The analytical history chapters then follow. Most interesting is the exercise in chapter 4 to show that interest rates on British government debt were consistently higher when the Tory party held power and fell when the Whigs had control. This is consistent with the more elaborate econometric exercise by John Wells and Douglas Wills ("Revolution, Restorations, and Debt Repudiation: The Jacobite Threat to England's Institutions and Economic Growth," this JOURNAL 60, no. 2 (2000): 418–41) to show how long it took the effects of the Glorious Revolution of 1688 to show up permanently in British public finance. Comparing France and Great Britain over the second half of the eighteenth century, Stasavage finds that yields on British government debt responded as expected to changes in net borrowing, while yields on French government debt did not. If one had reliable estimates of money supply in both economies, one would likely find that French finances depended as much on increased seigniorage as on increased debt during episodes such as the Seven Years War and the War of American Independence, whereas British finances could be sustained with increased debt and increased taxes.

The concluding chapters then take up the political divisions within first Britain, then France, to solidify his arguments about the importance of the Whig party for creating a viable long-term national debt for Great Britain, and the doomed-to-failure efforts of the French to imitate the British example. French religious cohesion bound the landed nobility together and the interests of the private financiers kept John Law's efforts to set up an independent bank from succeeding, according to Stasavage. But this overlooks the effectiveness of the General Farms in collecting royal taxes after the reforms of Fleury, which was certainly an alternative form of "bureaucratic delegation," not to mention the rentes of the Hotel de Ville de Paris, which other French cities could have replicated, at least theoretically.

Although of general interest to both political and economic historians for its political economy perspective, this book is written by a political scientist for political scientists. The author's intent is to show political scientists the usefulness of game-theoretic models for rational choices by self-interested legislators. Stasavage's more fundamental contribution may be in showing economic historians how empirical work inspired by the New Institutional Economics can be done effectively by using a blend of methodologies from economics and political science.

Larry Neal, University of Illinois at Urbana-Champaign


If we were to rank countries according to whether they “have” or “have not” oilfields, Spain would be situated in the “have almost nothing” category. Her petroleum activities were therefore strongly limited to importing, refining, and distributing petroleum and its derivatives. Prospecting played a growing role as economic nationalism in Spain and in the oil-producing countries put regular and growing supply into jeopardy. No comprehensive work on this branch of economic activity had been published to date, a shortcoming which is all the more relevant if we take into account that the Spanish oil industry has developed one of the leading Spanish multinationals in the world today.

The book presented here provides an attempt to fill this gap, it gives an extensive description of the Spanish petroleum sector’s origins, the creation of the Spanish State
petroleum monopoly, its evolution over time and the recent deregulation of the sector. The book contains numerous tables and graphs summarizing data, photographs of the leading personalities and installations of the sector, and appendices with the most relevant legislation. It is divided into three chronological parts each corresponding to one of the three authors. Gabriel Tortella covers the first period between 1900 and 1947. He gives a concise description of the international scenario and analyzes how and why Spain created a State petroleum monopoly. He goes on to evaluate the management and results of the “monopoly-renting” company, CAMPSA, during its first years. The second period ranging from 1947 to 1981 is narrated by Alfonso Ballestero. This stage of the State monopoly’s history is marked by the severe economic autarchy imposed by the Franco regime after the Second World War and its timid liberalization in the following decades and the first years of democratic transition in Spain. The remaining part of the book highlights José Luis Díaz Fernández’s view of how the State monopoly was forced to extinguish itself with Spain’s entrance in the European Community (today the European Union). Díaz Fernández complements this with briefings on the recent evolution of the present successors to the former monopoly.

Among the many noteworthy things provided in the over 600 pages of this book I would single out the short closing section of each of the three parts of the book, which provide a compact critical analysis of the period under enquiry. State petroleum monopoly is scrutinized as to its role in restricting consumption, providing poor service and insufficient coverage. There are numerous accounts that attempt to unravel the political and diplomatic complexities in which the oil industry operated in each moment of time. Some attention has been given to the social and political concerns that have offset the competitiveness of the industry. And introducing Spain’s membership in the European Union as setting the stage for the definite liberalization of the sector is most relevant.

Nonetheless, the leitmotiv of this work has been to examine the extent to which over 50 years of protection and state tutoring helped develop one of the leading multinationals in the petroleum sector today. Given the importance of this issue I would have appreciated a more careful cost-benefit analysis and a stronger degree of analytical content especially in the latter part of the period examined. The evidence provided here is not conclusive. As a consequence, I am less optimistic than some of authors and would conclude that adhuc sub judice lis est.

Leaving this important question aside, “Del monopolio al libre mercado” provides an excellent early history of the Spanish petroleum refining sector, abundant new material—“inside” information as well as syntheses of other sources—and offers a solid discussion of the Spanish petroleum sector indispensable both to Spanish business historians and to those interested in the industry.

Stefan Houpt, Universidad Carlos III de Madrid