

major Austrian works. He provides some appreciation of the Bulgarian dispositions, but gives little on the Germans and next to nothing on either the German or Turkish forces. In short then, this is a very fine book. but it is not a definitive study.

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Peter F. Sugar, *Industrialization of Bosnia-Hercegovina, 1878-1918*.
Seattle: University of Washington Press, 1963. Pp. XI+275.

In the past, Western historians of the Balkans have tended to view the peninsula in terms of the negotiations, alliances, and political maneuvers revolving around the Eastern Question. Attention has shifted more recently to nationalism and the way in which nations once inundated by the Ottoman and Habsburg tide have gained national consciousness and independence. By contrast, economic history has received short shrift, in part because of the difficulties facing the scholar: statistics have been scanty and unreliable; business enterprises have been small-scale, decentralized, secretive; and, above all, the scale of economic growth since independence has hardly encouraged even the most optimistic historian.

Professor Sugar's book therefore represents a distinct break with tradition. His theme is a specific case of industrial development, its origins, characteristics, scale, and economic consequences. His angle of vision is refreshingly new: he implicitly rejects the nationalist contention that foreign occupation is invariably a setback, economic growth allegedly being sacrificed to the interests of the conqueror. Sugar clearly regards the Habsburg government, and particularly Benjamin von Kalay, its Common Minister of Finance during 1882-1903, as both generating and directing whatever industrialization occurred in Bosnia-Hercegovina. Sugar's frame of reference also breaks with tradition. He does not try to deal with an entire national economy, as do historians who follow Marx by consciously searching for the economic "foundations" of national unification. Instead, Sugar follows the precepts of the classic monograph, painting carefully on a small canvas, assembling and collating evidence from a number of archives, his goal being quite simply "the gathering of information" (viii). This is appealing. However, it tends to side-step the essential task of considering motivation and causation. Hence the book rests on a shaky foundation from the outset.

Sugar sets the stage with a succinct, balanced account of the poli-

tical, legal, social, and economic structure of Bosnia-Hercegovina before 1878, plus a brief description of the diplomatic aspects of its occupation by Austria-Hungary. The occupation, he indicates, never became popular among political circles in both Vienna and Budapest; the court and general staff alone favored the move.¹ This opposition was expressed in parliamentary criticism, ill-natured bargaining between the Austrian and Hungarian Delegations (which were responsible for common affairs, and therefore for Bosnia-Hercegovina), and above all in a great reluctance to provide the tax money Kallay needed. Nor was private capital interested in an area whose political future was uncertain and whose most lucrative industries (especially mining) were tightly controlled by the bureaucracy. A lack of capital and support in general from Vienna may partially explain why, despite intensive effort by the local Austrian administration, industrialization of the province had disappointing results: a few companies made large profits, but the life of the ordinary citizen was barely affected, little modernization occurred, and Austrian rule continued to depend on military power alone. Sugar does not approach this fundamental question head on, by analyzing Austrian policy at the highest level, but limits himself to a very detailed description of the steps taken by the bureaucrats in the province.

Major action was largely confined to the Kallay's term of office. Motivated by patriotism, the desire to thwart South Slavic nationalism, to create loyal citizens, and to lessen Russian and Serbian influence — plus a dash of the enlightened despotism once so strong in the Habsburg bureaucracy — Kallay (like his contemporary Witte, in Russia) was not overly scrupulous about the methods he used. Nor did he neglect, according to Sugar, to pile up a substantial personal fortune, whose sources cannot be traced, since many vital documents are conveniently missing from the Austrian archives. It is clear (despite Sugar's repeated references to a high-level, systematic plan for industrialization) that economic development in Bosnia-Hercegovina stemmed almost entirely from Kallay's initiative. His efforts went into organizing a government-owned transportation network, salt and tobacco monopolies, and a banking system, as the foundation for the simultaneous growth of mining, forestry, and metallurgical, chemical, textile, and food processing industries. Sugar describes these developments as well as the fragmentary

1. The existence of this conflict suggests that a reassessment is in order for the widely-held view that Austrian political circles firmly supported the "drive" on Thessaloniki, and saw the occupation of Bosnia-Hercegovina as a first step.

and inconclusive documentation allows, but is hampered by the absence of reliable statistics, substantial monographs or general interpretations of Austrian economic history. These might have been overcome if he had gone beyond standard historical methods to make sustained, systematic use of the theoretical literature developed during the past decade regarding economic development in backward areas. Sugar does invoke this literature in his concluding chapter, but this is at most a post-script. His narrative elsewhere sometimes becomes bogged down in excessive details regarding individual business enterprises, while major questions about living standards, economic growth and productivity, the rise of factories and their relative share of productivity vis-à-vis the artisan, population growth, and similar issues, are slighted or ignored. This may be explained by an absence of data; all the more need for hypotheses or propositions to at least present some tentative explanations.

Although Sugar does not delve into the broader aspects of industrial growth in Bosnia-Herzegovina, it nevertheless becomes clear that Austrian interest was fixed on industrialization, but not on social and political modernization. The *millet* system was retained (albeit with modifications), as were many important Ottoman laws, a very limited and circumscribed parliament was instituted only in 1910, while all significant administrative posts were monopolized by Austro-Hungarian bureaucrats. Above all, little was done about a system of land tenure which condemned nearly half of the peasants to a serf or quasi-serf status. These backward and demeaning conditions were doubly galling when compared to the situation not only in Europe proper, but even in Serbia, where an effective, broadly-elected, parliamentary system had functioned since 1903. The result was deep dissatisfaction with Austrian rule among large sections of the population.

It is worth asking whether the economic innovations introduced by Austria did not actually stimulate this dissatisfaction, and thus aggravate the crisis facing the Habsburg Empire. The advent (so well described in Andrić's *The Bridge on the Drina*) of railroads, factories, engineers, entrepreneurs, a market economy, stocks and bonds, all the appurtenances of modern capitalism, shook the traditional institutions, values, and elites of Bosnia, while providing no satisfactory alternatives. And contact with Vienna and Budapest opened Bosnia and Herzegovina to new ideas (Sugar contends that the wide-spread strikes of 1906 were a reflection of labor unrest throughout Europe) which further undermined loyalty to the Habsburg system. Can we discern a line, how-

ever indistinct and circuitous, stretching from Benjamin von Kallay to Garvilo Princip?

About these political, ideological, and psychological effects of industrialization, Sugar says nothing. Perhaps he should not be expected to: his subject is, after all, economic history. It is nevertheless disappointing to see him emulate those scholars who (to quote Marc Bloch) "are like oceanographers who refuse to look up at the stars because they are too remote from the sea, and consequently are unable to discover the causes of the tides."

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Ghita Ionescu, *Communism in Rumania, 1944-1962*. New York: Oxford University Press, 1964. Pp. XII+378.

This book is to be welcomed as the first history of the Communist regime in Rumania. Beginning its analysis in depth with the Teheran conference in 1943 and ending with open Rumanian resistance to the demands of Soviet Russia twenty years later, Mr. Ionescu's work traces the establishment and evolution of the Communist regime in detail. He adds a brief critical bibliography and an appendix with biographical data on 30 key Rumanian Communists.

Mr. Ionescu's description of the foundation of the Communist regime is not unexpected. He holds that Soviet occupation of Rumania was inevitable once the Allied powers rejected the British proposal for a landing in the Balkans, that only Soviet military occupation made possible the installation of a predominantly Communist government in an overwhelmingly anti-Communist country, and that the People's Democracy of March 1945-December 1946, was a tactical maneuver by Soviet authority, who accepted a temporary division of power between Communist and bourgeois elements.

The dictatorship of the proletariat which followed was as Stalinist as any in Eastern Europe, while the exploitation of the country through war reparations and the Sovroms was more savage than most. The emergence of a sizeable Communist party is to be explained by a combination of despair and opportunism; Mr. Ionescu emphasizes the draconic educational measures which the party leadership found necessary in order to familiarize the new comrades with even the rudiments of Marxism-Leninism-Stalinism. The Rumanian intellectuals also gave