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## REVIEWS OF BOOKS

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H. VAN B. CLEVELAND AND F. HUERTAS, *Citibank: 1812-1970*, Cambridge, Harvard University Press, 1985.

The combination of methodology, subject and scope make this one of the most important business histories written in recent decades. This is the one must-read chronicle of a financial corporation for every business historian.

The methodology combines the aspects of traditional corporate histories written to glorify the company and preserve the corporate culture of, in this case, an institution venerable by American standards, and the less traditional attempt to place corporate events in the context of an impeccable financial history. The two named authors, and their research staff, are all employees of Citibank, providing them with a perspective and expertise not easily acquired by the hired historian. This advantage, however, also brings with it a problem. Even more than the historian who is hired by a company specifically to write the history, employees must defend themselves against the charge of a positive bias. To lessen the possibility of such a charge, the authors organized a review committee of the most illustrious names in the fields of business and economic history to "ensure that it would be a scholarly and objective history." Although on the issue of objectivity, no outsider can be entirely certain about the results, the scholarly reputation of Thomas Huertas is at least as reassuring as the knowledge of supervision and guidance by committee members Vincent Carosso, Richard Sylla, Anna Schwartz, Stanley Engerman and Alfred Chandler.

Such an exalted group could hardly fail to influence the writing of this book and at times one almost feels one or the other's voice is speaking through the author's pen (or, probably more realistically, their word processor). This is especially true of the section on the late nineteen twenties and the beginning of the depression, where one can almost hear the accents of Anna Schwartz, also in the section on the panic of 1907, where Vincent Carosso is heard most distinctly, and in several of the sections describing management styles, where Alfred Chandler's ideas shine through. Far from being as distracting as this seems, the sense of these famous historians' presence is one of the strengths of the book, making it much more than a corporate history usually can be.

The subject of the book is one of the largest and oldest banks in the Un-

ited States. Such a company warrants study for a number of reasons. Clearly one issue of interest is the managerial structure or structures that contribute to such success. The book does an excellent job of describing the various management structures Citibank has used. The rationales for each change in structure are so clear, the book could be used as a case study for modern management classes. Enough detail is present to reconstruct organization charts for each evolution.

For the business historian, the book provides several in-depth studies of the personal characteristics and management styles of the various presidents and chairmen who have led the corporation through its early growth. The bank was founded by a group of merchants, in a highly typical arrangement. Apparently little is known of this first phase; the years 1812 to 1837 are covered in fifteen pages. The first strong leader to emerge was Moses Taylor. During his tenure as director the bank, as the treasury for Taylor's businesses. The growth of these businesses was rapid, and the bank expanded accordingly. The history of this phase is also brief, and relies primarily on secondary sources.

The story of James Stillman, president of the bank from 1891-1908, and chairman until 1918, and Frank Vanderlip, president from 1891 to 1918, is one of the best and most interesting part of the book. Stillman's personality and management style, made real through the use of his letters, reveals much about the era. He began the diversification of the bank into investment banking and other financial services.

The transition from Stillman to the next president, Frank Vanderlip is presented a part of the general trend to the professional manager rather than the owner-manager. Vanderlip, who continued the diversification by acquiring an international division, nationwide corporate banking, and investment banking, chafed at the restrictions implicit in his position, and continually sought personal recognition and wealth. He assisted in drafting the unsuccessful Aldrich plan for a central bank, but his advocacy of a bank-controlled institution made him an easy target for the Pujo committee and their position that many of the countries problems were caused by the "money trust." For Vanderlip and other managers of the era it must have been difficult to live with the role models of the time: men who had used their companies to create immense personal fortunes. Vanderlip coveted this wealth and also the absolute control of their companies these men had.

In 1921, Charles Mitchell became president of the bank. A crisis existed when he assumed the presidency, and Mitchell responded by reorganizing, and continuing diversification by moving into the market for small business and consumer loans. The bank also expanded into bond underwriting and marketed the bonds to their trust department customers. The depression intervened, and this strategy became an embarrassment to Mitchell as Congressional investigations revealed the bank's activities in an unflattering light. While Mitchell's story is a tragic one, it could have been made more interest-

ing by the inclusion of some details of his personal life along with the public events.

Subsequent presidents and chairman are appropriately discussed in less detail as the focus of the book shifts to management techniques and regulatory changes which affected banking. The increased regulation in the 1930's made all bank chief executives roles less important by limiting their options.

In addition to the case studies of executives this book provides, there are a number of challenges the bank management met which would make good case studies. For example, the bank had loaned large sums of money to Russia before the Communist Revolution, had committed funding to the Cuban sugar producers as the industry declined, lost 29 percent of their deposits in February, 1933, struggled with the introduction of new consumer services in the 1960's, and dealt with the loss of deposits in the 1970's. Each of these situations provides a case worthy of study.

The book does an excellent job of covering factors which contributed to the success of Citibank, not only preserving the complexity of the various decisions that were made, but setting these decisions accurately in their context. Never do the authors resort to attributing problems to "bad management" — "bad" only because events outside the bank changed the probability of success. The authors do not approach the other important reason for studying bank history, the impact of the bank on the economy. This lack, however, is justified by the scope of the material that is included.

This is unquestionably a book of significance. It is a sterling model for corporate histories, because of its use of well researched background information, and because Cleveland and Huertas obviously understand finance and banking. Managers in any industry may find the book useful for the accounts of the changes in corporate structure, while bankers should explore this firm's handling of problems which could easily reoccur. Economic historians will appreciate the accuracy of economic events in the background, and business historians have new support for the view that managers make a difference. Most academic, corporate, and public libraries will want to own this book.

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P.G.M. DICKSON, *Finance and Government under Maria Theresa 1740-1780*. Oxford, Clarendon Press, 1987, pp. XIX, 491; XVI, 453.

In an oft-cited passage from a memorial she wrote in 1756, the Empress Maria Theresa complained that when she succeeded her father as ruler of the Habsburg Monarchy in 1740 she had found herself "*Ohne Geld, ohne Credit, [und] ohne Armee.*" In these two carefully researched volumes, P.G.M. Dickson, Fellow and Tutor of St. Catherine's College, Oxford, demonstrates

with words and figures how, where, and at what cost the monarch located the revenue and the credit needed to provide her with the military power she had so sorely lacked sixteen years earlier. The story Dickson tells is essential to an evaluation of eighteenth-century Habsburg absolutism. At the conclusion of the War of Austrian Succession the military situation of the Habsburg Monarchy was so fragile that Maria Theresa was persuaded by her chief advisor for internal affairs, Count Friedrich Wilhelm Haugwitz, that the security of her territories required the creation of a standing army and the implementation of the financial and administrative reforms needed to sustain it. In Dickson's sober interpretation it was not theoretical but intensely practical considerations that caused Maria Theresa to launch in 1748 and 1749 what amounted to a coup d'état against the aristocratically dominated estates in her Bohemian and Austrian provinces. Not only was the *contributio*, the direct tax voted by the estates to finance the army, increased, but the nobility was subjected to regular, peacetime taxation, while major changes in the structure of central and provincial government were decreed to strengthen the Crown's control over financial and military affairs. Although in the short run these reforms produced a measure of success, Dickson explains that the structures Haugwitz had helped create proved unequal to their task during the Seven Years War. Early in the 1760s, therefore, Maria Theresa acted upon the advice of such figures as her foreign minister, Prince Wenzel Anton Kaunitz, and embarked upon a new period of reform. Agencies of central and local government were again reorganized, and new sources of revenue were tapped in the hope of servicing and even retiring heavy war debts. Once again, however, renewed military conflict, this time in the form of the War of Bavarian Succession of 1778-9, undermined the monarch's efforts. Ironically, by the end of her reign Maria Theresa had created an army that was, as Dickson observes, "so expensive it could only with difficulty be mobilized for action"<sup>1</sup> (vol. 2, p. 2). When, therefore, Joseph II succeeded to the throne in 1780, he inherited a situation which, though less serious than the one his mother had confronted four decades earlier, was nevertheless intolerable to a monarch determined to carry out a vigorous foreign policy. Dickson suggests, indeed, that Joseph's radical reforms were less the product of the monarch's impetuous personality than a bold response to problems left unsolved by his mother, who had cautiously compromised with the Bohemian and Austrian estates and had carefully respected the historic rights of her Hungarian and Belgian provinces.

Many of Dickson's conclusions will be familiar to seasoned students of eighteenth-century Habsburg history. What is arresting about his treatment of Maria Theresa's reforms is, however, the depth and breadth of his approach. Simply to describe the contents of Dickson's volumes is to indicate the nature of his achievement. Volume One bears the subtitle "Society and Government" and treats in thirteen chapters such topics as population, social structure, ecclesiastical wealth, the nobility, the peasantry, Viennese and Bel-

gian merchants and bankers, the institutions of central government, the Crown's local authority, the role of the estates in provincial government, and bureaucratic personnel. Volume Two, entitled "Finance and Credit," begins by analyzing the financial motives behind administrative reform and proceeds to offer chapters on peacetime revenue and expenditure, war finance, wartime subsidies, the structure and assessment of the *contributio*, and external and internal loans and creditors. Thanks to an impressive command of secondary sources in German, Czech, and Magyar and of unpublished materials in Austrian, Belgian, Hungarian, French, and British archives, Dickson illuminates each topic in a pointillistic manner and a clear, occasionally pithy style. On the basis of materials found in the Austrian State Archives, moreover, he assembles in 140 tables a wealth of statistical information on such diverse topics as population, estimated national income, revenue, expenditures, internal and external loans, and army size. Although the author warns that the unsatisfactory nature of much of the documentary material at his disposal invests his tables "with a penumbra of uncertainty"<sup>2</sup> (vol. 1, p. 13), economic historians in particular will find themselves deeply in his debt for the valuable information he has collected and interpreted.

Dickson has done more, however, than amass data. By attending to detail rather than theory he is able, for example, to show that the proposals of Haugwitz were less innovative than many historians have realized and to demonstrate the degree to which Maria Theresa was led not simply by temperament but by financial and political necessity to come to terms with the provincial estates. He also stresses the favoured treatment the empress gave to Hungary and the Austrian Netherlands and offers insights on the financial importance to the central government of the monarchy's Belgian and Italian provinces. Dickson's volumes are not, to be sure, without their problems. Generalizations are rare, there is no concluding chapter summarizing major conclusions, and some sections, particularly those dealing with such topics as merchants, bankers, and bureaucrats, come close to being lists of names. There is therefore a danger that the author's penchant for detail will discourage and perhaps even defeat all but the most dedicated reader. This is unfortunate, for Dickson offers so many valuable insights and his scholarship is so prodigious that he has written a book no student of eighteenth-century Habsburg economic, social, or political history can afford to ignore.

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H. DILLARD, *Daughters of the Reconquest: Women in Castilian Town Society*, Cambridge Cambridge University, 1984.

When scholars first started writing women's history, the main problem was the dearth of documents about women. Historians soon found, however, that documents that were not specifically about women could frequently pro-

vide information about them. The ability of the scholar lay in ferreting out this information from unlikely sources. In *Daughters of the Reconquest*, Heath Dillard shows herself a master of this process.

Dillard makes innovative use of numerous medieval legal and customary documents to paint a vivid picture of the lives and importance of women in Castilian reconquest towns. She uses royal and ecclesiastical documents, but her main sources are municipal *fueros*, short settlement charters issued at the founding of towns, and the *fueros extensos*, extensive codes of customary law the towns compiled later to incorporate new customs, privileges and obligations.

*Daughters of the Reconquest* is the first full-length study of women in medieval Castilian society. Dillard depicts these women as valuable members of the culture and institutions within which they functioned and tells their story from the point of view of the women themselves. After introducing the townswomen, she dedicates a chapter each to weddings, married life, and widowhood, different aspects of marriage, the institution that served to create the basic town unit, the conjugal household, and gave both women and men status in the community. The remaining four chapters cover different kinds of women, and women's work and their dealings with other women and with the male citizenry.

Dillard demonstrates that the presence of women in reconquest towns was vital to the Castilian project of retaining the conquered areas. Once the fighting was over, the Christian presence could only continue with stable settlements composed of families, that is, women as well as men. Since women were at a premium in the forces of the reconquest, a woman, a wife, became the pivotal element that transformed a mere soldier or adventurer into a settler and townsman. No matter where a man spent most of his time, he was a townsman only of the town where his wife lived. So important were wives to the achievement of a man's status that the towns of the reconquest protected their daughters from kidnapping and took measures to insure that only worthy men wed them. Town *fueros* made marriage to a townswoman difficult and especially costly, for the groom had to provide a substantial endowment for his bride. By contrast, the towns situated in the dangerous frontier regions reflected their dire need for women and settlers by countenancing the entry of abducted women and unworthy men such as thieves and outlaws.

Dillard demonstrates that married women were important economic members of town society. Daughters inherited from their parents equally with their brothers and after marriage, wives owned the property they inherited and had with their husbands a society of acquisitions, that is, an equal partnership in all the proceeds of the couple's diverse holdings. As partners in the society of acquisitions, wives were economic actors, accumulating wealth and becoming responsible for debt equally with their husbands. A husband, however, had the legal privilege of administering all property belonging to the couple. The possibility of his squandering or misappropriating his wife's

property was tempered by the legal requisite that wives give their permission to important transactions, by the concern and intervention of her relatives, and by her own attention to their affairs. While their husbands were away for long periods, wives remained as the representative of the family, in many towns bearing full responsibility for family debt during that time, while in others being considered vulnerable and legally protected from creditors.

Dillard has made excellent use of the *fueros* to learn about the lives of townswomen. She recounts, for example, how women took over while men were away during the summer grazing sheep and cattle in the mountains, or while they took off for military campaigns. Women were not solely housewives, caring for and administering their home; they also administrated agricultural property, or ran inns or town shops, many times becoming tradeswomen. They laboured in the fields, in bakeries, in construction, or in domestic service for which in some towns they were paid more than male agricultural workers. Women met at the spring, river, bakery or bath house, and could be opinionated and strong willed.

Townswomen could be divided into classes according to their wealth, or they could be classified as honourable women or women without honour. Honourable women, usually married women or widows, were given the greatest credence in the town courts. For example, the testimony of eleven honourable women could in some towns certify without question a wife's innocence of adultery.

In *Daughters of the Reconquest* Dillard synthesizes the facts about women that the different *fueros* provide in common, while also using the detail and specificity of custom of particular townships to illuminate the general picture of women's lives and importance to town social and economic life. Dillard also analyses women's different life strategies, showing, for example, that women even turned sexual exploitation, as exemplified in the institution of the mistress, to their advantage.

A special bonus in this book are the illustrations taken from the codex of Alfonso X's *Cantigas de Santa Maria*. In them, the townswomen of medieval Castile take corporeal shape, participating in a wide variety of activities, from conversing with friends, or taking a child to church, or purchasing a ewe, to disposing of an aborted foetus.

*Daughters of the Reconquest* is superbly crafted social history. Extensively researched, it presents a fascinating picture of the lives and occupations of women in the Castilian reconquest towns, showing that they were valuable links in the knitting of each town's social fabric, giving continuity to the community's social and economic life. This book makes a substantial contribution to the history of women, to medieval history and to the history of Spain.

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T.W. MOODY - Z.E. VAUGHAN (editors), *A New History of Ireland, Volume IV: Eighteenth Century Ireland, 1691-1800*, Oxford, Clarendon Press, 1986, L 65.00, \$ 115.00.

The idea of a *New History of Ireland* was first given expression in 1962 by the late T.W. Moody, Erasmus Smith Professor of History at Trinity College, Dublin, and from that time until his death in 1984 he was, as its general editor, the moving force behind the project. Over the last twenty-five years, in fact, the *New History* has undergone a very considerable number of transformation in its format, at least, if not in its scope. The *New History* is now projected at ten volumes, seven of which carry the story from prehistoric to modern times, and three of which consist of chronologies, maps, and statistics to supplement the historical account. To date, only two of the seven historical volumes, III (1534-1691) and IV (1691-1800), have been published, and two, VIII (chronologies) and IX (maps) of the three supplementary volumes.

The *New History* has obviously run into serious difficulties in spite of its having been generously supported by the Irish government and private benefactions, and whether it will be completed before the end of the present century is now very doubtful. But whether the project is completed or not the volume under consideration here, poses some very serious problems in itself, and by extension also for those volumes to come. Leaving aside all the vicissitudes involved in collective ventures in historical scholarship, the main problem with this volume is that it has been too long in the making. Most of the essays in this volume were submitted in 1973, and because of the very long delay in publication, had to be revised in 1981-82. Between 1973 and 1986, however, a veritable revolution has taken place in the writing of Irish history in the eighteenth century, and the sad fact is that, even in the light of the revisions made, very little attention has been paid to that historiographical revolution in this volume. In a word, this volume of the *New History*, ironically, is now obsolete.

Still, in a volume of some seven hundred pages, including some twenty essays, and a bibliography of nearly a hundred pages, there are obviously levels of obsolescence. Those essays that are most out-of-date are those that deal with the political scene, as well as those that treat of the social, ecclesiastical and literary dimensions that have been written by historians, whose professional expertise is primarily political. Indeed, the introduction and twelve of the twenty essays in this volume have been written by four historians whose basic research and writing may be characterized as political. The other eight essays include two each by an economist, an art historian, and a musicologist, and one each by a geographer and a Celticist. These eight essays vary in their obsolescence, and some, of course, are more interesting than others. The less interesting are those that have a tendency to survey and catalogue without being very analytical, while the more interesting make not

only new and original contributions to our knowledge, but rise by their power of generalization out of the slough of mere historian nominalism. Pride of place for the new and original must certainly go here to the two essays by Brian Boydell on Irish music before 1700 and from 1700 to 1850. Finally, special mention must be made to the truly awesome and comprehensive bibliography compiled by David Dickson, which gives sad and ironic point to all the various levels of obsolescence in the essays in this volume. Let us hope also that that bibliography will serve as both a caution and a warning to the editors of the *New History of Ireland* that anything less than a "harvesting of the best contemporary scholarship," promised in the preface of their third volume (1976), will simply not do.

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S. TOLLIDAY, *Business, Banking, and Politics: The Case of British Steel, 1918-1939*, Cambridge, Mass., Harvard University Press, 1987, pp. xii + 433.

Once Great Britain led in the world's iron and steel industry; by 1900 it had lost that lead. World War I put new demands on the industry; in 1918, when Steven Tolliday's story begins, he believes that the future of British steel was uncertain. Tolliday's argues that attention must be paid to institutions (steel companies, banks, the government) in explaining the difficulties the industry faced in arresting its loss of world position. He thinks that in the interwar period "steel was not yet in the grip of terminal decline" (p. 18).

British steelmakers had once been major exporters and in the late nineteenth century and more important, in the twentieth century, as import substitution took place worldwide, this had created the overcapacity that the industry faced in the early 1920s. Tolliday does not discuss the overvalued pound and its impact in the late 1920s. He is, however, excellent in demonstrating the effects of the reduced international demand. In some steel products, Great Britain by the late 1920s was a sizable importer (p. 20). Toward the end of his volume (p. 276), in the context of conflicts of interests, Tolliday does mention in passing that "the strong exchange rate," favoured by the banks, had deleterious effects on industry. The difficulties of the steel industry meant a need for rationalization to lower costs and create efficiency. Rationalization was the catchword of the 1920s. It was never achieved in the steel industry.

Tolliday begins with a survey of the interwar history of British steel, covering the companies, their output, and their profits, 1920-1938; the profits were positive industry-wide in every year, although 1920 and 1921 excepted, steel profits were substantially lower than those of British manufacturing as a whole. Tolliday has perceptive comments on regional and product segmenta-

tion in steel. Next, he looks at the industry by region: the northeast coast, the Scottish group, the South Wales tinplate manufacturers, and the Sheffield group. The book has excellent maps.

The principal northeast coast steel producers in the 1920s were Bolckow Vaughan & Co., Consett Iron Co., Dorman Long & Co., and South Durham and Cargo Fleet. Despite overcapacity, institutional rigidities prevented mergers and rationalization. Managers of each firm in this region were constrained by a complicated variety of conflicts of interests involving families, suppliers, shareholders, creditors, and customers. Tolliday chronicles the corporate relations with the British banks. Finally, a merger occurred between Dorman Long and Bolckow Vaughan in 1929 but the development of Dorman Long (the surviving company) was a "ramshackle" one. He describes the weaknesses and the lack of effective direction.

In the Scottish steel industry, eventually (by 1936) Colvilles Ltd. obtained something approximating a regional steel monopoly, yet the legacy of earlier fragmentation existed within the Colvilles enterprise. The Scottish industry evolved in a "patchwork" manner. Tolliday ably describes the complexities of the decision-making processes and the important role of the Scottish ship-builders.

In the South Wales tinplate industry there was new technology and the emergence of one industrial giant, Richard Thomas & Co., but this leader was plagued with difficulties. United Steel Companies Ltd. — to become the largest of the British steel companies — was the 1920 outcome of a merger of two large Sheffield enterprises and their suppliers.

Many years ago, Alfred Chandler argued that if an enterprise was to be efficient, structure must follow strategy. Tolliday argues in this book that in the interwar British steel industry, structure determined strategies rather than vice versa — with the negative consequences that Chandler's paradigm would lead us to expect.

After his regional consideration of the companies, Tolliday adopts a thematic approach. He turns to the role of the banks and then the British government in shaping the course of the industry. Both proved as ineffective as the companies in halting the industry's decline. Tolliday explains why. His material on British finance and industry is especially useful. The substantial, albeit frustrating, role of the Bank of England is spelled out in detail; its inability to carry out industrial reorganization offers important lessons. The clearing banks were equally incapable of guiding much less providing direction to effective policy. Government interventions were usually counterproductive. Tolliday concludes that overall they had a regressive effect and were both clumsy and poorly directed.

Tolliday is marvelous on the conflicting interests of the individual steel companies, the industry organizations, the joint stock banks, the Bank of England, and the various policy makers within the government. His is a complicated story well told. The book is a curious combination of determinism and

individual choice. Tolliday is interested in power, but what he shows is how powerless the individual actors were when faced with structures embedded in the past, since their effects were "continuously inscribed in the present and the future" (p. 349). His evidence leaves one wondering whether his conclusion is wrong, and that "the terminal decline" of British steel was already in process in the 1920s. Perhaps the loudest message that comes out of this volume is that however good the intentions of banks and governmental bodies, they were totally incapable of running an efficient steel industry, but so were the companies — and where, then, does that leave us?

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