

of the sale of land by families. Thus we see that although "strict settlement" was supposed to preserve the land holdings of the family there were many instances where land was sold because of the pressure of debts. Despite being only life tenants the landowners did often manage to accumulate considerable debts that became a charge on the land. When these debts became too burdensome either the settlement was circumvented by a Private Act of Parliament or the heir would make provision for land sales on resettling the land. The examples Habakkuk provides of such sales make it hard to know whether the strict settlement system ever really constrained the actions of landed families, and thus whether the continuation of the landed classes in any sense depended on the institutional innovation of the strict settlement.

Thus whereas Habakkuk's work is a monument to years of hard slog in the archives, it in many ways also is a monument to the limitations inherent in the traditionalism of English economic history. It is sad that not many American economic historians could use with as much ease as Habakkuk the word *fissiparous*. But I think most who immerse themselves in the subtleties and complexities of all 786 pages of this glorious work of English scholarship will have renewed appreciation for the crisp brutalism of an article from *Explorations in Economic History*.

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*Werner von Siemens: Inventor and International Entrepreneur.* By Wilfried Feldenkirchen. Columbus: Ohio State University Press, 1994. Pp. xxv, 203. \$19.95, cloth; \$12.50 paper.

Werner Siemens, born in 1816, was one of the most successful German entrepreneurs and a pathfinder for the country's electrical industry. Together with Johann Georg Halske he founded the Siemens & Halske Telegraph Construction Company in 1847 in Berlin. Werner Siemens was the dominating figure in this enterprise, which he managed with the help of his many brothers. Siemens & Halske was a rapidly expanding family business branching out into every conceivable application of electricity. Not surprisingly, towards the end of its founder's life it ran into most of the difficulties associated with this form of enterprise and had to be reorganized as a public company to make good on lost ground. At the age of 71 Werner Siemens, an erstwhile radical at the time of the 1848 revolution, was raised to Prussian hereditary peerage by the ill-fated Kaiser Friedrich III. Werner von Siemens's last years were overshadowed by the rise of Emil Rathenau's AEG (General Electric Company) the corporate culture and organizational principles of which were as "American" as Siemens's were "German."

Wilfried Feldenkirchen's book, unlike most other biographies, concentrates on the entrepreneurial aspects of Siemens's life. His inventions are only briefly mentioned inasmuch as was necessary to illuminate the technology-push oriented strategy of the Siemens company. Siemens's main business during its first 40 years was the construction of telegraph lines and networks in Europe and Asia. This made Siemens an international company from the very beginning with strongholds in England and Russia. The Russian operations especially turned out to be very profitable for the firm. Moreover its favored position in the Tsarist Empire gave it a head start for the construction of a very successful Indo-European telegraph line that short-cut competing lines.

Since the telegraph business was almost exclusively conducted with governments, it lent itself to an extremely lean management organization. Contracts were few but huge and long term due to service requirements. Reputation and technical excellence were more important than price and access to princes and politicians the privileged way to win contracts. The tightly knit family network not dissimilar to the Rothschild pattern proved ideal for these monopsonistic markets and served the company well until the

1880s when electric power first made its appearance. Only with the mass markets of electric light and local power stations did the Siemens family policy lose its rationale. Werner von Siemens proved unable to adapt his company to mass marketing, divisionalization, and the large-scale mobilization of outside financial resources. His unwillingness to divest control over multiplying operations turned into the company's single most detrimental bottleneck. It took the help of another distant relative, Georg Siemens of the Deutsche Bank, to enable Werner's heirs to expand the company's business and prevent Rathenau's AEG from single-handedly controlling the domestic market.

The book betrays its origins as a commemorative volume for the centenary of Werner von Siemens' death in 1992. Its author is the academic director of the Siemens Archives in Munich, and although he eschews the blatantly hagiographic approach of his predecessors, he does not relentlessly scrutinize the limitations of Siemens's entrepreneurial capabilities, nor does he produce substantial new evidence to students of German business history. It is a benevolent official biography that aptly sums up the literature. The readability might have benefitted had the translation been given to a native speaker.

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*The Crisis of Liberal Italy: Monetary and Financial Policy, 1914–1922.* By Douglas J. Forsyth. Cambridge: Cambridge University Press, 1993. Pp. xii, 370. \$59.95.

In this well-researched and documented book, Douglas Forsyth sets out to disprove the so-called Salvemini interpretation of the advent of Fascism in Italy. Salvemini and his followers thought that Italy's postwar economic problems were well on the way to solution as a result of the policies adopted by the postwar democratic governments. The advent of Fascism was thus made possible by the parliamentary deadlock that was the outcome of political stalemate induced by the rise of Christian and socialist popular parties on the parliamentary democracy established by the Risorgimento.

It is exactly this view that Forsyth challenges. Starting with a careful and enlightening review of prewar economic policies and a study of the consequences of the war on the Italian economy through the judicious use of archival evidence, he is able to show that indeed the crisis of the liberal state was brewing even before the war. Giolitti's policy of purchasing popular consensus by welfare measures, colonial wars, the ensuing fiscal profligacy, and the buoyant international cycle postponed and delayed the crisis. The liberal State's long-term threat was fully shown by parliament's unwillingness to reform an archaic fiscal system and by the Bank of Italy's inability to impose its monetary policy on a credit market dominated by the feuds between universal banks and the industrial groups that controlled them.

What were potential difficulties became open crisis as a result of the war, which made the banks even more independent of the central bank and the inflated public debt again the central issue of Italian fiscal debate. How to tackle the fiscal crisis of the state and achieve monetary stability became the obsession of postwar democratic governments. In the absence of foreign aid and foreign loans, which were both stopped after 1919, democratic governments had to rely exclusively on domestic resources to attempt to redress the fiscal and international balance of the country. It is Forsyth's contention that it was the expectation of this type of solution that alienated the middle and upper classes' support of democracy. Mussolini was clever enough to exploit this fear of a fiscal squeeze and seize power.

He was also lucky, because he was able to use American financial resources to achieve the stabilization that had eluded democratic governments. Those resources were available because the U.S. market had been reopened to all borrowers, democratic and otherwise, after the Dawes Plan was approved. This is however, another story, and