

Serbo-Croatian. Despite the present bitter language schism in Yugoslavia, Serbo-Croatian remains a completely legitimate term for the language (and the numerous dialects) of the Serbs and the Croats, whether of the fourteenth or the twentieth century.

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BUSINESS CYCLES IN YUGOSLAVIA. By *Branko Horvat*. Translated by *Helen M. Kramer*. White Plains, N.Y.: International Arts and Sciences Press, 1971. x, 259 pp. \$15.00.

Branko Horvat has very definite views on what should and should not be done to the Yugoslav economy. He believes that much of the country's apparent economic instability can be directly attributed to mistaken intervention by the government. The problems are compounded because the Yugoslav economy is being opened up just when the world finds itself on the downward phase of a secular Kondratiev cycle. The five cycles discussed in the study present the following picture:

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| Cycle I | New Economic System (1) | III/1949–III/1955 |
| Cycle II | Transition to Second Five-Year Plan | III/1955–II/1958 |
| Cycle III | New System of Income Distribution | II/1958–IV/1960 |
| Cycle IV | New Economic System (2) | IV/1960–I/1965 |
| Cycle V | Economic Reform | I/1965–? |

The first, fourth, and fifth cycles were conditioned by economic reforms; the second, by remedy for inflation; the third, by uncontrolled expansion of imports. Two characteristics are held to be common to all but the first cycle, initiated as a result of a search for a new economic system. One is that the cycle came about as a result of problems arising from international trade. The other is that the difficulties were compounded by the premature initiation of reforms. Premature in the sense, apparently, that reforms were initiated in the retardation phase of the cycle.

The reader is provided with interesting calculations on the consequences of various regulations. For example, we are told that at a level "of social product (excluding agriculture) of 7,000 billion old dinars, one excess regulation monthly costs the Yugoslav economy about 100 billion old dinars annually, on the average" (p. 187). We are also told, "The present Yugoslav economy is truly a market economy and very different from the rigid, semi-administration economy of ten years ago, not to mention earlier periods. But it appears that this has not been noted, and old conceptions, bureaucratic approaches, intuitive ad hoc solutions, short-run pragmatism, and neglect of scientific economic research continue to burden Yugoslav economic policy. A market economy is like a precious machine, highly productive but sensitive. A skilled worker can attain exceptional results with it. When there is inept leadership, waste and breakdown occur" (p. 190). In all, the author has produced an interesting picture of economic cycles in postwar Yugoslavia.

My reservations are not so much over the description of these cycles as they are with the author's attempts to distribute the blame for their occurrence. I would argue that Yugoslavia's cyclical problems are intensified if not indeed generated by the failure of external markets, especially capital markets, adequately and accu-

rately to appraise the potentialities of the Yugoslav economy. This may be the consequence more of political reaction to Yugoslavia, especially by some European countries with significant influence over Yugoslavia's external markets. In effect, the cyclical movements may be surface manifestations of more fundamental factors, which may be largely political. The country's institutional arrangements and policies are by no means blameless in compounding these surface manifestations into serious problems. As a minimum they should be more flexible in accommodating and facilitating Yugoslavia's rapid economic development. Something similar occurred during the first part of the nineteenth century in the United States, especially during the turbulent 1830s and early 1840s when the country was the recipient of large but erratic capital imports. At that time there was also concern among some Europeans about whether, in fact, the United States was a viable political entity.

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BETWEEN OLD AND NEW: THE OTTOMAN EMPIRE UNDER SULTAN SELIM III, 1789–1807. By *Stanford J. Shaw*. Harvard Middle Eastern Studies, 15. Cambridge: Harvard University Press, 1971. xiii, 535 pp. \$15.00.

The Ottoman Empire was before all else an Orthodox Sunni Muslim state in the eyes of those who shaped and directed its destiny. The leaders regarded as their chief task to extend the realm of Islam over previously "hostile" lands until finally, in accordance with the will of Allah, the entire world would follow the true path. While difficulties within the state began much earlier, the fiction that it was fulfilling its destiny could be maintained until 1699, when for the first time the Ottoman Empire had to yield Muslim-ruled territory to the enemy. The following eighteenth century was, from all points of view, the most critical and least satisfactory in Ottoman history, forcing even the ultraconservative ruling elements to admit that something was wrong.

Before this realization could be converted into action, a man had to ascend the throne who shared this conviction and had some basic knowledge of events both at home and abroad and the moral conviction and courage to act. This man was Sultan Selim III. Professor Shaw, one of the best contemporary Ottoman scholars, is finally doing what should have been done a long time ago—a study in depth of the "reform period" beginning with the rule of Selim III. The volume before us is the first in a series that Shaw proposes to produce dealing with the Ottoman reformers. It includes, quite properly, the short reactionary reign of Sultan Mustafa IV, representing the last successful attempt to block a development that had become inevitable.

Selim III faced incredible odds. His rule coincided with the Revolutionary and Napoleonic Wars; the Serb Revolt broke out toward the end of his reign; he faced the determined opposition of the great majority of those in office whose help he needed; and the bureaucratic and especially technological obsolescence of his state forced him to start building new institutions from scratch. The author is not only fully cognizant of these and numerous lesser difficulties, but has investigated and explained them all. The research that made this detailed analysis possible would amaze the reader if he had not come to expect this kind of scholarship and thoroughness from Professor Shaw. Equally impressive is the manner in which this massive re-