

ests. The Soviets, unsure regarding either Tito's chances of victory or his obedience, were seriously considering supporting Mihajlović as late as the spring of 1944. The Communist period since 1945 is handled by Phyllis Auty, who leans heavily on her recent book, *Yugoslavia* (1965), in doing so. As before, she tends to accept the regime's estimate of its economic and social accomplishments while de-emphasizing its political difficulties.

But Mrs. Auty is at least concerned with socio-economic developments. Her predecessors on the whole are not, favoring instead straight diplomatic and political history, with its record of changes in boundaries, monarchs, and party alignments. The peasant therefore is largely forgotten, as is the intellectual, whose concern with ideology, especially those of constitutionalism and Westernization in the nineteenth century, receives little attention. While this book thus indicates clearly what an older historical generation regarded as important, it also suggests how unwise it is for them to exclude over 95% of the population from their consideration.

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Nicolas Spulber, *The State and Economic Development in Eastern Europe*. New York: Random House, Inc., 1966. Pp. XII + 179.

The symposia, conferences and meetings with which American academic life are encrusted often leave behind a litter of papers that are frequently forgotten. But the skilled academician, like the thrifty housewife, knows what to do with leftovers, as this short book demonstrates. It consists of three substantive essays plus one on bibliography, interspersed with twenty-two pages of very useful statistical tables on population, national income, foreign trade, and the like. Of the three essays, two have already seen the light of day twice over: one ("The State and Industrialization") served under a different title first at a conference in 1956 and then in *The State and Economic Growth*, edited by Hugh Aitken and published in 1959; while the other ("The Pace of Change in the Economic Structure of the Balkans") also was presented under a modified title at a conference in 1960 and then in *The Balkans in Transition*, edited by Charles and Barbara Jelavich and published in 1963. Spulber forthrightly acknowledges these previous appearances, and he undoubtedly has improved on the originals, inserting a word here, drop-

ping one there, modifying various statements and tidying certain sentences, but the essays nevertheless stand today much as when they first appeared. Why republish them?

The question would be at least partially answered if they constituted a systematic, though necessarily brief, history of the East European economy over the past century, or provided new concepts or insights regarding a subject so neglected in the West. But this is not the case. Not only is there much overlapping with similar arguments and data appearing in both essays, but their organization is repetitive and uninspiring. Spulber divides both into three periods: from the last third of the nineteenth century to 1914; 1918 to 1939; and 1945 to 1960. Flat statements concerning major trends and developments in each are then made, and evidence is adduced by calling the roll from country to country. National differences are thus largely ironed out, and oversimplification results. Above all, political and ideological factors are largely overlooked.

The treatment of the 1945-1960 period is an improvement, however: it is far better integrated, more certain in its approach and perceptive in its generalizations, in part because national differences really were minimized initially in Soviet-directed economic planning (little is said about Greece), in part perhaps because Spulber has already written extensively on this particular subject and his grasp is firmer. His conclusions regarding the economic future of the Balkans at least are cautious but essentially pessimistic, for he considers the economic growth of the Communist countries in the 1950's as a typical and short lived, a temporary triumph of state power over inadequate capital and natural resources.

It is with the state that Spulber is most concerned, and he shows quite clearly that its role in economic development has been overwhelming from the very advent of modern capitalism late in the nineteenth century. Though the Balkan states, unlike Poland, Czechoslovakia, Croatia-Slovenia and, in a sense, Hungary, could then use their state apparatus to stimulate industrialization (except for Serbia, which remained a Habsburg economic satellite until its 1903 revolution), they lacked access to what Spulber regards as the reasonably priced credit resources of Vienna, and were forced to accept expensive loans from the West. These were often spent (or squandered, he obviously feels), not on the economy, but on armies, bureaucracies and other political extravagances.

The role of the state greatly increased after 1918. The reasons were numerous: nationalism required that economic enterprises still held by the former master — be he German, Austrian, or Hungarian — should be eliminated, economic self-sufficiency seemed necessary to consolidate political independence (and also, we might add, to counteract blockade should a future war occur) successful competition with the established industries of the West required state assistance and, finally, the distress caused by the great depression seemed remediable only by state action. The instruments used before 1914 — subsidies, tax exemptions, protective tariffs, government contracts, import restrictions, and the like — no longer sufficed. The state therefore began to operate many enterprises directly, especially in Poland, Rumania, and Yugoslavia.

Under these circumstances, Communist control of the economy after 1945 almost seems a logical development. Spulber explicitly denies this, insisting that the "nationalization of 1948 was not an organic growth of past processes. It evidently had its source in a set of completely different factors from those which have fostered the growth of the state sphere in the past" (p. 82). The evidence contradicts his conclusion. The link seen by Theodore Von Laue and others between the drive for industrialization in the Russia of Witte in the 1890's and Stalin in the 1930's has been equally strong in the similar drive of East European elites, be they managerial and *etatist* in the late 1930's or Communist in the 1950's and after: the political rhetoric has changed but the goals — modernity, affluence, and especially true independence from the great powers — have remained much the same. And for motivation we look to nationalism, the ideology that has dominated Eastern Europe for so long.

For Spulber, this will not do. Not only is he little concerned with the basic reasons behind industrialization, but he regards nationalism as a purely negative, irrational force which did not spur, but actually restrained economic growth by inhibiting regional cooperation (witness the Rumanian opposition in 1964 to Soviet plans for a supranational economic complex on the lower Danube), and by diverting scarce capital into foreign policy "adventures." It follows that he shows (pp. 25, 67, 69) a certain nostalgia for the apparent economic order and tranquility of the Habsburg empire, when credit and goods allegedly flowed smoothly among fifty million customers. But politics were ever-present in the empire's economic life too; the struggle between nation-

alities influenced bank credits, railroad construction, tariff schedules, labor legislation, even police policy in labor disputes. The Habsburg empire, despite a superficial attractiveness due to the relatively subtle and nonviolent form its internal conflicts took, hardly ranks as a model for emulation.

So much for the first two essays. What of the third? This — "Development, Entrepreneurship, and Discrimination: A Comparative Analysis" — is a major accomplishment. Spulber here first chronicles and then compares the respective role of Jewish entrepreneurs in the economic growth of Rumania from its opening to Western trade after the Treaty of Adrianople in 1829 down to 1939, and of their Chinese counterparts in Indonesia from 1869 (when completion of the Suez Canal gave new vigor to East-West trade) to the early 1960's. In both countries, this growth was largely in agriculture at first, with a gap opening between the traditional, subsistence, technologically backward production of the small peasant and isolated landowner, and the large-scale operations of the big estates for the Western export market. Rumanian estate agriculture, reaching its peak in the 1860's and 1870's before competition began with wheat from the Western Hemisphere, required capital, services, and skills which, in the absence of indigenous talent, were increasingly provided by Jewish bankers, traders, and artisans. This group alone, growing rapidly in Moldavia, Bucovina, and Maramures (but quite slowly in Wallachia) by immigration from Russia and Galicia, had the necessary contacts abroad and the financial experience and adaptability to help transform the Rumanian economy, integrating it into the world economic stream, introducing new products, and thus spurring production upward. After 1919, when the Jews at last gained the rights of citizenship, some left the market, the stall and the provincial bank to enter the free professions and the literary and journalistic world. The ensuing competition with the growing non-Jewish lesser intelligentsia, exacerbated by the depression and the spread of Nazism (although, strangely enough, Spulber never mentions the Iron Guard), led to serious persecution; by 1940 the Jews were "completely excluded from the life of the country."

As an economist, Spulber gives material progress the highest priority, and hence defends the Jews (and the Chinese of Indonesia) against the contention of both nationalists and Communists that they were simply parasites, who exploited or robbed the citizenry. He insists that these entrepreneurs performed "a necessary but thankless task" by acting

as agents of change, disrupting and shaking up the traditional economy, and thus preparing the way for a far more sophisticated and specialized, hence productive, economic order. Both logic and historical evidence are on his side. But while praising the forces of change and progress, some sympathy is due to those confused and hapless individuals left gasping in their path; the debt-ridden peasant, the artisan inundated by imported goods, the carter overcome by the railroad, the minor boyar whose financial ineptitude led him downward from mortgage to mortgage. These men turned on the Jewish entrepreneur as the source of their poverty, and naturally supported advocates of anti-Semitism. They were mistaken but their misery was real. By dismissing this unrest as essentially chauvinistic and irrational, Spulber demonstrates that aptitude as an economist does not necessarily entail the perceptiveness, sensitivity, and breadth of knowledge of the true *political* economist.

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Dragisa N. Ristić, *Yugoslavia's Revolution of 1941*. University Park, Pa.: The Pennsylvania State University Press for the Hoover Institution, 1966. Pp. 175.

The military *coup* of 27 March 1941 in Belgrade has stirred a heated debate which has raged for over twenty-five years. The Serbian leaders of the *coup* have justified their action as expressing the national (i. e., Serbian) will by upholding freedom and national honor against the "foreigner," Prince Paul, and the Nazi enemy. The subsequent Axis invasion could have been handled, they insist, had the army been properly equipped (a failure of Paul and his *camarilla*), and, above all, had the Croats remained loyal. Opponents of the *coup* see it in a different light. Yugoslavia's adherence to the Tripartite Pact was eminently justifiable, they contend: a German invasion would thereby have been prevented, the institutions and territorial integrity of the state safeguarded, and thus not only would Yugoslavia have avoided the horrible devastation it later suffered, but it would later have been capable of joining the Allies at a strategic moment, i. e., the Italian surrender in September 1943. These great advantages, it is argued, were foolishly thrown away by an irresponsible clique whose fascination with past glories blinded them to present reality. The Communists of course reject both inter-