G. ADELMANN, *Die Baumwollgewerbe Nordwestdeutschlands und der westlichen Nachbarländer beim Übergang von der vorindustriellen zur frühindustriellen Zeit 1750-1815. Verflechtung und regionale Differenzierung*, Beiträge zur Unternehmensgeschichte, vol. 11, ed. by Hans Pohl, Franz Steiner Verlag, Stuttgart, 2001, pp. 184.

Adelmann's area under investigation was, in the early-modern period, Europe's most important linen-producing region. The craft had its economic basis in the cultivation of flax, which loves sandy soil and affluent rainfall. Its commercial activitites were focused on Amsterdam, which was at that time Europe's most important port of export for linen textiles and its most important port of entry for cotton.

In the second half of the XVIIIth century in several parts of this region linen weavers turned to cotton. In the wake of this change England's new industrial techniques of producing textiles were brought into the lowlands situated between the River Schelde and the River Weser.

Adelmann investigates the diffusion of cotton processing and of the machines, which were invented for this new raw material, from the coast area to the hinterland. National borders did not essentially hamper the natural evolution of entrepreneurship in Northwestern Europe before 1790. The Netherlands was Europe's leading trading region and free trade was a vital necessity for the Dutch because the territories in the hinterland were too small to be able to afford an aggressive mercantilistic policy. Even Prussia considered it best to exempt its territories at the river Rhine from its protectionist trading system.

Beyond the study of sales and supply relationships Adelmann is interested in all other forms of industrial linkage, i.e. the transfer of know-how, integration of production stages, opening of affiliates, shareholding *et cetera*. These business relationships are explicitly traced in the case of Lieven Bauwens and Johann Gottfried Brügelmann. Bauwens build up an empire of spinning and engine-building companies in Belgium during the Napoleonic era. Brügelmann was a putting-out agent in the Wupper Valley (Duchy of Berg). In 1783/84 he established in Ratingen near Düsseldorf Continental Europe's first mechanised spinning mill to be operated on a sustained basis. (Two predecessors, established in the late 1770s in the Netherlands by consortia of Dutch merchants and British engineers, were only short-lived).

Adelmann's study is based upon the analysis of statistical documents in the archives of states, local authorities and firms and literature on local and firm

history. He arranges his results according to administrative districts, production sequences and stages of technical development (handicraft system, manufactory, factory). For the most part Adelmann describes the transition from hand spinning to mechanical spinning. He distinguishes between two trends coexisting for some time: firstly the partly mechanized spinning of yarn in the cottage industry and in manufactories with hand-operated machines of the Hargreaves-type (jenny) and the Crompton-type (mule), secondly fully industrialized spinning in horse-powered water or steam-powered factories. Weaving and finishing of textiles play a minor role in the book. In the weaving-sector handicraft techniques and the cottage system survired until the end of the period; even John Kay's flying shuttle was only used in a few districts of the area under investigation in 1815.

The Netherlands was Europe's leading textile-printing region in the mid the XVIIIth century. But this industry decreased rapidly when the business was mechanized by the introduction of printing from patterns and rotary printing. During the period under investigation Dutch cotton drapery shifted from the coast to the eastern border of the Netherlands (Twente) and into German Westmünsterland, following low wages.

The Duchy of Berg was first in the industrialization of cotton spinning; the textile industry of the Prussian Mark was largely a spin-off from this pioneer region. Germany's cotton industry on the Western bank of the River Rhine owes its importance in the XIXth century mainly to Napoleon. In order to circumvent the customs barrier introduced by France along the River Rhine and to gain access to the 30 million-consumers living within the Napoleonic continental system, many enterprises from the Eastern bank established affiliates in the French-occupied area. The industrialization of the cotton drapery of Belgium dates from the same period. During the first decade of the XIXth century Ghent became a centre of industrial cotton production, developing large mechanisied spinning mills and printing plants.

The research was accepted as a 'habilitation thesis' by the University of Bonn in 1970, but was not published then. Gerhard Adelmann prepared it for publication after his retirement. The references relate to literature appearing by 1970, but apart from some amendments, added by subsequent research, the book is still up to date.

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M. Alacevich, *Le origini della Banca Mondiale. Una deriva conservatrice*, Milan, Bruno Mondadori, 2007, pp. XXI-261.

The International Bank for Reconstruction and Development (IBRD) project, more generally known as the World Bank, was launched at the Bretton Woods Conference in 1944, and came into being, together with the International Monetary Fund, in 1945. Its constitutive act states clearly its main aim: to give financial support to the reconstruction of "economies destroyed or damaged by the war". This aim was pursued during the Bank's early years. However, the implementation and the full effectiveness of the Marshall Plan put an end to the IBRD's primary aim and provoked a rapid change back to what had originally been a secondary mission: sustaining development in underdeveloped countries.

The IBRD's transition from a policy of essentially financing post-war reconstruction in Europe to investment programmes in the poorer countries which were affected by the decolonisation process and were referred to as "third world countries" is the subject-matter of Alacevich's book in which he uses hitherto unexplored archive material and an extensive international bibliography. From 1949, this transformation from a "financial institution based on the characteristics of traditional investment banks to a financial institution for development" was both eventful and controversial, and resulted in the new economic policy strategies and the structural changes which have made the World Bank a model of success in the new development economy.

Alacevich makes extensive use of archive sources in his analysis of the World Bank's management's decision-making processes and operational actions, "trying to delve beneath officially-stated positions to identify the real dynamics at work", and allowing internal conflicts and different strategic views to emerge. Knowing about these clarifies why certain important decisions regarding development policies for underdeveloped countries were taken. Thus the funding programme the World Bank implemented for Colombia – the subject of chapter two – appears as a "laboratory", the first general mission experiment during which positions which matured within the Bank came face to face and then entered into conflict with one another. They also reflect the theoretical debate on development economy.

The mission in Colombia began in July 1949 and was led by Lauchlin Currie, a Keynesian economist and an ex-adviser to Franklin D. Roosevelt. It met with a series of difficulties due to political instability, the lack of reliable data regarding

the economy, and the critical condition of Colombian finances. Nevertheless, the Report presented on 14 August 1950 gave a full description of conditions in Colombia, and supplied economic-policy indications aimed at "raising the standard of living of an entire people in a relatively short period of time" by means of intervention regarding infrastructures, education, nutrition and the main production sectors. The publication of the Currie Report stirred up a great deal of controversy: criticism was levied by Colombian institutions and by international bodies such as the Food and Agriculture Organisation and the International Monetary Fund, but – and Alacevich draws the reader's attention to this point – the Report provoked a very harsh quarrel between Currie and the economist Albert Hirschman, who was supported by the World Bank's top management and destined to replace Currie in 1952 as being in charge of the Colombian project.

According to Alacevich, documentary sources and, in particular, the correspondence between the protagonists of this dispute found in the World Bank Group Archives, provide essential information for understanding how attitudes, which were more decidedly conflicting on the tactical level, ended up by almost converging on the formulation of a programme of balanced economic development. The disagreement between Currie and the IBRD, in the person of Vice-Chairman Garner and later of Hirschman, was fundamentally about identifying priorities in support policies for developing countries and, in the case of Colombia, about the advisability of funding projects and initiatives which were not directly productive, such as aqueducts, railways, hospitals and schools, thereby inevitably diminishing resources for more large-scale industrial investments. This was Lauchlin Currie's idea for balanced development. Hirschman, on the other hand, though recognising the importance of investments with a strong "social" spin-off, opposed the need to concentrate resources on specific projects to avoid forcing "factories, plants, entire industrial sectors" into a "state of perennial inadequacy, condemned to keep up with the often slow and uncertain growth of the national economy as a whole".

This vision of the IBRD's role in sustaining underdeveloped countries, defined as a "conservative drift" in the title of this book, prevailed, leading to Currie's dismissal and characterising in an explicitly "banking" sense, the World Bank's approach to development issues until the mid-1960s. One of the first consequences was the decision to finance the construction of a huge steelworks to produce iron and steel at Paz de Rio, despite the Currie Report's having

expressed serious reservations about the usefulness of such a big steel-plant. Similar reasoning was behind the refusal to contribute to the urban redevelopment plan for the town of Baranquilla on Colombia's Atlantic coast, which involved the construction of roads, hospitals, schools and aqueducts. The IBRD's top management had decided in favour of the "directly productive loans" system, regarding the connection between economic growth and social development as an essential theoretical assumption, and the trickle-down mechanism as its natural corollary, where an economic policy that initially favours the entrepreneurial class and industrial investments and where distribution processes are not controlled, produces a positive spin-off on the entire population's living conditions within a reasonable period of time.

It was not until 1968, under the chairmanship of McNamara, that the IBRD partially modified its strategies in favour of greater commitment to programmes aimed at fighting poverty and at social development in third-world countries, although some aspects of the Bank's policy during its first two decades would suggest caution in passing judgement which could over-simplify the picture by making too marked a distinction between the first period with its typical banking policy and the later period of greater social impact. Alacevich maintains that both – on the one hand, the undeniable drive within the Bank towards a "balanced" approach to development, and, on the other hand, the Bank's success in terms of profitability and the security of the loans made for individual projects, which led to discouraging any proposal of change – are not given due consideration.

Unfortunately, the lengthy, profitable "banking-type" management has curbed the perception of the failure of the "directly productive loans" policy in the fight against poverty in underdeveloped countries, despite the fact that the Bank had experienced, but then forgotten, an internal debate that emphasised the advisable complementarity of intervention aimed at social development. From this point of view, Alacevich's careful study of archive documentation, the methodological prerogative of an economic historian, renders his book original, and enables him to salvage hitherto unpublished complex elements in the history of the IBRD's early years, a subject which has previously been studied mainly by sociologists, political scientists and economists.

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N. Crafts, I. Gazeley, A. Newell, eds., *Work and Pay in Twentieth-Century Britain*, Oxford University Press, Oxford and New York, 2007, pp. 369.

This book has been edited by three economic historians: Crafts from the University of Warwick and Gazeley and Newell from the University of Sussex. It consists of a collection of papers, including some by young researchers, which aims to reconstruct a long-range overall picture of the labour market in the twentieth century in one of the oldest industrialised nations. This is stated explicitly in the Introduction: "Much of the literature that deals with the labour market in Britain is confined to the analysis of sub-periods of the twentieth century. This book provides a new, century-long perspective. We have noted that the increase in living standards in the twentieth century outstripped that of any other period in history."

Fundamentally, most of the analyses identify the concept of "inequality" or disparity in wages which itself is tied to the diversity in the British labour world's response to technological development and market globalisation.

Despite the fact that it is now an everyday reality at the height of its development, Gazeley and Newell opportunely stress that in actual fact there does "not yet exist a fully analytical historical account of twentieth-century technological change, and its relationship to the world economy". The two academics add: "capital accumulation and technical innovation are often undertaken to reduce labour input... Rapid industrial change, for instance, could result in a higher level of structural unemployment."

More than twenty years ago, in a comparison of the different patterns of development found in Great Britain, the United States and Japan (Howard F. Gospel, "Comparative Patterns of Labor-Management Relations: Great Britain, the U.S. and Japan" in *Business and Economic History*, 15, 1986, pp. 119-131), it was stated: "Most British firms have not until the last ten to twenty years begun to parallel the large American multidivisional firm in terms of organizational and hierarchical development".

There is no doubt that Great Britain's traditional and distinctive system of production had seen a first industrial revolution which for the most part was still based on cottage industry. There was resistance to the division of labour and small and medium-sized supple, diversified enterprises survived for a long time within a state which practised a policy of non-intervention in the economy. And so inevitably, as Nicholas Crafts stressed ("Forging Ahead and Falling Behind:

the Rise and Relative Decline of the First Industrial Nation" in *The Journal of Economic Perspectives*, vol. 12, n. 2, Spring, 1998, pp. 193-210): "by the end of the nineteenth century, economic leadership had clearly passed to the United States and since then, Britain has experienced a long period of economic decline".

Only the two world wars, especially World War II, with their emergency conditions, gave rise to a "nationalisation" of the British economy and to organisation within labour groups: "The consequences of total war on economic organization during the Second World War were even more pronounced than they had been during the earlier conflict. From May 1940, the Churchill coalition brought leading Labour Party members and the leader of Britain's largest trade union into government. The Ministry of Labour directed labour to an unprecedented extent and at the same time workplace organization and union representation were greatly extended. During the war there was a change in the climate of the British political economy that resulted in a post-war settlement based upon a corporatist system of government.".

Such a situation, which led to the boom of the 1950s and the 1960s, went on to make wage policy increasingly dependent on the emergence of opposing government forces.

As is seen in the paper by Florence Kondilys and Jonathan Wadsworth (*Wages and Wage Inequality, 1970-2000*): "For most people in work, the period since 1970 can be characterized as one which delivered continuous, if somewhat erratic, growth in real wages. What makes this period stand out is the extent to which the wages of the (working) rich grew much more than the wages of the (working) poor. Such trends ... were not observed contemporaneously in many other industrialized countries.".

Kondilys and Wadsworth add that the obvious explanation of the "dispersion of pay" is to be found in the decline of the trade unions: "Union membership peaked at 13 million in 1979, some 55 per cent of the employed. Thereafter membership fell by around 5.5 million over the next twenty-five years: ... a declining union presence ... can explain some of the rise in wage inequality."

Gazely and Newell come to an unusual conclusion: "But one of the reasons for that collapse in unionization must be that the final elimination of the old, regionally concentrated industries of Britain's industrial past.".

It is worth listing the subjects of the individual contributions that deal with the various implications of work and pay. Together with the aforementioned

paper by Kondilys and Wadsworth, we find *Living Standards* (Nicholas Crafts); *Structural Change* (Andrew Newell); *Manual Work and Pay, 1900-1970* (Ian Gazeley); *Work over the Life Course* (Paul Johnson-Asghar Zaidi); *The Household and the Labour Market* (Sara Horrell); *Women and Work* (Sara Connolly-Mary Gregory); *The "Welfare State" and the Labour Market* (Pat Thane); *Industrial Relations* (Chris Wrigley); *Unemployment* (Ian Gazeley-Andrew Nevell); *Education and the Labour Market* (Michael Sanderson); *Britain's Twentieth-Century Productivity Performance in International Perspective* (Stephen Broadberry-Mary O'Mahony); *Immigration and the Labour Market* (Dudley Baines).

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B. Eichengreen, *The European Economy since 1945. Coordinated Capitalism and Beyond*, Princeton University Press, Princeton and Oxford, 2007, pp. 495.

Among the several histories of the European economy after World War II, this one by B. Eichengreen deserves particular attention.

First of all, it is important to note that the book has been written by one person. Often, works of this type have several authors of different nationalities in order to ensure, at least on paper, a first-hand knowledge of what is by now the huge literature available on the history of the diverse nations' economies over the last seventy years. There is a well-founded reason for this way of organising research: Europe consists of at least thirty or so nations, and each one has its own respectable economic history, of which it is not easy to make a fruitful historical synthesis.

However, it is difficult to assemble a group of experts capable of carrying out their task of dealing with one nation or group of nations by following one single method of research and using comparable statistical sources.

Here we are dealing with a very big book (almost 500 pages) about the recent economic history of many European countries, and it is inevitable that the author will, in the end, favour one nation rather than another. Eichengreen

naturally prefers the Soviet Union among the Eastern European countries; as far as Western European countries go, the book's most significant references concern Germany.

Chronologically the book stops just before the serious real and financial crisis of 2007. Paradoxically, however, this adds to the book's value today. Let us see why.

The book's underlying theory is two-fold. On the one hand, the author argues and shows that European economic history over the past fifty years may be divided into two periods of about the same length: during the first twenty-five years, Europe experienced very sustained "broad" development, greater than that of the United States; during the subsequent twenty-five or thirty years, however, called to cope with the problems of "intensive" development, the European economy grew at an unsatisfactory rate and was incapable of following the examples of growth seen in much more dynamic economies, such as the American economy and the oriental economies.

This theory is not new, and is often to be found in the wealth of research available on the past fifty years of the Italian economy.

What is new is the "system" inherent in the causes that produced this effect, and the wealth of reasons that are listed; so much so, that it would be preferable to discuss this book in a university seminar rather than within the limits of a review.

For Eichengreen, the rapid recovery of the European economy after the end of World War II was due to the masterly use of technological progress and enterprise organisation which had developed during the war years. But the rapid "convergence "process – in the sense that European revenue and productivity levels tended to become the same as those of the USA – was due to the fact that the European institutions' system was particularly suitable for this task. Eichengreen writes: "Catch-up was facilitated by solidaristic trade unions, cohesive employers' associations, and growth-minded governments working together to mobilize savings, finance investment, and stabilize wages at levels consistent with full employment" (page 3). In western countries, this institutions' system was supported by an "extra-market mechanism ranging from government planning agencies, state holding companies and industrial conglomerates", and, in the Comecon countries, by enterprises that were totally nationalised and managed by a rigid central-planning mechanism.

This combination of conditions enabled the "golden age" of European economic growth to happen, the period when European economic growth was on average double what it was in the following twenty-five years. It was growth based on a physical accumulation of capital, a reutilization of technology that had not yet been used, wage restraint, stability in the exchange rate, low inflation and strong social cohesion guaranteed by very strong trade unions that showed they could ensure coherence between economic growth and wage trends. It was the period of "extensive" growth, in the sense that it aimed at using the work force in traditional activities, at enlarging factories that already existed and had been put to the test, and at rapid growth in labour productivity.

When, about 1973, growth became "intensive", by which Eichengreen means growth based primarily on "innovation" – technological innovation, organisational innovation and an innovation in sources of borrowing – the institutional conditions which until then had proved "ideal" were no longer able to adapt to the new conditions. Such conditions were caused by growth based on technological research, the outcome of which was uncertain, by highly sophisticated financial markets, and by enterprises that could count on a particularly agile labour market which did not concede much to the traditional occupational guarantees and which, in Italy, were encumbered with the hefty conditions of the welfare state. Even the German system, with trade-union representatives sitting on the advisory committees of big enterprises, proved a hindrance and a cause of delay for economies that had seen a rapid reduction in decision-making time.

This book endorses the theory that the institutional conditions that had encouraged the strong growth of the first twenty-five years became a hindrance for the next twenty-five years; they become insurmountably inflexible. The great institutional changes that took place during the period that was so packed with events (the collapse of the Eastern European system, the birth of the European Monetary System and its subsequent crisis, the introduction of the single currency and the refusal to allow a stronger European political integration to grow) are dealt with and discussed by Eichengreen, using a wealth of documentation and causes.

The book's strength lies in its ability to create an economic macro-history based on an excellent processing of well-selected statistical data chosen with good reason that is often represented in carefully constructed diagrams. It is in

this fusion of "narrating" with "showing", consisting of documentation processed on the basis of economic theory, that the book is uncommonly effective.

In many parts of the book, Eichengreen's interpretation is of high quality, and his propensity to seek a synthesis between the course of the economic cycle and the general institutional conditions that favour (or restrict) it is to be appreciated. Of course, it is easier to reconstruct a statistical series made up of objectively convincing data than to make a convincing case of the evaluation of a trade-union organisation's behaviour, the innovation introduced into a legal system, the many ways in which programming was viewed in European countries in the 1960s and the culture that characterised the action of various governments faced with increasing public debt in the 1980s.

And yet the author's great desire to explain everything that has happened in the European economy during the last half-century and in the many different countries (not so much in the different "areas" which seem to interest Eichengreen less) leads him to simplify the situations studied and to try and fit them into a theoretically convincing interpretation. His attempt to include the planned economies within the analytical framework of the western economies is notable, but often leaves the reader perplexed.

This review has very little to say about the Eastern European economies. As far as the history of the western economy is concerned, it may be observed that the prevailing political cultures played a great role at different times and in different countries. Politico-cultural attitudes towards economic programming, public enterprise, fiscal policy and the policy for less developed areas and unemployment were very different, according to the period and the country concerned.

The question the book poses, and the reason why reading it is very relevant today, is the following: how will the European economy, compared with the economy of other large economic areas, react to the very serious financial and economic crisis that is hitting the whole world? In what way should the institutional system – which was first an expansion factor and later the reason for the hindered growth of the entire European economy – change?

There is a lot to read and to think about in this ambitious book, which is constructed with precision and a notable ability for synthesis. To encourage the reader, it should be added that an excellent bibliography, a series of statistical data that is convincingly treated and adequately explained in the Appendix, and

a very wide-ranging and carefully constructed index of subjects and authors quoted, facilitate his labours.

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L. J. Escudero Domínguez, *"Acciughe salate alla vera carne". Historia de los salazoneros italianos en Cantabria*, Gobierno de Cantabria – Universidad de Cantabria, Santander, 2007, pp. 274.

The history of the fishing industry in Italy is having a field day as far as research is concerned. As well as many articles and monographs concerned with regional issues, in recent years the proceedings of three conferences have been published[1], and these proceedings alone are considerable evidence of the varied research that has been carried out until now. The most obvious result is the confirmation that fishing is an economic activity which, long neglected by mainstream research, favours integration and the transfer of knowledge and professional skills from one geographical area to another. The sea has always been one of the main means of linking places, both short-range and long-range, and it is in this scenario that we find vessels, techniques, men and products all moving, almost naturally, for ever seeking new fishing areas and new markets, often ignoring the narrow boundaries imposed by frontiers and government barriers. Thus a multi-faceted social group emerged which ranged from fishermen to wholesale exporters. The vicissitudes both of individuals and of the group as a whole oblige the researcher to look in many different directions, and to study forms and experiences relating to the group's constant tendency to mobility.

For these reasons, Escudero Domínguez' book deserves attention in that it is a detailed and well-documented account of the arrival in Northern Spain of Italians who produced salted anchovies at the end of the nineteenth century. Viewed from the outside, it enables us to discern that in this same period, alongside the huge emigration of an unskilled labour force, people with good

[1] *La pesca nel Mediterraneo occidentale (sec. XVI-XVIII), a cura di G. Doneddu, M. Gangemi, Bari, Puglia Grafica Sud, 2000.*

organisational ability who could profit from the opportunities found in places of settlement also emigrated. These were not mere labourers looking for work; an entrepreneurial class was being formed which, from the last decades of the nineteenth century, proved to have the necessary means and competence to become part of the production and international commercialisation of salted fish and to enjoy success.

Despite the availability of exceptionally good raw material (anchovies), before the Italians arrived, rudimentary methods of preserving fish were practised in the ports of northern Spain. The first reliable evidence concerns the Genoese firm of Angelo Parodi which in 1886 began to operate in the Basque town of Bermeo. In the following years there is more evidence regarding Italian firms working along Spain's northern coast, and prevailing organisational norms divided the work between the local fishermen, the agent responsible for salting and preserving the fish and the firms in charge of exportation. The agents (the so-called "salters") who were responsible for negotiations and for overseeing the various stages of salting were mainly from Sicily or Calabria, whereas the companies responsible for the entire venture were from northern Italy (Genoa, Alessandria, Turin and Leghorn). Some data help us to realise how big the business was: between 1906 and 1907 in the town of Santoña alone, there were sixteen Italian entrepreneurs, with an overall production of more than a million kilos of salted anchovies. As the twentieth century advanced, there were two important innovations: fishing boats became steam-powered, and there was an increase in Sicilian entrepreneurs (the Orlando brothers from Terrasini, the Marini brothers from Porticello, the Cefalù Sanfilippo brothers from Porticello, and many others).

However, the role of the Italians was not merely to deal with exporting whole salted anchovies: they were responsible for an important innovation that appeared about 1915 – the commercialisation of anchovy fillets in olive oil, produced by Giovanni Vella's company. With this new product, which quickly gained market shares, there was a move into the field of transforming raw materials and setting up adequate industrial production plants. Factories meant that seasonal work became permanent, and the Italian entrepreneurs, who now had to follow a production process which went on all year, had no choice but to marry local girls and form a family in Spain. Production and immigration continued to increase in the 1920s and the 1930s: in 1932 there were 46 firms

involved. Because of the restrictions after the end of World War II and also because of the autarchy policy of the regime that won the Spanish Civil War, the Italian firms operating in Spain had to open up new markets, such as, for example, the United States. However, the beginning of the 1950s saw another cycle of growth, a golden age according to many people, and the Italians who had managed to resist the downturn continued to occupy the top positions in this specific sector. The Pontecorbolis, the Taratinos, the Lo Cocos, the D'Acquistos and the Brambillas, together with the traditional names, were only a few of the new wave of Italian entrepreneurs in the fishing sector: there were 56 Italian names among the firms in the port town of Santoña between 1937 and 2000. There were, however, problems connected with excessive fragmentation and total dependence on a single commodity. Negotiations for Spain's entry into the European Union complicated the picture even more, and in the 1990s, many producers, pressurised by competition from other countries, had no alternative but to close their factories, thereby bringing to an end a sequence begun a century earlier.

This book provides an excellent opportunity to discover the developments of an important chapter in Italian entrepreneurship outside Italy. It has many graphs, tables, photographs and, above all, publicity material of great visual impact.

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R. Findlay *et al.*, *Eli Heckscher. International Trade and Economic History*, Cambridge (MA), London, The MIT Press, 2006, pp. XI-560.

This useful and stimulating book makes interesting reading for anyone who is interested in studying the historical development of economic theory and the birth of economic history. It consists of the proceedings of a conference organised jointly by the Institute for Research in Economic History and the Stockholm School of Economics to commemorate the fiftieth anniversary of the death of E. Heckscher (1879-1952), by bringing together a good group of economists and economic historians, not only from Sweden.

At least part of E. Heckscher's scientific activity may be explained with his academic activity. The son of Jewish bankers from Denmark, Heckscher began his studies in Uppsala where he decided to study history. But his big decision was to commit himself to building a useful bridge between economic theory and economic history. In 1904 he wrote his specialisation dissertation on the Swedish Navigation Act of 1724, and in 1907 his doctorate thesis on the economic effects of the Swedish railway system, thus setting out on a path reminiscent of R. Fogel's.

During this period Heckscher published a paper on the limits of the school of history and the need to found an economic history written by experts who, in so far as they try to illustrate economic life in the past, must be acquainted with the developments and the results of economic theory.

His first methodological publication appeared in Swedish in 1904, in a Swedish historical review. Another two of his theoretical papers on this important subject were published in Swedish, one in 1922 and the other in 1947. This book enables readers who do not speak Swedish to appreciate Heckscher's theoretical concept. In fact, many of Heckscher's writings are accessible only to those familiar with Swedish. Sweden has given us some great economists whose works have entered the theoretical debate either because they were written in German or because they were translated sooner or later into other languages, particularly English.

After completing his doctorate, in 1909 Heckscher was appointed Lecturer in Economics and Statistics at the new Stockholm School of Economics, a position he held until 1929. And so he lectured in economics during the first world war, which meant that he was almost obliged to intervene on the more typical issues of a war economy, which he did on several occasions. In 1929, when the position of Rector of the School became vacant, Heckscher had a great disappointment when his colleagues refused to elect him. And so the Chair of Economic History was created for him, and he became head of the Institute of Economic History, a position which he held continually until 1944 when he had to retire because of his age: in fact, he was granted a "special" extension until 1949 when Ernst Söderlund took over from him. During that period, economic history began to be taught in Lund, Göteborg and Uppsala.

The new academic appointment obliged him to spend most of his time on research. He spent several years researching *Mercantilism*, first published in

1931 (and in an English translation in 1935), and most of the 1930s writing a *History of the Swedish Economy* of which he produced four volumes, the last being published in 1949. His death prevented him from completing the final volume on the nineteenth century: the book required research based on increasingly complex statistical series which exhausted him.

The volume under review is a collection of twenty-three papers, mainly by a single author, on the various aspects of E. Heckscher's research activity and is divided into seven sections. The last section is about Heckscher the man, and begins with an affectionate "portrait" written by his grandchildren, who have made available some interesting photographs too. His eldest grand-daughter, a diplomat who was ambassador to Thailand and Cambodia in the 1990s, died in 2004.

This section of the book reveals a man scholars do not know. Heckscher is presented in the light of the political evolution of his ideas, from his being a social-democrat to his becoming a liberal, with the difficult process of "assimilation" he had to undergo as a Jew, even in democratic Sweden, and considering his negative attitude to the birth of the state of Israel and his favourable attitude to Western Jews' gradual integration with Western civilisation of which he felt himself to be an integral part. He used to speak of himself "first and foremost as a citizen of Western society... only second as a Swede and third as a Jew".

Some other sections of the book deal with papers published only in Swedish. The sections on the more well-known writings – the methodological papers on economic history, the Heckscher-Ohlin theory on international trade, and Mercantilism – deserve comment.

Heckscher never ceased to discuss economic history's scientific grounds as H. Lindgren and R. G. H. Henderson remind us in the first two papers. He has left us three papers on the subject, written with long intervals between them: in 1904, 1922 and 1947.

When he makes criticisms, Heckscher's observations are still convincing nowadays. There is no doubt that the German school of history had lost its way through paying too much attention to details and had insisted dogmatically on looking for a theory of the stages of growth in the various economies. He also realised very soon – but he was not alone in this – that economic theory was pursuing the aim of discovering universal laws, ignoring historical experience. In its constructive part, Heckscher's auspice has proved vital and has been widely

debated over the past fifty years. Heckscher's basic theory – that research on economic history and research on economic theory have the same aim – is enjoying a certain revival nowadays. There is no doubt that economic history tries first and foremost to reconstruct the "evolution of economic life", and that economic theory tries "to explain its workings". This is already blatantly clear in a long article published in English in the *Supplement* of the *Economic Journal*. However, economic history has had its own exaggerated specialisations too, just like economic theory had, before the need was felt to emphasise what must unite the two disciplines rather than what divides them.

Something similar can be said about the international trading theory that takes its name from its author. According to Heckscher, international trade is to be understood in terms of the quantity and quality of production factors with which each country's production is equipped. Thus, for example, a country with plentiful labour will export goods produced with labour-intensive techniques rather than goods produced with capital-intensive techniques. It follows that in the absence of transport costs and of an obligatory specialisation because of protectionist measures, market functioning will basically bring an equality in production factor prices. This conclusion has been debated critically in a classic article written in 1956 by W. Leontief (referring, however, more to Ohlin) where it was shown that in the USA there had been a predominance of labour-intensive products for many years. The basic theory is discussed in this book in papers by historians and theorists such as R. W. Jones, K. H. O'Rourke, P. Temin, R. Findlay, M. Lundahl and J. G. Williamson, who stress Heckscher's ability to interpret the logic of international trade from the economy of Biblical times until the end of the nineteenth century. And, historically, it may be said that Heckscher's idea is very useful for explaining to us what happened. With the advent of global markets and multinationals, everything becomes more complicated, but all in all it may be said that the essence of the theory still remains valid, even when we acknowledge that a country's institutional system should be included among its production factors.

In studies on *Mercantilism*, Heckscher's legacy appears to be enormously important, despite its having had to withstand the criticisms of authors such as J. Viner and J. M. Keynes. Heckscher replied to Keynes back in 1946 with an article published in the most important Swedish review on economic theory and republished in the second edition in English of Heckscher's classic text in 1955,

edited by his successor E. Söderlund in two volumes (*Mercantilism*, authorised translation by M. Shapiro, revised edition edited by E. F. Söderlund, 2 vols., London, Allen and Unwin).

In this book, Heckscher's knowledge of history appears in all its fullness: not only knowledge about sources, but also about historical contact and the ideas of the time. Heckscher's well-known theory states that mercantilism was a long power struggle concerning those states that sought the ideal economic policy criteria to make them the greatest, and was not the result of the predominance of particular interests represented by the merchants of the time. Heckscher's *Mercantilism* has been interpreted in many various ways over the years, and his theory's central point is still valid today. It seems a very convincing theory in that it played the main role in shifting the focus of research from debate about some piece of the dawning economic theory to debate about how to measure economic policy. Recapitulating his disagreement with Keynes, Heckscher wrote: "For Keynes, it may be said, the interests of the workers were of central importance; for mercantilism, considerations of general national interest almost entirely took precedence over concern for the lower class". This is something of a "reaction" conclusion: the premise is not true, but the conclusion is valid. The various papers on these subjects found in the book, written by L. Magnusson, D.A. Irwin and J. Mokyr, provide the opportunity to return to subjects which are still on economists' agendas today.

Economists will enjoy reading this book, edited with affection and precision by scholars who are well-known in this field (R. Findlay, R.G.H. Henriksson, H. Lindgren and M. Lundahl), and will profit professionally from it.

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I. Fusco, *Peste, demografia e fiscalità nel Regno di Napoli del XVII secolo*, Milan, Franco Angeli, 2007, pp. 351.

When a state of emergency arises, be it as a consequence of natural causes, such as a flood or an earthquake, or man-induced, such as a war or a revolt, it is an extraordinary acid test for a society to weigh the reaction capacity of a

society's institutions and to measure the nature and the solidity of its social structure. This is generally true for modern and contemporary society, in which, from the Industrial Revolution onwards, an increasingly large body of rules, regulations and technologies has sought, and continues to seek, to curb the effects of an adverse event and to render it forseeable – and it is even more true for communities with an old form of government. In these, apart from its religious and symbolic implications, the state of emergency is seen and experienced as an acid test and an opportunity to redefine the relations which tie different social classes and communities to each other and which structure society.

Of the very many examples of the numerous connections between a state of emergency and the change in the internal status-quo of a pre-industrial community to be found in books about history, the reader need only recall Arlette Farge and Jacques Revel's exemplary study on child kidnapping cases in mid-eighteenth-century Paris[1]: abuse committed by the police on the banks of the Seine with minors detained illegally, clearly as a warning, led to a state of emergency in the city. There were episodes of open revolt and the state of emergency revealed the weakness of the established power, the strength of the common people of Paris, and the distance between those two worlds which, to a certain extent, foreshadowed the events of 1789.

People at that time were already aware of this connection: modern-age political literature is full of accounts of the consequences of what, in Aristotelian language, are called "causes" or "accidents", and of the remedies to cope with them. In the context of seventeenth-century Neapolitan culture, we need only recall what Carlo Tapia wrote in his famous *Trattato dell'abbondanza*, published in Naples in 1638, describing the forms that famine – the state of emergency *par excellence* for pre-industrial society – took, together with its consequences and the means to avoid a shortage of food. When we think of a state of emergency in an *ancien régime* society that is caused by an epidemic, *I Promessi Sposi* springs to mind: Manzoni has not only left an exceptional, very detailed reconstruction of the spread of the plague that broke out in Milan in 1630 when the army crossed Spanish Lombardy; he also describes the consequences the

[1] A. Farge, J. Revel, *Logiques de la foule. L'affaire des enlèvements d'enfants. Paris 1750*, Paris, Hachette, (1988).

passing of the plague had on the microcosm of Renzo and Lucia's village where Don Rodrigo's death paves the way for the marriage of the book's two protagonists.

Idamaria Fusco's research is the first complete study of the plague epidemic that struck the Kingdom of Naples, and especially its capital city, between 1656 and 1658. Fusco reconstructs the phases – the origin, the development and the waning – of this hugely significant epidemic which struck the largest of the Spanish monarchy's possessions in Italy. The data used are complete because the author has used hitherto unexplored documentary sources kept in Spanish archives. And it is thanks to these sources that the reconstruction can provide us with a detailed picture of the succession of measures the Spanish government took, and can outline the precise demographic dimension of the plague and its consequences.

Fusco's research is noteworthy for the new demographic data it presents, but is even more interesting because it attempts to reconstruct the effects of the plague on the balance of power in the Kingdom of Naples and on the tightly-woven relationships between the Kingdom of Naples and the Spanish monarchy. Other research has shown that, throughout the seventeenth century Naples maintained its ability to contribute to the wars waged by the Spanish Habsburgs[2], but Fusco's book gives us a better understanding of how the Kingdom of Naples handled, in terms of domestic and foreign relations, the worst situation of the seventeenth century – the worst but by no means the only bad situation. Indeed, the 1656-58 plague followed other times of emergency in Naples during the first half of the century, well before the 1647-48 rebellion, such as the collapse of animal husbandry due to cattle-plague during the severe winter of 1612, and the period of great monetary chaos in 1620-21, marked first by a rapid increase in prices and then by an equally sudden deflation.

One fact emerges from these episodes and from many others that took place before the 1656-58 plague, which Fusco points out in relation to the plague epidemic, making it one of her book's fundamental points: clearly there were problems in the relationship between the capital and the provinces of the

[2] G. Sabatini, «Gastos militares y finanzas publicas en el reino de Nápoles en el siglo XVII», in E. Garcia Hernán, D. Maffi (eds.), *Guerra y sociedad en la monarquía hispânica. Politica, estrategia y cultura en la Europa moderna, 1500-1700*, (Madrid, CSIC, 2006), vol. II, pp. 257-291.

Kingdom of Naples in times of emergency. But what were the connections between Naples and its provinces in normal times – in other words when there was not a crisis – the connections that the plague plunged into difficulty?

Because of the weight of the population, and hence the market which Naples enjoied in the modern age compared with its provinces taken as a whole, it can be said that it was a kingdom which dominated its capital's economic hinterland. There were also great territorial disparities between the capital and the outlying regions. In the economic field, mainland Southern Italy's principal characteristic was the lack of medium-sized towns and infrastructures to link the capital, an over-populated place of consumption with the uninhabited country areas and the places of production: the lack of intermediate urban centres and a more widespread road network prevented the development of a more efficient structure of production and distribution system throughout the modern age. The only important exception was the Salento area, where there was a strongly-rooted tradition of producing goods for export – oil, grain and wine – and a network of medium-sized towns that guaranteed both sufficiently wide local consumption markets and bases for further stages in marketing products.

Although there were discrepancies between Spanish Naples and its provinces as far as production and marketing systems were concerned, the other factor that united the two territories – tax collection – showed no disparities: the Kingdom's communities, with ample margins of discretion regarding the distribution and the collection of taxes within their own boundaries, had to guarantee the payment of that tax burden, consisting of both normal and special taxes, which to a great extent ensured the regular payment of the Neapolitan contribution – both men and capital – to the Spanish monarchy's wars. It was here that the relationship between Naples and its provinces deteriorated during the plague years: according to Fusco, the 1656-58 epidemic marked a period when the provinces broke away from the capital, thereby giving rise immediately to the emerging of new local authorities and to a serious rift in relations between Naples and Madrid, and leading to the need to reintroduce the usual forms of control and, indeed, to make them more stringent.

Fusco identifies three distinct stages in this process. In the first period, when for the most part only Naples was struck by the plague, the Viceroyalty completely lost its capacity to administer the outlying regions because many ministers died and the city's law-courts were closed. During a second period,

when the plague raged in the provinces but was practically finished in Naples, there was an attempt to renew normal administrative connections with the outlying communities through the re-opening of the Neapolitan law-courts and through their acting as mediators and exercising control over the decisions taken at a local level to cope with the difficulties the emergency created. However, it was not until a third period, when the epidemic was over and the damage it had caused was examined, that the Viceroyalty, in seeking remedies for the serious situation with which it was faced, devised new instruments to gain better knowledge of the territory, and of how to manage taxation in an attempt to regain real control of the Kingdom's provinces. And it was likewise in this period that the relationship with Madrid was rebuilt, with Naples substantially accepting Madrid's requests and attempting to mediate over the real contribution possibilities of the Kingdom's communities.

It is in the final stage of this process, which is well documented in this book, in the difficult context of the period following the 1656-58 epidemic, that we can find confirmation of the existence of a certain measure of Italian autonomy within the Spanish monarchy, according to a well-chosen definition of Luis Antonio Ribot García's, referring to the Neapolitan participation in the war at Messina between 1674 and 1678[3]; such autonomy was determined by Naples' ability to get organised and act with a certain degree of independence from Madrid, not in order to fail in its well-consolidated ability to mobilise men and resources, but in order to perform this role using all the existing means of mediation concerning the requirements voiced by the Kingdom's provinces.

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[3] L. A. Ribot García, *La Monarquia de España y la guerra de Mesina (1674-78)*, (Madrid, Actas Historia, 2002), pp. 339-340.