occasional reference to a West European academic article, Masnata virtually ignores the rich English language academic literature in this area. His discussion of East–West economic issues is unlikely to be enlightening to most academic observers. On the other hand, public servants and others interested in East–West economic policy issues may find the book rewarding, if they can tolerate its stylistic shortcomings.

THOMAS A. WOLF
The Ohio State University

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430 BALANCE OF PAYMENTS; INTERNATIONAL FINANCE

International monetary policy: Bretton Woods and after. By W. M. SCAMMELL. New York: Wiley, Halsted Press, 1975. Pp. vi, 262. $16.95.

This book was begun as a third edition of the author's well-known text *International Monetary Policy* [2, (1957) 1961], however, according to the author, "at an early state it took unto itself a life of its own, distinct and different from those earlier works." (The 1957 edition was reviewed by C. P. Kindleberger in the *American Economic* Review [1, 1958].)

The book is a useful, nontechnical, well-written introduction to the subject intended for undergraduate courses and intelligent laymen. The specialist economist will find it not detailed enough for a history of the evolution of the international monetary system since Bretton Woods and too long as a background for a technical analysis of the mechanism of international payments. The book lacks a firm theoretical skeleton. True, there is a chapter on the theory of balance-of-payments adjustment. But it is somewhat imprecise and not quite up to date. For example the "monetary approach" to the balance of payments, which has received so much attention in recent years, is not mentioned, although earlier writings of Harry Johnson and the "absorption" approach are mentioned. Left over from the earlier edition, there is much talk about the dollar scarcity, but little is said about the dollar glut. The author effectively demonstrates the deficiencies of the adjustable peg system, but goes much too far, in my opinion, when he says that "Bretton Woods . . . did not provide an adjustment system of any kind" (p. 240). There were, after all, very many exchange rate changes, mostly devaluations, before floating became widespread. And occasional changes under the adjustable peg, although they increasingly gave rise to disturbing speculation, were much better than no changes at all (or changes only *in extremis* as was the rule under the gold standard of the 1930's.) Thus under Bretton Woods world trade grew by leaps and bounds despite the numerous currency crises that were the consequence of the adjustable peg system.

The author started work on this version in 1972 and finished it in March 1974. Thus he was the victim of a most unfortunate timing: 1976 would have been a much more appropriate terminal date, after the Jamaica conference, which has legalized the existing system of managed floating and brought the painfully and embarassingly drawn-out reform effort to an end—at least for some time to come. As it is, the last chapter where the author presents his "prescription for a new system" has been overtaken by events. The world recession of 1974–75 and its impact on the international monetary system would have provided a dramatic finale to the book.

GOTTFRIED HABERLER
Emeritus, Harvard University and
American Enterpirse Institute
Washington, D.C.

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440 INTERNATIONAL INVESTMENT AND FOREIGN AID

The maturing of multinational enterprise: American business abroad from 1914 to

1970. By MIRA WILKINS. Cambridge, Mass.: Harvard University Press, 1974. Pp. xvi, 590. $22.00.

Multinational enterprise has seemingly burst upon us. As Robert Heilbroner remarked at the 1974 meeting of the American Economic Association, "twenty years ago no one had heard of the multinational corporation." But, although hardly anyone was listening, corporations were building multinational networks long before academics discovered them. Mira Wilkins's book on *The Maturing of Multinational Enterprise* shows that more than half a century ago a variety of U.S. firms had substantial investments abroad. An earlier study by Professor Wilkins, *The Emergence of Multinational Enterprise,* traces the origins of this foreign activity back to the "colonial era."

Currently the book value of U.S. direct foreign investments is roughly 7 or 8 percent of U.S. GNP: in 1914 and in 1929, as Professor Wilkins points out, it was at this same level. True, the composition of foreign investment has changed: manufacturing operations gained in importance while raw materials operations waned. But, overall, the magnitude of foreign investment relative to the size of the U.S. economy has remained remarkably constant.

Many of the current concerns about the economic and political impact of multinational enterprise were first voiced decades ago. Professor Wilkins' cites "Britisher" Fred A. McKenzie as noting in 1901 (!) that "the Americans in England dominated practically 'every new industry created in the past fifteen years' " (p. 436). She documents the "intense resentment" against U.S. corporate "intruders" in Europe in the 1920's, citing, for example, Ludwell Denny's *America Conquers Britain,* published in 1930 (p. 154). She explains that "the sentiment of the 1920's in Washington [was] that this nation's businessmen should *not* invest in manufacturing abroad and should not export technology, skills, management (for to do so would create foreign competition)" (p. 289).

In short, the multinational enterprise phenomenon has not sprung up suddenly: it has long historical roots. The *evolution* of U.S. business abroad, the *cumulative* nature of foreign investment, the *process* of corporate growth—these are the themes and the substance of Dr. Wilkins's study. No one else has examined this development nearly as carefully or painstakingly as she has.

This is a massive book and a dense one, crammed with facts. Reading it is like walking through a hailstorm: on nearly every page the reader is bombarded with several chunks of information. The bibliography runs 49 pages; at the bottom of nearly every page there is a footnote or two, while at the end of the book there are 84 pages of reference notes; the index lists the names of well over 1,000 firms; the average page of text cites three firms, a couple of countries, and the names of two or three businessmen or political leaders.

Here and there the reader finds shelter from this hail of facts in a summarizing section that suggests some common pattern or scheme of classification—but these sections are few, shallow, and far between. As Alfred Chandler writes in the Introduction, "Dr. Wilkins has concentrated on the historian's basic task of getting the chronological record straight" (p. vi). She provides a blow-by-blow account of "the entry of U.S. companies into new direct investments outside the United States" and of the major events "in the *experiences* of existing branches, subsidiaries, and affiliates of those businesses in foreign countries" (p. vii). She spends a sentence on this fact, a paragraph on that, sometimes squeezing several facts into single sentences like the two following:

> During the 1920's such consumer durables as Kelvinator refrigerators were produced in England and Canada; Hoover and Premier vacuums were newly made by American subsidiaries and affiliates in the neighboring Dominion. (P. 71.)

> Based on earlier commitments, in 1930 General Electric, for example, made substantial investments in Europe, while Goodyear, Firestone, and Parke Davis erected factories in Argentina. (P. 167.)

Although Dr. Wilkins writes well, the chronological organization of her book and the dense packing of facts makes the book difficult to read. Nonetheless, this is a book that should be read by all serious students of multinational corporations: we know far too little about them to ignore such a rich lode of details about their growth and development.

JAMES W. VAUPEL
Institute of Policy Sciences and Public Affairs, Duke University