

There are a few minor points. O'Farrell's assertion on p. 102 that coal miners were occupationally immobile does not quite square with his statement on p. 105 that during the mining recession of winter 1905 'the familiar process of men leaving in search of jobs elsewhere began'. What is the basis for the statement that New Zealand Catholics were disproportionately wage-earners and supporters of progressive parties (p. 130)? Mortgagor and mortgagee are confused on p. 42.

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Between Governments and Banks: A History of the Reserve Bank of New Zealand.

By G. R. Hawke. Government Printer, Wellington. 1973. 244 pp. N.Z. price \$6.

DURING the great period of nation-making in the 1920s, new countries particularly in central and eastern Europe, plagued by inflation and financial chaos, sought the advice and assistance of the Bank of England which helped them to set up, as part of their recovery programmes, their own central banks in its own image. A central bank, organized and managed in the real or imagined style of the Bank of England, was associated with independence and stability. Of course, by the time of the great days of decolonization of the 1960s, a central bank had become a symbol of success, like a flag or an anthem; superficially, the Bank of England was still the model, but it was the International Monetary Fund which provided the advice, the money and the seconded experts. Such is the mystique of money and the advisability of being nice to the IMF that this recent great spawning of central banks took place when the *raison d'être* of central banks had largely disappeared.

As this history of New Zealand's central bank suggests, during most of the bank's existence New Zealand governments have treated the Reserve Bank as a sort of unusual government department, sometimes of a minor character. In some respects it is curious that a country which cheerfully abolished its non-elected legislative chamber has not done the same for the Reserve Bank. But one of the solid virtues of Dr Hawke's book is that it explains clearly the wide range of administrative functions the bank has accumulated over the years: someone has to administer exchange control, manage government debt, get the notes printed and coin minted and explain government policy to the trading banks and other financial institutions (and make sure the latter understand and can obey it).

The reason politicians and officials decided in the early 1930s that New Zealand needed a central bank is that the Bank of England, on being consulted by the government about financial matters (in particular, the depreciation of the New Zealand pound in 1930) advised the establishment of a central bank on Bank of England lines. If the government was to pursue independent but orthodox policy over currency and foreign exchange, it must equip New Zealand with a Bank of England type of institution. It does not appear that the powers the government wanted were seen as distinct from the institution. Yet there was no doubt that

Finance Minister Coates intended that the bank should be the means of putting government policy into effect. In this respect there was no difference between Coates and his successor Nash, and Dr Hawke tells the story of Nash's assertion of control over the bank and the sad case of Lefeaux, the first Governor and one-time official of the Bank of England.

Dr Hawke has had access to the bank's records and also to Treasury files; his story of the foundation of the bank is the fullest account to have appeared in print and appears to be definitive. The subsequent discussion of constitutional relations with the government and the administration of foreign exchange and monetary policy is useful, but insofar as the activities of the Reserve Bank are only a part of the total management of the economy, and insofar as the views of cabinet, Treasury and other government departments have frequently dominated those of the bank, Dr Hawke's excellent account is inevitably partial, as seen from the bank's window.

This is a book largely about the development of an administrative institution. Readers who expect to find out who or what controls the supply of money and credit, whether the Reserve Bank has or can exercise any control, and what the effect of control is, will be disappointed. Nor is there much in the way of disclosure of what the bank's views were on the relation of money supply and inflation. Was the bank a monetarist? In one of his few references to inflation, Dr Hawke says '[at] the next board meeting [in 1951], the Governor emphasised the need for stronger measures against inflation. As the Government preferred not to use direct controls and as fiscal measures would have to await the next Budget, monetary controls were needed [p. 156].' One wonders whether this is the author's summary of a serious discussion, or whether this is really how the bank's officers thought.

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Aborigines and Colonists: Aborigines and Colonial Society in New South Wales in the 1830s and 1840s. By R. H. W. Reece. Sydney University Press, Sydney, 1974. ix, 254 pp. Australian price: \$12.

TWENTY-FOUR years ago Marjorie Barnard described the Aborigines as constituting a 'codicil to the Australia story.' That can no longer be said, especially in view of C. D. Rowley's three volumes on the *Destruction of Aboriginal Society*. In a recent lecture on 'Writing History in Australia' (published in *Historical Studies*, April 1975) Manning Clark pronounced the confrontation between Aborigines and Europeans a moment of tragic grandeur, a fit subject for a historian of true genius. Rowley's story did not scale such giddy heights; indeed his examination of Aboriginal-European confrontation is piecemeal and perfunctory. But this was only to be expected since, with one or two notable exceptions, the basic research on which a grand survey could be based had yet to be done. As Reece's monograph demonstrates, that research is now being carried out.

Though he provides a useful overview of European attitudes towards Aborigines and discusses briefly early contacts between the two races in Sydney, Mel-