

graphs and geographical maps are full of information of the greatest interest, and help the reader to understand the statistical expositions. The sources and the selected bibliography are very clearly presented. This first scientific history of a great railway company, from its foundation to the creation of the S.N.C.F. (*Société nationale des chemins de fer français*), is a pioneer work; the penetration of the analysis and the rigor of the reasoning can be seen as much in the precise details as in the syntheses. It is undoubtedly a major contribution to the economic history of contemporary France.

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BIG BUSINESS AND THE STATE; CHANGING RELATIONSHIPS IN WESTERN EUROPE. *Edited by Raymond Vernon. Cambridge, Mass., Harvard University Press, 1974. Pp. ix + 310. \$12.50.*

Reviewed by Lawrence G. Franko
Centre D'Etudes Industrielles
Geneva

This book is of major importance for students of Western European business enterprise. The primary focus of the book is on the interrelationship between the policies of governments, public enterprises and private enterprises in Europe in the 1960s. The business historian, however, will find considerable information on earlier periods of European industrial development, particularly in the five essays on specific industries that comprise nearly half of the book.

Big Business and the State is a work that is admirably designed to provide both breadth and depth of coverage of business-government relationships in Europe. A diverse group of studies of countries and industries is bound together by a unifying theme: the profound and long-standing intermeshing of business and public policy that has made the European experience quite different from the American. Professor Raymond Vernon, in his introductory chapter, calls attention to the frequent use of large business enterprises by European governments as though they were agencies of nation states. Perhaps unsurprisingly, most such uses of large enterprises are found to have been counter-productive for supranational integration in Europe. The second essay chronicles the history — and questionable results — of Europe's numerous state-owned, large industrial enterprises. Subsequent chapters, contributed by scholars from the countries in question, relate the story of increasing state intervention and guidance of enterprise decisions during the 1960s, even in countries paying verbal obeisance to the market system, such as Great Britain and Germany. Public authorities in Italy and Sweden are shown to have continued and expanded pre-World War II traditions of state intervention in economic life, both through state ownership of enterprise and more informal links and methods of guidance. Oddly enough, only in France, the country where close state-enterprise relationships had the longest historical tradition, did there seem to be evidence of hesitant moves in the direction of greater separation between public and business policy. And those French moves seemed to have been made more as reluctant con-

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cessions to the notion of a European common market than from a deep-felt conversion to trust in a market economy.

The following chapters on specific industries tell much the same story of national policies affecting business enterprises for national ends, particularly in the high-technology sectors of aerospace and computers. In these industries, nations sought national responses to the challenge of American market dominance; when they entered trans-national schemes, it seemed to be with a spirit of entering some temporary alliance rather than with the intention of fusing a viable, supranational commercial riposte. In steel, too, Europe's historical traditions of balance of power diplomacy seemed to re-assert themselves as the European Coal and Steel Community became, so it is argued, not a Community, but an uneasy truce among national firms and governments not wholly unlike the cartels of by-gone times.

In two mature industries, aluminium and automobiles, national policies and national business-government relationships did not appear to be the end of the story, however. The chapters on these industries demonstrate that national policies had once served to nurture enterprises capable of withstanding foreign competition, and that these enterprises had in turn served national goals in the past. But as firms gained strength in their own right, some of them spread multinational links, with the result that they were becoming prone to respond to global, not national — or even European — stimuli.

Thus, the story of these essays reads as one of a double failure: national governments failed to allow or encourage much movement toward industrial integration in Europe, and, due to the growing multinationalization of European enterprise (see also *Business History Review*, Autumn, 1974), they failed to attain the goal of national economic control.

But is the pessimistic tone that pervades this volume entirely justified? Having spent the past five and one-half years living in Europe and studying the history of the international activities of big businesses based in the continental countries, I find myself questioning the gloomy view of a once-liberal Europe sinking into nationalism implicit in many of the contributions to this book. Perhaps I have been overexposed to some parts of the history of business in the old Europe before 1945 (sometimes through personal encounters with enterprise managers who had begun their careers back then). The few available glimpses of business-government relationships prevailing in those times, particularly in the continental countries, make one wonder how governments have so often kept their hands away from business (and vice versa) in postwar Europe. (Until such time as Professor Vernon's team or its equivalent might be prevailed upon to do a historical counterpart to *Big Business and the State* we may have to be content with scattered sources on the pre-war period such as Gaetano Salvemini's *Under the Axe of Fascism*, Citadel Press, N.Y., 1971, and Georg Siemens' *History of the House of Siemens*, Karl Alber, Freiburg, 1957.) Thus, I would ask a question that is less a criticism of this excellent volume than a query to future historians: when the studies are written that will enable one to take a lengthier perspective on business-government relations in Europe than is presently the case, will scholars then express surprise that European countries were

able to overcome nationalist traditions even to the extent they did after World War II?

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ECONOMICS AND EMPIRE, 1830–1914. By *D. K. Fieldhouse*. Ithaca, N.Y., Cornell University Press, 1973. Pp. xvi + 527. \$16.50.

Reviewed by *Mira Wilkins*
Department of Economics
Florida International University

In writing on economics and empire, D. K. Fieldhouse could have discussed: was imperial expansion profitable to the metropolitan country? to the colonies? what were the costs and benefits? Or, he could have asked: which individuals, firms, and institutions gained from empire? how were the gains distributed? He followed neither approach. Instead, his interest is in the course of empire.

Much of the history of empire, Fieldhouse points out, has been written in a manner that is “Eurocentric.” Fieldhouse asks us to look at the “periphery,” to see the influences of events outside Europe. He tries to identify the relevant economic issues and interests that contributed to the decisions of European powers to impose formal rule in Africa, Asia, and the Pacific, 1830–1914. He wants to know whether the accelerated imperial activity after 1880 had earlier antecedents. In his inquiry, he is struck by how often the inauguration of formal rule was in response to a multiplicity of problems that arose on the frontiers of European activity – on the so-called periphery.

The book begins with a clear and useful exposition of competing theories of imperialism. It then turns to lengthy case studies from the outlying areas. Based on these, Fieldhouse reaches four conclusions. First, for most regions which were objects of imperial expansion between 1880 and 1914, there was a continuity from earlier events. Second, a range of local and dissimilar conditions on the periphery pushed European powers by 1880 into *ad hoc* solutions that obtain their collective significance only when seen in retrospect; tension and crisis on the periphery were crucial to the imperial experience; Europe was pulled into imperialism “by the magnetic force of the periphery” (462). Third, if the actors in the imperial drama had no “clear vision of universal empire,” nonetheless there was an “undeniable element of historical determinism,” founded on the existence in the late nineteenth century of an unstable relationship between a powerful Europe and a weak less developed world; “colonialism was not a preference but a last resort” (462); only after the tide of events on the periphery drew Europeans into colonialism did Europeans rationalize and justify such policies. And fourth, virtually all European overseas expansion was associated with matters relating to “economics” (that is trade and investment), *but* “European governments were normally prepared to use political methods to solve problems associated with European economic enterprise on the periphery only when and because this [enterprise?] came up against some otherwise insurmountable non-economic obstacle; or alternatively, when economic

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