak in the seventeenth century. And Betty Behrens completes the volume with a study of government and society, its monarchs and aristocrats, wars and bureaucracies, and everywhere the political and social contradictions of the enlightenment. Appropriately in a volume dedicated to an early-modern Europe where the question of land was dominant, she closes on the fundamental problem of a surging demand for change in the ownership of that basic reserve of wealth.

In sum, then, it is a volume with a great deal of meat. Individually, the chapters recreate admirable surveys of the existing literature; but although it is devoted to the economic organization of Europe, that organization is not immediately self-evident. This must lie partly in the tribulations in brin-

ging the volume to a close; but it also reflects a profound dichotomy in Europe where at the level of trade, finance and technical culture, so much was achieved and yet the patterns of demand appropriate for a new structure of production had still to penetrate the mass of the continent. The salient genius of Smith was that he proposed a better organization.

As in other volumes of the series, the chapters are followed by extensive but not exhaustive bibliographies. And in general, the volume offers not so much a conclusion as an invitation to follow the guides so expertly given.

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B. Tew. *The Evolution of the International Monetary System 1945-77*. New York: John Wiley & Sons, Halsted Press, 1977; pp. 254.

Brian Tew is no newcomer to discussion of the history of international monetary regimes since World War II. This most recent book of his is an expanded, fresh version of his excellent text, *International Monetary Cooperation* which, beginning in 1951, appeared in several editions prior to the dramatic series of shifts in international monetary relations that ensued in 1971.

Much of the material which Tew presented in earlier books to introduce students to international monetary arrangements appears here as well. However, Tew has chosen a chronological organization for the current volume, forcing him to disperse the introductory material. Consequently, the book is less suited to the needs of the beginning student. But Tew's descriptions of monetary mechanisms remain concise and clear and his treatment of the 1970s is balanced, avoiding exaggerations of the role of either the Eurodollar market or OPEC pricing. The book should have a solid following, primarily among those who already have a good basic grasp of the principles of foreign-exchange markets but wish to expand their technical knowledge of the specific institutional arrangements devised since World War II, and especially since 1971.

Tew's chronology includes a survey of the critical transitions, between 1945 and the devaluation of sterling in September, 1949, from largely bilateral monetary settlements to settlements that were conducted in either a "dollar area" or a "soft area"; the rise of full multilateral settlement during the 1950s, marked by the demise of the European Payments Union in December, 1958; the operation of "Bretton Woods convertibility" during the 1960s, including the reform interest which led to the creation of Special Drawing Rights; the collapse of the Bretton Woods system under the pressure of the "dollar glut" of the early 1970s; and the official management of floating rates since 1973.

Tew's movement away from a topical organization that was focused on the Bretton Woods system is understandable in light of the break in that line of continuity which seemed to reach from 1944 to the creation of SDR's in 1969. In earlier books Tew analyzed not only experiments in international management and planning but also examples of wilful acts of independence by nation-states. However, as the earlier titles suggest, his emphasis was on "cooperation" and his vision was one of a trend toward the creation of an international bank. His most recent book, perhaps necessarily, lacks comparable clarity of direction. Tew does not use the chronological "story" to point toward the "crowning" of the dollar as the world's monetary standard, or the resurgence of a movement to find a replacement for the dollar as a reserve currency, or the rise of some complex system lacking a single major reserve currency, or, at some earlier point, a "crash of '79." Despite using the term evolution in his new title, Tew lacks any sharp definition of the process shaping the development of monetary relations since World War II. He does continue to refer to international efforts to manage foreign-exchange — efforts which have retained some importance, particularly in Europe, despite the 1976 amendment of the IMF rules to allow member countries to float their currencies indefinitely, and despite the weakness of American enthusiasm for officially supporting the value of the dollar. But these efforts are no longer at the centre of events, even in Tew's discussion of the 1970s.

Tew's hesitancy in speculating upon the future results not only from understandable and necessary uncertainty about the contemporary scene but also because he does not develop the necessary historical background for such speculation. He does not consider in depth the underlying factors, internal to the major trading nations, which have shaped the development of monetary arrangements. Among these factors are the lobbying of interest groups (both national and international), changes in national administrations (most notably the coming to power of Richard Nixon in 1969), the pressures exerted by inflation and unemployment on policy makers, changing stakes in international trade, institutional changes that have enhanced capital mobility, nationalistic enthusiasms, and changing attitudes toward international political and economic responsibilities. To consider the impact of such factors, particularly on the international role of the United States, one must consult recent works like those of Fred L. Block, Charles Coombs, Alfred E. Eckes, Jr., and Robert Solomon in conjunction with more technical works like Tew's. However, some of the historians who have studied the sources of international monetary arrangement since World War II could have profited from Tew's technical expertise. We still lack a history of post-World War II monetary regimes which combines the analytic virtues of Tew's work with a broad interest in the social setting of economic change.

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I. A. A. THOMPSON, *War and Government in Habsburg Spain, 1560-1620*, London, Athlone Press, 1976, pp. ix + 374.

As its author makes clear from the outset, this is not a book about either strategy or the actual conduct of war during the reigns of Philip II and Philip III, but rather about the formulation and implementation of administrative policies as they related to military matters. The main argument of the book is that Spanish policies vacillated between two mutually exclusive approaches: one (known as *administración*) involved the direct control of all military matters by ministers and officials of the Crown with financing entirely out of the royal treasury; the other involved the transfer or "devolution" of controls to non-royal agents, whether private entrepreneurs and financiers serving the Crown on a contractual basis (*asiento*) or municipal authorities and feudal magnates who performed military tasks not so much on the strength of powers delegated to them by Crown, but rather on the strength of their own power and influence in the localities. Although the former approach was preferred by the Spanish monarchs as more consonant with their absolutistic ideal, it was the latter that invariably came to prevail as the government found itself confronted with an inadequate bureaucratic machinery, unprecedented challenges, and staggering financial needs.

The gradual abdication of centralized control is carefully examined by Dr. Thompson as it manifested itself in five key areas - finances, recruiting, the navy, provisioning, and armaments. In every instance brave efforts were made (especially during the reign of Philip II) at tightening the reins of command and at improving the existing administrative machinery, but they ended in partial or total failure. Ultimately, what took place was the privatization of important public functions: the collection of revenue was increasingly entrusted to private tax farmers; recruitment slipped from the hands of officers holding a commission from the Crown to the hands of municipal bodies and seignorial magnates capable of mustering their own levies; and arms, munitions and ships were produced in private rather than royal factories and shipyards. This shift away from government control and toward private enterprise Dr. Thompson correctly views as an unmistakable index of the weakening hold of royal absolutism on Spain as well as of Spain's declining fortunes as a great power. His argument is lucidly presented and firmly supported by an impressive array of evidence gathered mainly in Spanish archives, and the book stands as an important, original contribution to our understanding of the limitations and weaknesses inherent in Habsburg absolutism. It also throws much new light on other aspects of Spanish history in that period such as the new, heightened role of the nobility at the expense of the *letrados* (chapter V) and the penetration of foreign capital and enterprise in the Spanish economy (chapter IX especially).

In one respect, however, Dr. Thompson may have somewhat overstated

his case. Granted that the devolution or surrender of administrative control into private hands was a sign and a cause of the deep malaise affecting Spanish governments in the late sixteenth and early seventeenth centuries, it does not follow that every instance of devolution must be lumped in the one same negative judgment. Handing the recruitment and the command of soldiers or the operation of galleys and galleons to private contractors motivated by purely commercial interests unquestionably undermined royal and seriously weakened Spain's military stance. On the other hand, resorting to private shipbuilders or gunmakers to secure the supplies which royal shipyards and arsenals were unable to provide in sufficient quantities or at convenient prices may have been the wiser course to pursue. After all, Dr. Thompson himself provides a good deal of evidence on the superior efficiency of private as opposed to government industries. Accordingly, he would have done well to draw a distinction between the surrender of such distinctly public functions as the collection of taxes or the recruitment and deployment of manpower, and the surrender of such other functions as provisioning or the production of arms which, then as now, could often be better performed by private enterprise and did not necessarily involve a loss of authority on the part of the government. Had this distinction been made his argument, far from being impaired, would have been strengthened.

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A. G. WHITESIDE, *The socialism of fools: Georg Ritter von Schoenerer and Austrian Pan-Germanism*. (Berkeley: University of California Press. 1975. Pp. X, 404. \$ 22.75).

In *The Socialism of Fools*, Andrew Whiteside has written a monograph that complements his earlier work, *Austrian National Socialism before 1918* (1962). Both books set out a mass of details about the climate of opinion among Germans living in the Dual Monarchy during the late nineteenth and early twentieth centuries.

According to Whiteside, the Austrian Pan-German movement rose and fell with Georg von Schoenerer, a long-forgotten, minor politician and ideological crank who sat in the *Reichsrat* between 1873 and 1907. It was he who "permanently impressed" upon the movement "obedience to his own ideas, personality, and standards of behavior" (p. 6).

Austrian Pan-Germanism was characterized not so much by its cry for national unity — Austrians and Germans united in the Second Reich — as by its racism in which civil rights were reserved only for those with German blood. The movement grew because it attracted for the most part lower middle-class anti-Semites and, as well, *kleindeutsch* students at the universities. They were the ones who supported the *Verband der Deutschnationalen*, the poli-

tical party which Schoenerer headed, and they were the ones who read *Unverfaelschte Deutsche Worte*, the journal which he edited.

Schoenerer began his movement in the early 1870's. Growth was slow but steady and by the late 1880's its members numbered several thousand. By then Schoenerer had reached the pinnacle of this career, for he controlled a sizeable contingent of legislators in the Reichsrat. Much encouraged by this success, he sought to increase his power further by linking Pan-Germanism to extremist groups in the Second Reich, particularly the *Los-von-Rom* movement and the *All-Deutscher Verband*, but here he failed. His boundless enthusiasm for German unity made Schoenerer impatient with anything that stood in his way and above all with the Habsburg empire which he came to believe would have to be destroyed before his plan could be fulfilled. But such destruction would bring chaos to central Europe and this frightened the very German groups he was trying to attract into his orbit. Many of their members were wealthy conservatives who had a healthy respect for long-lasting institutions like the empire and hoped to profit from the peace and modest prosperity it brought to the Danubian basin. Schoenerer's indifference to the empire's survival and his weird rhetoric appalled them and they ignored his appeals for joint action.

Frustrated in his attempts to find friends in the Second Reich, Schoenerer turned for support to the German workers in the mining regions of Bohemia and Moravia where times were hard and unemployment was heavy. The intense bitterness between German and Czech labourers for what little work there was made him think that he could use this rivalry to his advantage and attract the German workers into his movement. But again he failed. Although his anti-Semitism and anti-Slavism were appealing, his stand on socialism was weak. To the workers German unity meant that they would be swallowed up by the growing capitalist colossus of the Second Reich and unification simply was not worth *that* price. Hence they turned to the *Deutsche Arbeiter Partei* which espoused the causes of nationalism and socialism — not the socialist ideas of Marx but the German ones of *Gemeinschaft*.

As the leader of an ever shrinking group in parliament, the imperial government in Vienna felt it could ignore Schoenerer and his adherents. They were not given even the most minor posts and were left howling in the political wilderness. Eventually this led to disillusionment among the movement's rank and file. Despite all the rhetoric Austria seemed no closer to unification with the Second Reich than before. Followers fell away and Schoenerer's eclipse began. As his fortunes waned, his statements became more and more strident and Schoenerer increasingly blamed Jews for his failure. Not surprisingly, Whiteside points out, the "removal of Jewish influence became... a shorthand expression for the whole political, economic, and social program of the movement..." (p. 118). Schoenerer's ruin came in the election of 1907 when he himself was heavily defeated and only three of his followers managed

to gain seats in the *Reichsrat*. The movement never recovered from this blow and Schoenerer, after much petty bickering with his comrades, retired six years later at the age of seventy-one. His last years were very sad: many of his followers had either passed from the scene or turned against him; his wife and only son died and he himself was close to blindness when death claimed him in August 1921.

Taken together, Whiteside's two books say everything that could possibly be said about the Austrian Pan-German movement. Not only does *The Socialism of Fools* capture the flavour of the times quite nicely, but individuals who figure prominently in it are all well-drawn. For scholars interested in central European ideological movements this book is essential.

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