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Alison Fleig Frank. *Oil Empire: Visions of Prosperity in Austrian Galicia.* Cambridge, Mass.: Harvard University Press, 2005. XX + 343 S. \$49.95 (cloth), ISBN 978-0-674-01887-7; \$24.95 (paper), ISBN 978-0-674-02541-7.

Reviewed by George Liber (Department of History, University of Alabama at Birmingham)

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Since the 1960s, scholars in Europe and North America have developed a serious interest in Austrian economic history. These new cohorts of economists and historians have created a nuanced assessment of the complexities of Austro-Hungarian economic development, especially during the late Habsburg period. But, awareness of the empire's ultimate collapse in 1918 often produced negative scholarly assessments of its economic initiatives. These "hindsight" interpretations, popularized by Oscar Jaszi in *The Dissolution of the Habsburg Monarchy* (1961) and Alexander Gerschenkron in *The Economic Spurt That Failed: Four Lectures in Austrian History* (1977), still dominate the overall historical and popular imagination. David F. Good attributes the wide acceptance of these perceptions primarily to the fact that "historians normally treat the economies of declining empires rather harshly."^[1]

Despite the maturation of Austrian economic history over the past fifty years, very few scholars have investigated the issue of oil, which buttressed Austria-Hungary's role as a major European power during its last decades. In the second half of the nineteenth century, authorities discovered enormous deposits of oil in the eastern region of Galicia, Austria's largest, most populous, and poorest crown land. Due to the exploitation of these oil fields, Austria-Hungary became the third largest oil producing state in the world by 1909, accounting for 5 percent of world production, just behind the United States (61 percent) and Russia (22 percent). From the middle of the nineteenth century until 1910, it ranked among the top five every year and remained in the top ten until the First World War (p. 4).^[2]

Acquired by Austria during the partitions of the

Polish-Lithuanian Commonwealth in 1772, Galicia represented an unwieldy and complex multinational province. The Polish-speaking peasant population dominated western Galicia and the Ukrainian-speaking peasant population dominated eastern Galicia. The Polish nobility continued to rule both parts after the partitions and solidified their political control after 1867, when they negotiated a "special relationship" with the central Austrian authorities (pp. 35-26). This domain also contained a large Jewish community, constituting nearly 11 percent of the population, and a small group of German residents. The national conflicts that exploded here became conflated with social and economic ones. As oil became an important source of energy in the late nineteenth and early twentieth centuries, its discovery in Galicia encouraged the widespread expectation that this natural resource would help overcome this region's economic backwardness and narrow the inequalities among Poles, Ukrainians, Jews, and Germans. But conflicting imperial and provincial interests, coupled with this territory's geographic isolation, hampered the rational exploitation of this "black gold."

Alison Fleig Frank, an assistant professor of history at Harvard, seeks to explain the role of oil in Austria and Galicia without a "hindsight" bias in *Oil Empire*, her first monograph. Not only does the study possess a coherent narrative, but it also contains valuable archival pictures, many published for the first time in North America. In seven chapters, Frank describes and analyzes Austria's acquisition and incorporation of Galicia, the conflicts over land and mineral rights, the discovery of oil, and the attraction of foreign entrepreneurs, including their hopes and dreams as well as those of Austrian bureaucrats, Polish provincial officials, and the multinational workforce

toiling in the oil fields. She then probes the reasons for the overproduction of oil and analyzes the impact of the First World War on the oil fields as well as on its workers. In her final chapter, Frank assesses the Polish-Ukrainian armed conflict over eastern Galicia, which broke out in late 1918 and ended in 1919. The Ukrainian population did not accept defeat, and this contest became a low-intensity struggle, which plagued independent Poland until its own collapse in 1939. *Oil Empire* deals evenhandedly with the Polish-Ukrainian conflict in eastern Galicia. Frank also judiciously assigns responsibility for the outbursts of anti-Semitic violence that often broke out in the oil fields. But *Oil Empire* represents far more than a description and analysis of the rise and fall of the oil industry in Austrian Galicia in the late nineteenth and early twentieth centuries. It provides a rich contextualization of events, trends, and the human encounter with oil in an ethnically diverse and contested region, the periphery of the periphery, in one of the most diverse multinational empires in the world. As one of the first books to combine environmental history with the history of East Central Europe, Frank's monograph deftly integrates global, European, regional, and local history with the history of oil exploration and exploitation in Galicia.

Her assessment, moreover, provides a cautionary tale about economic and political decision making in an increasingly interdependent world and about the unintended consequences unleashed by these accommodations. After the discovery of oil in Galicia, imperial and provincial officials failed to mediate the tensions and conflicts among local, provincial, and imperial interests concerning this increasingly critical natural resource. In contrast to central government control of oil in other countries (such as the United States), Austria (which granted itself control over its other natural resources) granted local property owners in Galicia complete legal rights to the oil on their properties. This produced an economically irrational system of oil exploitation as small producers competed with larger ones and as oil men did not standardize their industry until the early twentieth century. Overproduction only exacerbated these problems, igniting a collapse of prices. The imperial and provincial authorities, moreover, did not

build the necessary infrastructure (storage facilities, refineries, and railway connections) to bring the oil to market before 1914. Once the First World War erupted and once it lasted longer than a few months, oil became a primary weapon in the conflict and Galician fields supplied 60 percent of the Central Powers' oil needs. But by 1914, due to mismanagement as well as depletion of this natural resource, oil production in this region began an irreversible decline.

Instead of helping create a diverse economy in one of the empire's most backward provinces, the Austrian and Galician authorities did little to alleviate the predominance of an agricultural sector with small holdings which could barely feed their owners and their families. Not unlike the leaders of many petroleum-producing states today, the authorities promoted the myth of oil as an overall economic savior, but they did not deliver on these promises. Although they could not have arrested the decline in oil production after 1914, they might have made wiser decisions when oil flowed freely.

In his recent bestseller, Jared Diamond wrote that a "group may fail to anticipate a problem before the problem actually arrives." Then, "when the problem does arrive, the group may fail to perceive it." After they recognize it, "they may fail even to try to solve it. Finally, they may try to solve it, but may not succeed." [3] Frank's monograph reaffirms Diamond's assessment. In her rich account and superb analysis, she describes and investigates how Austrian and Galician authorities passed through each of Diamond's stages and how they squandered the opportunities to employ a precious natural resource for the betterment of all in the crown land and in the empire.

Notes

[1]. David F. Good, *The Economic Rise of the Habsburg Empire, 1750-1914* (Berkeley and Los Angeles: University of California Press, 1984), p. 6.

[2]. See also *ibid.*, p. 147.

[3]. Jared Diamond, *Collapse: How Societies Choose to Fail or Succeed* (New York: Viking Penguin, 2005), p. 421.

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