BOOK REVIEWS


The idea that a model community could be physically planned and constructed in order to better the lot of its citizens has its antecedents in Robert Owen’s New Lanark, William Lever’s Port Sunlight and the Cadbury brothers’ Bournville. Company towns, such as Port Sunlight, were perceived as, and constructed to, provide ideal living conditions for the employees and the employers a degree of control over their workforce. Meredith Fletcher has traced the history of one such ‘model’ community, Yallourn in Victoria, from the drawing board to its complete dismantling in the 1970s. In the case of Yallourn, control, conformity and contentment were to be achieved by the construction of a company town designed along garden city principles, the company being the Victorian State Electricity Commission. The construction of Yallourn was to serve two primary functions. First, to electrify and modernise the state of Victoria and second, to create an ideal living environment which in turn would induce harmony, unity and a loyal and compliant workforce. As Fletcher shows in this book, the ideal living environment and its anticipated benefits of harmony and unity did not fully eventuate and despite all the attendant interest in and promotion of Yallourn as a showpiece for the SEC, all that remains of the town today is a big, black hole and the memories of the people who lived and worked there. The town had to go in the interests of the company – the coal under Yallourn exceeded the value of the town.

Fletcher’s book does not sit comfortably within any specific category of history. It is neither labour nor social history, although aspects of the latter appear throughout the text. Nor can it be classified as the definitive history of Yallourn, more a broad study of the birth, adolescence and death of a town. The first section of the book deals primarily with the history of the Garden City Movement within Australia and the adoption and modification of these principles along with those of the company town to create a town dedicated to the electrification and modernisation of the state of Victoria. The following section presents the growth of the town and of an antagonism between the residents and the SEC over the level of control wielded by the SEC over the day-to-day life of Yallourn residents. The final section of the book traces the death throes of the town from the time when the decision was made to dismantle the town in order to access the coal located under the town, through the opposition invoked against the decision, to the residents’ various ways of memorialising the town as a means to
‘recover, recapture and recreate their lost community’. Although Fletcher provides examples of the SEC’s control, it is presented in a rather basic response-and-reply format with little detail or analysis of the extent to which any forms of independence gained by the residents impacted on their lives. Nor is there any comparison with the lives of residents within other company towns in Australia, of which examples still exist. It would have been useful to have some comparison between the lives and experiences of Yallourn residents and the residents of other mining company towns.

This book presents the reader with an urban story that in its telling captures the way in which people react to their environment, will fight to maintain that environment despite any apparent disadvantages and the manner in which memory and imagination portray this environment.

Maxine Darnell
University of New England


This extremely useful book is about how Australia coped with British decolonisation. Solidly based on the Australian and British archives and the Menzies papers, it gives a ‘warts and all’ assessment of some unhappy Anglo-Australian episodes. Although he modestly sets himself at a ‘slight distance from the mainstream literature’ on Australian external relations, the author subscribes to John Darwin’s dictum that decolonisation ‘has actually been the central political fact for much of the world since the 1940s’. Goldsworthy’s ‘central proposition’ is that the winding down of empire had important implications for Australia.

He shows, first, how in the 1950s Australia still collaborated in imperial affairs. It assisted in the British nuclear weapons programme and in fighting the communist insurgency in Malaya. Australian passports still proclaimed their holders as British subjects. As a colonial ruler in Nauru and New Guinea, Australia held to the ‘domestic jurisdiction’ rules in the UN. It supported the Dutch in West Irian. It gave moral support to Britain in the Suez crisis of 1956.

After Suez, Australia soon had cause for misgiving. As Harold Macmillan sought to restore Britain’s prestige, he mended fences with the United States, accelerated decolonisation, adopted a nuclear defence posture needing fewer overseas bases, and sought entry into the European communities. Throughout the 1960s the attitudes of the Macmillan, Home, and Wilson governments managed to antagonise Australia.

As decolonisation threatened to destabilise the region, Australia persuaded the British to detach the Cocos-Keeling Islands and Christmas Island from Singa-
pore’s jurisdiction before self-government. They were transferred to Australia in 1955 and 1958, but only after tricky negotiations that necessitated a modest breach of the ‘White Australia’ policy. Proposals to take over the New Hebrides and the Solomon Islands were not pursued. The project to create Malaysia in 1963, prompted Indonesia’s Confrontation. This meant Australia had to face the dilemma of supporting Malaysia without having a breach with Indonesia. Then the end of Confrontation facilitated Britain’s military withdrawal from East-of-Suez. This had long been expected by Australian officials, but Britain’s financial crises between 1965 and 1968 suddenly accelerated the process just at the time when Australia, but not Britain, went to fight alongside the USA in Vietnam. The other critical change was Britain’s application to join the EEC, which suggested to many Australians that Britain was abandoning long-time friends. In 1967, ‘British’ and ‘British subject’ were deleted from Australian passports, and appeals to the Privy Council in matters of federal jurisdiction were ended.

Such trends were felt with particular poignancy by Bob Menzies. That Macmillan chose Nehru rather than Menzies to take the chair temporarily at the 1961 Commonwealth Conference left the latter ‘upset and bitter’. He said that, compared with the ‘brown’ Commonwealth, Australia did not ‘count for a row of beans’. After striving hard to keep the Republic of South Africa in the Commonwealth in 1961, he felt the admission of the Republic of Cyprus, at the same conference, meant that the concept of ‘viability’ for members had been abandoned. Uncomfortable beside the ‘cluster of Republics’, he told Macmillan, ‘I begin to despair’.

One could take issue with Goldsworthy on points of interpretation. Of Sir Alec Douglas-Home’s attempt in 1964 to get the ‘senior Members’ of the Commonwealth to enhance the growing association by new schemes for technical cooperation, he says (p. 18): ‘Very little came of this’. Yet these proposals prompted the creation of the Commonwealth Secretariat and the Commonwealth Foundation. He suggests (p. 157) that the withdrawal from East-of-Suez was the last major item of end-of-empire for Britain. But this could be better said of the UDI problem and the creation of Zimbabwe. These are quibbles. The author has given us a fascinating book on an important theme.

W. David McIntyre
Macmillan Brown Centre for Pacific Studies, University of Canterbury


This comprehensive survey of Australian private domestic service from 1788 to the present is sharp, focused and extremely interesting. Higman imposes order
on the leading job for women in paid employment throughout the nineteenth and
the first half of the twentieth centuries. Sketching a broad canvas, Higman is
backed by an excellent command of the appropriate secondary literature, employing a fine balance between argument and evidence.

Higman clearly advances four principal global factors that explain the rise and fall of domestic service, which he then applies to Australia: stages of economic development; urbanisation; technological change; and levels of inequality. He identifies 1788–1860 as the peak of domestic service, being the time when domestic service occupied the highest proportion of the population, although domestic servants were the most numerous in Australia in 1933. Three periods of remission from the general decline of the occupation are advanced: the great depression of the 1890s; the great depression of the 1930s; and the end of the twentieth century. The period between 1860 and 1900 saw slow and intermittent decline, 1900–1970 rapid decline, and 1970–2000 slight revival, but with domestic service remaining at low levels.

There are few surprises in the analysis: domestic service was at its most regulated during convict assignment; most servants were generalists; most homes employed one servant; payment was low and part in-kind; work involved long hours for low wages; times of depression increased domestic service; the spread of labour-saving devices was mainly a post-World War II phenomenon; and there was an overall shift from live-in to live-out systems, and from full-time to part-time work. Interesting observations are that domestic servants were more likely to kill their own babies than those of their employers, and that autobiographical memoirs of the wealthy often give domestics a prominent place.

Because his objective is to quantify and explain long-term trends, Higman does not focus on oral histories. The main sources are classified advertisements and the census, backed-up with a wide range of sources from court records to architectural plans. Amidst the comprehensive coverage that includes useful figures, graphs and photographs, the book manages to include pithy in-depth case studies. The Tasmanian diary of Mrs Arthur Davenport is analysed to reveal the rapid turnover of the 25 individuals employed at her farm in 1856 and 1857. A plot summarises that only one nurserymaid stayed the full 24 months, the average being five months.

Analysis also draws upon latest ideas and interpretations in history, exploring the significance of naming, and of geography in determining how the material and social architecture of domestic spaces affected life and work. Particularly novel in chronicling the collapse of the live-in system between 1920 and 1945 is Higman’s identification of the disappearance of servants’ rooms from house plans. He finds that modest Toorak flats built as late as 1945 still included rooms for maids.

Higman’s approach does not make Aboriginal children or immigrant domestics as visible as one might suspect. Indeed, privileging numbers over individual
life stories leads Higman to argue for the lack of importance of assisted migration, accounting as it did for no more than two per cent of total domestics between 1890 and 1940, and being even less significant after 1940. Meanwhile, during its peak at the same time, the boarding-out of Aboriginal children only accounted for one per cent of domestic servants, and children in general two per cent. Significance is, perhaps, not always so numeric. In addition, key events are mentioned, their impact often assumed rather than explained. Exactly why was World War II so important in the overall decline of domestic service?

*Domestic Service in Australia* is at its most provocative when concluding its cumulative arguments in the present. Jim’s Mowing, the world’s largest mowing franchise and Australia’s second-largest franchised business, started in 1982 by a Melbourne postgraduate student in history, serves as an indicator of how much times have changed.

*Katie Pickles*

*University of Canterbury*

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From the outside, Britain’s attitude to New Zealand and Australia in the post-war period is often portrayed as a comfortable and cozy paternal relationship, with Australia and New Zealand in the role of passive beneficiaries of the Commonwealth economic system. Certainly, Australia was Britain’s most important Commonwealth trading partner and the New Zealand economy was one of the most dependent on the British market. This book, however, reveals a much more ambivalent relationship both from Australasia’s point of view and from that of Britain.

The close economic integration forged by the Imperial Preference system in the chaos of the 1930s was not suitable to the new and increasingly liberal global trading environment of the 1950s and 1960s. Once Australia launched its efforts to disentangle itself from British preferential tariffs in the mid-1950s the European alternative for Britain seemed even more attractive. The 1960s saw the intensification of Britain’s approaches to the EEC that inevitably meant the erosion and ultimate elimination of its special treatment of Commonwealth trade. The story of how the links between these economies disintegrated is a rather depressing one of frustration and sometimes desperation from New Zealand and Australia in the face of growing disinterest from Britain. While the links to Britain
became more tenuous, only Australia was even partially successful in recasting its trade toward third countries such as Japan or the USA. Both economies suffered from the penalties of insular and protected industrial markets.

Singleton and Robertson have woven together their many journal publications on this topic into a wide-ranging account of this period. Although based on the research of both scholars, it was primarily written by Singleton which adds to its coherence. The book focuses mainly on trade relations, not mentioning, for example, the impact of the devaluation of sterling in 1967 and the subsequent negotiation of the Basle Agreements of 1968 that recast Britain’s monetary relationship with the Commonwealth. The chapters are broadly chronological starting with the post-war reconstruction. The dollar shortage gave the sterling area its most heightened importance in the period 1945–1952 and this was the heyday of the economic link between Australasia and Britain. At the same time, however, the seeds of its undoing were sown when both countries made an effort to avoid the vulnerability of dependence on agricultural production that had proved so damaging in the 1930s by embarking on import substitution industrialisation.

The development policies in Australia and New Zealand in the 1940s and 1950s are dealt with in separate chapters that emphasise the importance of foreign investment and also protectionism that amounted to xenophobia in the case of New Zealand. In the 1950s the renegotiation of British preferences in the Australian market led British ministers to seek an alternative to Commonwealth economic relations in Europe. The authors see a direct link between the reduction of Commonwealth preferences forced by Australia and Britain’s growing enthusiasm for Europe. Two chapters deal with this reorientation: first the stresses in the Ottawa System, and then the generally unsuccessful efforts of Australia and New Zealand to penetrate third markets. With strong protectionist policies of their own, they had little bargaining power to open up overseas markets for their own exports. There follow two chapters on the impact of British overtures to Europe, first in the 1950s and then the first application in 1961–1963. These reveal the powerlessness of Australia and New Zealand in the global system. A final chapter sketches out relations with the USA, Japan and Britain up to the mid-1960s.

This is a well-researched book drawing on records from Australia, New Zealand, Britain and the USA. It engages with existing literature on the region and also provides another point of view in the debate over Britain in Europe that has generated considerable literature recently. There has been considerable scholarship recently on decolonisation and Britain’s economic relations with the ‘new’ Commonwealth in the 1950s and 1960s, so this fresh view of the waning links with the ‘old’ Commonwealth is especially welcome.

Catherine R. Schenk
University of Glasgow

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Peter McMahon examines the role of information technology in shaping broad economic and political development, and more specifically, corporate and state structures. The book begins with a chapter that lays out basic definitions and introduces relevant theories, including transaction cost economics and systems theory. The author takes pains to explain the central concept of control, which has systemic properties in that it involves comparison of what exists with what is intended. Based upon influence, command, and feedback, control may be exogenous (imposed from without), endogenous (formed by consensus), or a combination of the two. Fundamentally, control requires the abstraction of human activity from ‘specific temporo-spatial constraints’ and subsequent systematisation and standardisation that renders ‘social processes as varied as buying food and waging war amenable to mathematical logic’. This ‘is one of the essential characteristics of the modern world’. The refinement of information technology facilitates these processes of abstraction, systematisation, and standardisation. Demonstrating mastery of the technical detail over the course of the following five chapters, the author guides us through the development of IT – from the telegraph to the internet – and shows how it influenced the course of institutional development. McMahon argues that the telegraph supported the development of the first global control system needed to sustain a liberal international order in the latter nineteenth century. Manipulated by financiers and statesmen, the stability of this system depended upon British naval supremacy, an international balance of power, and the gold standard. ‘Nationalist industro-military’ trends undermined this order and thereafter government and corporate bureaucracies increasingly exercised a negotiated endogenous form of control. After World War II, the US sought, within limits imposed by the Soviet Union, to convert its ‘industro-military capability’ into a new international control system; government (military) encouragement of new electronic technologies supported this drive. In turn, these technologies facilitated the tremendous expansion of multinational business. Finally, a ‘global cyber-financial control system’ operated by a core of dominant multinationals rendered the exercise of state power increasingly problematic. This book will appeal primarily to political economists and those interested in the broader impact of information technology. Business and economic historians willing to cope with the political economy terminology will probably have a more reserved reaction. McMahon’s depiction of information technology as the key transforming agent may not be accepted by some scholars in our field. Softwares, in the form of educational, cultural, and legal constructs, influence how hardwares are applied, yet McMahon does not treat them as independent causal factors. Historians will be skeptical about an argument based overwhelmingly on an incomplete selection of secondary sources. The manuscript
was, no doubt, completed before the high-tech bubble burst, perhaps indicating that defects within the cyber-financial control structure contributed to the debacle which in turn may undermine the system’s ability to deliver enhanced communication capabilities. Moreover, on September 11 the American state and the centre of the global financial structure were attacked, reminding us that control is always problematic. Perhaps McMahon will examine these salient developments in a follow-up article.

Gordon Boyce
Queensland University of Technology


The hysteria and populist sentiment surrounding some contemporary attitudes to whales belies the fact that they have been a source of highly valued and useful products to mankind in the past. This excellent study by Professors Dickinson and Sangar eschews the shrill superficial cant of politically correct extremists of the anti-whaling lobby and provides in a thoroughly dispassionate manner, a lucid insight to the business and physical organisation of a whaling enterprise early last century. The authors have accumulated and assessed a huge amount of detail and presented their account of a whaling enterprise off the Newfoundland coast from 1902 to 1908 in a thoroughly scholarly manner. The hunting, catching and processing of whales is recorded and described with a surprising nonchalance even though it must have been riddled with ever-present dangers from the sea and other risks – the authors permit only one glimpse of a deed of derring-do when three men were required to despatch a large cetacean with hand-held lances (p. 76). There is a wealth of information cogently presented together with a lively narrative about the business fortunes of the Norwegian Ellef森 family’s enterprise in Newfoundland that conveys a sense of almost being there and watching as these folk went about their business. It is this style that makes the study such a valuable addition to modern understanding of the lives of the principal actors just under 100 years ago. Furthermore it is not just the whalers and their operations but the whole infrastructure of regional government, local industry and commerce, and connections to the world market that makes this piece of historical maritime jigsaw an extremely valuable contribution to our knowledge.

Although the whaling station at Aquaforte could be viewed as just one of many similar companies, it represented a significant investment by the Ellef森 family in what to those involved was a foreign country. Nonetheless it also reveals a
thorough confidence and expertise in their business. Even though the Aquaforte Station may have been at the frontier of the operation, meticulous accounts and records have survived from which the authors have constructed their interpretations. Of particular significance are many photographs of the grisly business of whaling operations but there are also some showing family groups, for example, little girls in their pretty dresses and one with her teddy-bear, which convey a sense of normality and homeliness.

A plethora of information from 1902 to 1908 about the number and types of whales processed and resulting product, its market value and other valuable data is well documented throughout the narrative. Likewise there is an equally impressive amount of data about the local labour market, the shore stations, their construction and the capital required to set up the whole operation. A curious omission therefore is the lack of any serious consideration by the local government and the owners of the whaling companies of the extent of the whale resource and indeed any definitive assessment of its sustainable use. The history of the Aquaforte Station and indeed whaling in Newfoundland at this time does appear to be a classic case of ‘a tragedy of the commons’. The Ellefsen family had experiences of this nature in previous whaling enterprises, so it is somewhat surprising that their significant investment in Newfoundland only prospered for a relatively short period of time.

This study is more than just a vignette of a particular family’s whaling enterprise: it is a revealing and comprehensive analysis of the lives and times of people living off the bounty of the sea and the transitory nature of their business. The fact that whales are protected nowadays should not detract from the importance of this study. Whales have always been a source of valuable consumer items for humans; nowadays we garner more value from observing them in their natural environment but that is because of substitutes for natural products and perhaps a more enlightened age. The authors have produced an exemplary piece of scholarly research into a subject little known even among well-meaning contemporary whale-watchers.

Peter Cozens

Victoria University of Wellington


This important and timely study surveys the historical record of a number of fisheries around the world. It reveals extensive and under-utilised resources, and also
offers a variety of interdisciplinary methodologies by which they can be utilised for the benefit of both marine science and maritime history. It comes at a time of heightened concerns among all involved in fishing and fisheries management. Have humans damaged fisheries beyond repair or have recent levels of fishing merely exacerbated a trough in a natural pattern of inter-cohort variation? Answering this fundamental question is virtually impossible without recourse to data on historical marine population patterns.

This volume brings together papers from a workshop conducted in Esbjerg, Denmark in February 2000 that sought to develop a research agenda for advancing knowledge about marine animal population dynamics as a launching pad for the ambitious History of Marine Animal Populations (HMAP) Project. The project organisers seek to combine history and marine ecology to form a new sub-discipline of marine environmental history to correct the general lack of reference to long-term dynamics of marine animal populations in debate over sustainable fisheries. *The Exploited Seas* reveals the very real potential of historical perspectives for helping to gain a better understanding of marine animal population dynamics, and offers practical examples of methodologies that can be used to interpret the uneven and fragmented historical record and contribute to debates within marine biology.

Most of the contributors skilfully bridge the gap between marine biology and maritime history. The extent of the historical archives on fisheries that are unveiled across the globe will also surprise many. Either one of these achievements would have justified the price. The combination of both in one volume makes for stimulating reading. The collection is divided into four sections. The first focuses on the Newfoundland and Grand Banks fisheries. Historians David Starkey and Michael Haines demonstrate why this is probably the richest and most continuous fishery archive in the world, before biologist Ransom Myers applies modern bio-economic theory to the period 1710–1833 in Newfoundland. Historian Sean Cadigan and biologist Jeffrey Hutchings complete this section by suggesting that the nineteenth century expansion of fishing into Labrador was prompted more by the exhaustion of coastal fisheries in Newfoundland than by British strategic interests, as is usually argued.

The next section combines examinations of three marine animal populations beyond the archive-rich Newfoundland/Grand Banks fishery. Julia Lajus and a team of Russian researchers reveal a pattern of highly variable catches for the Onega River salmon population back to the seventeenth century. Paul Holm and Maibritt Bager find similar variation for the Danish cod and herring fishery. Complex combinations of climatic, biological and socio-economic factors are used to explain these patterns. Robert Francis then examines the potential for using palaeo-environmental sources relating to the Northern California Current to build up marine ecosystem profiles spanning millennia rather than centuries.

The next section examines three Southern Hemisphere fisheries. Historians Chris Reid and Lance van Sittert analyse South American and South African
fisheries respectively, while economist Malcolm Tull and biologist Tom Polacheck discuss the fisheries of Australia and New Zealand. All use a variety of sources and offer exciting possibilities for overcoming the lack of material relative to the older Northern Hemisphere fisheries. In the fourth section, Tim Smith combines historical and biological data to examine three whale populations, before the editors conclude with a discussion of the HMAP Project.

There are some notable omissions. A work on this scale really needed a bibliography and index. Most of the fisheries covered are from temperate seas, with only one really from the Arctic and one from tropical seas. Anthropological and archaeological literature on fisher-folk, and the huge shipping archive microfilmed by the Pacific Manuscript Bureau are also neglected. The scale and global importance of the Western Pacific tuna fishery raises questions about its omission. Boundaries had to be drawn somewhere, however. If the remainder of the project matches the scope and methodological flair of this volume, then maritime historians may soon indeed be playing a greater role in current debates over sustainable fisheries.

Paul D’Arcy
Victoria University of Wellington


This is not just a collection of essays by a well-known author who has rested on his laurels. Admittedly, a high proportion of the twelve essay-length chapters has previously been made available somewhere or other, but the rewritten chapters have a cohesive theme: the merits of the institutions that underpin open markets and competition in terms of economic growth. What durable institutional arrangements favour long-term economic growth? Professor Jones rightly considers growth a tender plant. The spontaneous forces of economic creativity fall so easily prey to what he calls the ‘suppressants of growth’. This is why he repeatedly warns of various kinds of triumphalism, be it the triumphalism of the human species, of most East Asia experts prior to the 1997 financial crisis, or of many Australian leaders in recent years.

The only reasonably reliable antidotes against the pervasive suppressants of growth are free trade and free capital and knowledge flows, decontrolled markets, competition and secure property rights, based on an independent judiciary. These insights emerged in Eric Jones’ well-known *European Miracle* from an overview of very long-term economic trends in Europe and Asia. Others – and I admit to being one of the guilty parties – zeroed in on what some of us have since then
labelled the ‘Jones effect’: the evolutionary interplay of open economies and jurisdictions in which: (a) economic competition rewards the innovative and the productive, including the rulers who can reap higher revenues and political power; and (b) political or inter-jurisdictional competition is triggered by economic success or failure, which may sooner or later induce a reshaping of the institutions to make these more competitor- and producer-friendly. Jones’ description of the evolutionary interaction between economic and political competition, which is often delayed or overturned by cognitive limitations of the (political) rule-makers, was welcomed and popularised by free market economists. They saw merits of globalisation in controlling self-seeking rulers and welcomed the historic-evolutionary enrichment of what has become an increasingly anaemic theory of economic development.

In chapter 3 of the book, Jones rightly reclaims his own say and shows that his message was the result of a multi-layered, historic analysis which should not be left to the terribles simplificateurs. In other chapters, he broadens and enriches the central theme, whether he discusses the East Asian miracle and crisis, the Australian experience, or agricultural and cultural protectionism. At a time of massive and often government-financed anti-globalisation propaganda and resurgent interventionism, Jones’ basic message, and the broader applications, are most welcome reminders that history has to offer some general lessons.

Jones was right all along with his implicit focus on the creative powers of free people who are able and, if need be, forced to compete, but protected by secure property rights and the rule of law. In recent years, much empirical evidence based on international comparisons vindicates Jones’ historic analysis. Thus, a detailed recent study shows that 85% of the differences between the currently poorest and the richest societies on earth can be econometrically associated with differences in the quality of economic and political institutions (Roll & Talbott 2001; see also Gwartney et al. 2002).

As every good review requires a few quibbles, let me offer three of mine, although I admit to being a continuing admirer of the contribution that long-term economic analysis is making to a revival of economics from its abstraction-induced coma. My first point is only superficially semantic. Jones speaks repeatedly of ‘blind evolution’ of institutions. But let us not call the evolving spontaneous order blind; it is the result of thousands, nay millions of seeing, critical eyes of market participants! Second, I would place less exclusive emphasis on the actions of the rulers, who reshape the political, made rules (the external institutions), and more on those social rules which evolve spontaneously within society (the internal institutions). These societal rules do not readily follow what the rulers decree. Accepting a greater role for internal institutions in the historic scheme of things may take us closer to Weberian economic history, which Jones rejects. But it is the major reason why Jones’ warning of premature growth triumphalism is so often appropriate. It also highlights the essential insight that one cannot re-engineer growth conditions when internal social norms do not evolve (as in post-
communist Russia, Africa, the Islamic world). My third point is that I would stress not only the importance of expedient and confidence-inspiring institutions in lowering the costs of transacting recurrent business, as Eric Jones does all along, but also the critical role of apposite institutions in encouraging enterprising people to shoulder the transaction costs of innovation. As Arrow showed, this type of cost has to be incurred before an entrepreneur can even rationally assess the possible benefits of costly knowledge search (Arrow paradox). The main story in today’s knowledge society is the nexus between good institutions and the evolution of knowledge.

But these are quibbles about secondary issues of emphasis.

I cannot conclude this review without mentioning several inherent attractions of the book. It is permeated by the careful use of rich historic and cross-cultural knowledge and the caution inspired by the wisdom of a mature scholar. It is written in an elegant, most readable style and contains excellent references and a quality index. Alas, such attributes are becoming rare.

Historians should read the book to widen the horizons of their work and learn more of the relevant economic and social theory behind long-term evolution when dealing with dynamic social evolution. and all others should do so for the sheer pleasure of reading an instructive, well-argued and beautifully produced book!

REFERENCES


Wolfgang Kasper
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John King’s long-awaited history of post-Keynesian economics (PKE) and economists was well worth the wait for what he has delivered is not just a first-rate intellectual history of this important strand of heterodox economics and of its practitioners, but a major contribution to a broader history of post-1936 economic thought and the sociology of economics. The author has, of course, impeccable credentials for this project as readers of his earlier studies of the reception of dissident ideas by economic orthodoxy will know, in particular his Economic
Exiles (1988) and (with Mike Howard) two-volume History of Marxian Economics (1989–1992). With this background, readers will not be surprised by the way in which PKE is defined and explored here using the insights of the sociology of science, the methodology of economics and social as well as intellectual history. One important consequence of this pluralism is that this history ought to have a broad appeal, not least to economic historians, many of whom have also endured the enormous condescension of mainstream neo-classical economists disdainful of their attempts at scientific (historical) economics. Moreover, there is an Australian dimension to this story, for at one time it appeared to Peter Groenewegen and others in the 1970s that with PKE being particularly strong in Australia there was an opportunity to make an important national contribution to radical economics. Instead, of course, as Groenewegen now admits, and King here explains, what transpired was the triumph of American mainstream economics and with it the failure of PKE to progress beyond heterodoxy, minority status and minimal intellectual, institutional and policy influence. In short, in the words of Tarshis, a leading member of the older generation of US post-Keynesians, PKE was ‘a promise that bounced’.

PKE is here explored both as a recovery of Keynes’ General Theory, one compensating for the neglect of important parts of Keynes’ revolutionary message in what emerged as the mainstream neo-classical synthesis; and as an extension of the General Theory, one dealing with questions (theoretical and political economy) either ignored or very largely neglected by Keynes such as economic growth, social conflict, income distribution and inflation. King constructs his history through a combination of thematic chapters, which probe PKE’s analytical core and explore the question of progress in economics, with chronologically arranged episodes which taken together comprise a deep analytical narrative of British, American and other national variants of PKE thought. In the best tradition of his Economic Exiles, personalities and why they matter are exceptionally well handled, although it ought to be emphasised that this is a macroeconomic history, with microeconomics largely on the periphery. It is, however, an attempt at a global history of PKE, albeit that the Americanisation of dissent was contemporaneous with the Americanisation of the mainstream. In so doing he presents a coherence about PKE so often lacking in the expositions of post-Keynesians themselves, in particular using the ambivalence and incompleteness of the General Theory to good effect to demonstrate what post-Keynesians have sought to recover and extend and why. Overall, King is broadly convincing on why PKE was a promise that bounced. The neo-classical synthesis was not supplanted, nor indeed ever looked very vulnerable to this or any other heterodoxy. The concluding chapter repays especially close reading for all outside of the mainstream, although somewhat surprisingly King makes few references to economic history and none to how its past internecine conflicts (the so-called new economic history) might give some greater grounds for optimism. As it is, after debating possible alternative futures, he concludes that the real analytical merit of the PKE tradition
ensures its medium-term survival, but that with no Kuhnian revolution in prospect it will be as an embattled minority of dissidents practising in small colleges and other hitherto obscure institutions.

Roger Middleton
University of Bristol


This is a history of underdevelopment in the post-war period, with an emphasis on the negative role played by the Bretton Woods Institutions (BWIs). Unequal development is seen as due to structural processes that tilt the international market against commodity producers, combined with the misdirected, ideologically driven prescriptions of the BWIs and the blatantly anti-South trade policies followed by the advanced industrialised countries. Some of the arguments of the book are not new, but then one of the authors (Hans Singer) began publishing in the 1930s, and is one of the co-originators of the now famous Prebisch–Singer thesis: that the terms of trade for primary products versus manufactures tend to deteriorate. Hans has lived long enough to see even his most trenchant critics in the IMF concede that time has proven him right.

The structural processes underpinning the declining terms of trade for primary products stem from the limited capacity for humans to consume basic foodstuffs and raw materials, which means that the proportion of incomes spent on basic commodities declines as incomes rise. Low growth in export earnings for nations that specialise in commodities, then puts constraints on the capacity to import manufactures, particularly the capital goods essential to generalised productivity growth. Apart from a few small oil-rich countries, reliance on exports of primary products did not prove to be a secure basis for sustainable long-term economic growth in the twentieth century for any Southern country. Nevertheless, as a condition of aid and loans the BWIs have insisted that third-world countries follow a process of ‘structural adjustment’ based on ‘comparative advantage’ and expand their exports of basic commodities. With a relatively limited world market for such goods, the result in the 1990s was global overproduction and collapsing commodity prices.

Another burden has been laid on the South by international financial institutions: debt. In the late 1970s banks used ‘petrodollars’ to fuel a lending binge to Southern countries, largely ignoring sound prudential practices. Then, from the late 1980s, banks funded another explosion in debt for those countries foolish enough to follow the advice of BWIs regarding ‘pro-market restructuring’. Rapid
deregulation of capital markets and privatisation policies lead to speculative bubbles, followed by currency and financial crises, which undermined growth in both Asia and Latin America. In the aftermath the BWIs have insisted on balanced budgets and repression of domestic sectors as the means to generate surpluses with which to repay international creditors.

Regarding trade, WTO tariff cuts have benefited rich nations but the situation has deteriorated for the South, with subsidies to OECD farmers reaching US$350 billion, compared to a mere $10 billion in OECD rural development aid. Moreover, OECD tariffs against manufactures from developing countries are four times those for advanced countries. Such protection costs the South more than all the foreign aid it receives, and the latter has fallen steadily, from over 0.5 per cent of the gross social product of the industrialised countries at the peak of the Cold War to less than 0.25 per cent by the late 1990s.

In their challenging conclusion, Raffer and Singer survey practical proposals for redressing the wrongs faced by the South. For trade they suggest that not only should Southern countries be treated in the same way as the industrialised countries with respect to tariffs, but that they even be given a dispensation to follow pragmatic industry policies designed to promote sustainable growth. They also argue the need for an international ‘rule of law’ which would involve bringing the BWIs under more direct control by the UN General Assembly and the development of an international insolvency procedure for states to ensure that, as in civilised domestic law, debtors could not be forced to starve themselves or their children in order to pay creditors. The authors concede the utopian nature of their proposals in a world where the rich set the rules to suit themselves, but the intellectual and moral force of their case for a more just and democratic world economic order remains compelling.

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Scott Adams has unquestionably been one of the most successful management writers of the past decade. His constant, indeed daily, outpourings have included cogent observations on many aspects of management thought and practice, including marketing, finance, HRM, and technology management. His range, however, is actually much broader and, it could be argued, his observations on interior design have raised issues of lasting significance for experts in fields as diverse as feng shui – giving the lie to the contentions of some critics that his work...
is too ethnocentric to be widely applicable. (Much the same, of course, has been said about the relationship between McDonalds and food, but if Big Macs have such limited appeal then it is difficult to discern why there are queues of people demanding them on almost every continent. Or might this be another case of market failure, a dietary ‘tragedy of the common’?)

Adams has carved out a market niche in the management genre by avoiding the exhortation that characterises so many books on leadership, teamwork and strategy, and concentrating instead on minimalist interpretations. In addition, Adams’ work features a wider range of illustrations than many of his colleagues; although, paradoxically, some observers contend that other writers are more illustrious. Nevertheless, few other writers, have popularised a management technique as effective as the wedgie, currently highly favoured by both private and public sector executives and now elevated to a high art by university administrators. Whether his use of anthropomorphic characters is justified is controversial, but most observers would concede that dogs, cats and rats are commonplace in their own workplaces. Adams should also be congratulated for acknowledging the importance of thinning hair in charismatic behaviour.

The historical relevance of the Adams oeuvre remains problematical. Given that most of his work is encapsulated in three-panel vignettes covering a time-span of perhaps ten seconds, the scope for historical depth is limited. Frederick Winslow Taylor receives scant coverage, even implicitly, and the ideas of Charles Babbage seem foreign to the Adams Weltanschauung. There is also room to question whether Adams really understands the power relationships that Anthony Trollope presents so well in his work. Why should the evil consultant not be an archdeacon or the son of a duke, rather that a dog who compensates psychologically for his want of a mouth by wearing spectacles?

In fact, there is reason to wonder if the whole Adams approach has not done its dash, to be replaced in due course by something more exciting. I, for one, vote for management books that follow the epistolary form of Richardson’s Clarissa, or conceivably for Homeric epics that would stress the true long-term importance of management for human development.

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Over the last decade historians have shown that Spanish agriculture experienced considerable changes in the century or so prior to the 1936/9 Civil War, the
period which, despite its title, this book is concerned with. By the 1930s the farm population was falling rapidly, mechanisation and irrigation spreading to new areas, and productivity increasing. One of the interests of this book, as the editor notes, is therefore to see the impact of these changes on living standards, and whether rural inequality increased or decreased over the period.

The book is centred around four major themes: changes in real wages; consumption and household survival strategies; stature and infant mortality; and education and child labour. It concludes with a 50-page appendix of wage series for different regions between 1700 and 1936. Among the 12 chapters, there are a number of fine essays, but most suffer from being too long. Another limitation is that too few of the authors have reflected, or perhaps even read, the other contributions, despite the book originating from a congress. Certainly the editor has tried to pull together the various themes, but readers are required to do considerable work themselves to obtain an overall picture of change.

All the authors are able to show improvements in living standards, especially for the early twentieth century. For example, real wages increased by fifty per cent from about 1850–1930 in Navarra (pp. 231–2), mortality for children under ten years in central Spain halved to just over 200 per 1000 (p. 403), and the height of rural recruits in south-east Spain increased from about 160 cm to 165 cm (p. 427). Yet more interesting is what the authors have to say about distribution between the different groups of rural society, and the cyclical changes over time. Thus the three variables just mentioned all suggest a worsening of living conditions between about 1840 and 1870, before improvements began during the ‘agrarian crisis’ of the late nineteenth century. This point could have been pursued in greater depth, as there are few references either to changes in land-to-labour ratios, or their consequences for living standards. Indeed, several authors appear to automatically equate a rise in land rents with falling living standards for farmers, despite the growing opportunities provided by urban markets. Tables by Lana for Navarra, and Domínguez for northern Spain suggest that the significant increase in land ownership reflects improved living standards, as much as changes in real wages.

Despite the shortcomings, this book is likely to be required reading for those interested in long-run changes in living standards in Spain and southern Europe. With one exception, there are no weak essays, and all have involved long hours of archival research. The authors are also fully aware of the limitations of the statistical indices they are using. Furthermore a good coverage of rural Spain has been achieved, with the exception of the jornaleros in the southern latifundios. A careful, but heavy pruning of the papers, and a greater attempt by most of the authors to relate their results to other contributions in the book, might produce a volume which would deserve translating into English for a wider audience.

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Menger’s article ‘Geld’ (1892) explains how the social institution of monetary exchange evolved spontaneously out of barter, as a result of purposeful human activity, without the involvement of centralised decision-makers. Following Adam Smith’s approach in the first four chapters of Wealth of Nations, Menger offers a rational reconstruction of the past. But Menger and Smith reach quite different conclusions about the relative importance of production and exchange – especially the development of money – as the drivers of the free enterprise system. Menger contends that the good with the highest marketability by common consent developed into money. To use later jargon, the shift to monetary exchange reduced transaction costs. Regulation of the monetary system came much later, and served to perfect the concept of money, for instance through certification and standardisation. Menger argues that the central function of money is as a medium of exchange, the other so-called functions being subsidiary. He also contributed to the analysis of the demand for money, positing a subjective inventory theory of money holdings.

Almost half this book consists of the first complete English translation, by Yeager, of the 1892 article. Latzer and Schmitz provide a useful introductory chapter. The book as a whole stems from work on the development of electronic money sponsored by the Austrian National Bank. A chapter by Schmitz outlines three well-known neoclassical models of money, and compares them unfavourably with Menger’s framework. Neoclassical models take the institutional setting as given, cannot explain the formation of expectations about the acceptability of money, and thus offer little guidance on the prospects for electronic money. Selgin and White discuss the implications, particularly for central banks, of technological change in the monetary sphere. First, they observe that some writers foresee the emergence of new private base monies and accounting units that are distinct from the fiat monies currently administered by central banks. Entrenched monetary standards, however, possess strong network advantages that are hard to challenge, except sometimes by apparently more stable national monetary standards, such as the US dollar. Second, they note that some other scholars believe that financial innovation will lead to a moneyless economy based on sophisticated barter, in which base money disappears, and exchange takes place in units of any arbitrary standardised commodity or bundle of commodities. Selgin and White argue that this outcome is implausible, and predict that monetary exchange will continue to offer lower transaction costs than barter. A third possible challenge could derive from the use of digital or electronic money carried in a smart card, such as Mastercard’s Mondex, or stored on a PC hard drive. Electronic money, if it becomes popular, would tend to undermine the public’s demand for notes.
and coins. For various reasons, however, Selgin and White contend that banks will continue to hold at least some base money at the central bank for the purpose of wholesale multilateral settlement. Central banks – for better or worse – will retain the capacity to implement a monetary policy, provided that the demand for base money exceeds zero. In a second paper Schmitz argues that the provision of money may be a natural monopoly. Alternative monies face daunting network and reputational barriers. Hence the suppliers of electronic monies have a strong incentive, irrespective of legal requirements, to adhere to the dominant unit of account.

The publication of Menger’s complete essay in English is to be welcomed. The contributors demonstrate that an evolutionary and institutional approach to the analysis of money provides more insight than neo-classical models into possible future developments relating to electronic money. Since Menger did not predict the advent of digital money, his method is applicable only in a loose sense. In places the connection between Menger’s essay and the discussion of contemporary issues is rather tenuous. Nevertheless the editors and contributors are to be commended for finding an interesting historical angle on an important contemporary monetary issue.

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Urban history of Indonesia is the realm of a small number of historians who hitherto have eschewed economic history. Howard Dick’s book pioneers the economic history of urban Indonesia, in this case of its second largest city Surabaya. There is much to like about this book. The general reader may derive pleasure from the author’s affable style and the fact that the text is spiced with vignettes and photographs. The specialist reader may appreciate the fact that the author’s profound knowledge of Indonesian history allows him to make sound interpretations, while his eye for relevant detail gives the book tremendous depth. In addition, while the book may emphasise social and economic trends, it also offers insights into, for instance, political change and urban planning. The book’s focus may be Surabaya, but Dick places the city firmly in the context of social and economic changes in Indonesia as a whole. And, despite the title, Dick does not hesitate to reach back to the seventeenth century to make the reader appreciate Surabaya’s shape and make-up.
What’s so fascinating about Surabaya? Its current status as provincial port belies the fact that it was one of the biggest port cities in Southeast Asia, rivalling Singapore, in the early twentieth century. It was a hub of economic activity in the region with budding industries. While Singapore’s development has since continued, Surabaya experienced relative stagnation. Dick explains this as a consequence of Surabaya’s dependence on plantation agriculture in the East Java hinterland, which has withered since the 1930s, and the fact that the city missed out on Indonesia’s post-war industrialisation drive, which was concentrated on Jakarta and surroundings. Most of the book, however, is about the implications of this broad development for life and work in the city.

The book has a thematic organisation. Each chapter is broadly chronologically ordered. Chapter 1 (‘Aspects’) eases the reader into Surabaya as a traveller, explaining the city’s geography, its smells, seasons, and pace of life (or lack of it). Chapter 2 (‘Episodes’) highlights aspects of the city’s political and institutional history. Both chapters provide a background for chapters 3–7 that comprise the core of the book. The ‘Profile’ chapter discusses the demographic make-up of the city, including occupations, education and living conditions. The ‘Government’ chapter looks at these and other issues, but from the policy perspective of the city’s government. It covers housing, markets, education and health care and makes the point that budget constraints continued to limit ambitions. The ‘Industry’ chapter explains industrial expansion during the colonial era, and relative regression after World War II. The chapter on ‘Land’ sketches the geographical development of the city, with emphasis on transport development and urban planning. Lastly, the chapter on ‘Trade’ puts the city in the concentric economic context of respectively East Java, Eastern Indonesia, Indonesia, and world trade.

The ease with which the book can be read conceals the fact that Dick has had to painstakingly piece the account together from a large number of disparate sources, including Dutch archival materials. It is often said that hitherto unwritten parts of Indonesian history cannot be researched for lack of sources. Dick proves that resourceful use of snippets of information can go a very long way. The 1940s–1960s are hitherto rather elusive decades in the country’s historiography, which tends to emphasise discontinuity as a consequence of the Japanese occupation and Indonesia’s struggle for independence in the 1940s. Notwithstanding this, Dick’s many sources allow him to emphasise the historical continuity in Surabaya’s history from the colonial era into the 1950s.

Despite the scholarly detached observations and judgements in the book, Dick’s personal affection for Surabaya and its people, forged during frequent visits for almost 30 years, shines through in the text. Where the author describes the loss of the city’s colonial features of ‘shade, water, verandahs, and gardens’ (pp. 29, 412), the reader may discern a sense of nostalgia. Where Dick assesses
the problems of squatters living in the city’s kampungs, the reader may sense the author’s solidarity, particularly where he concludes: ‘The kampung society of Surabaya . . . may be a better place to look for the shape of future Indonesia than the high-rise, air-conditioned, moral wastelands of Jakarta’ (p. 476).

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