

MacLennan's book is seamlessly written and is squarely in the tradition of narrative history. She does an excellent job of marshalling important historical sources and extending her hypotheses in a detailed manner. An advantage of this approach is that the work is accessible to a general audience interested in Hawaiian and global history and makes numerous contributions to specialized historical literature on the sugar industry and environmental transformation. The analysis would have been somewhat strengthened if the author had made more of an effort to draw on research from the field of economic history, for example, Sumner La Croix and Price Fishback (2000). MacLennan's narrative rarely uses statistical analysis or theoretical models from economics or politics to establish or analyze historical trends and transformations, and this opens the door to further contributions by economists and economic historians, for example, recent articles by Brooks Kaiser and James Roumasset (2014) and Kaiser (2014).

Research by Patrick Kirch (2013) and other archaeologists on how Hawai'i's political and economic institutions changed the environment and evolved to cope with environmental changes in ancient Hawai'i has completely reshaped how we understand the first 500 years of Hawai'ian history. In the same vein, MacLennan's synthetic narrative provides the foundations for a new generation of economic historians to use modern quantitative and theoretical methods to gain a better understanding of Hawai'i's complex sugar economy.

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Selling Power: Economics, Policy, and Electric Utilities Before 1940. By John L. Neufeld. Chicago: University of Chicago Press, 2016. Pp. 336. \$60.00, cloth; \$60.00, eBook.

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John Neufeld's *Selling Power* is a comprehensive, thematic account of the United States electric industry. The book's coverage begins with Thomas Edison's invention of the incandescent light bulb, and the development of the generation and distribution plant that provided the complementary electricity. We quickly learn that the economic

and political issues confronted by the industry pioneers remain challenging issues today.

The introductory chapter does a wonderful job of identifying these issues: finding money to finance the capital intensive electrical system, system design that minimizes costs, pricing structure, and the impact local, state, and federal regulatory bodies and administrative agencies had on the electric utilities.

The government has always played an important role in the industry. Utilities had to build their distribution systems along roads in order to minimize the costs they incurred obtaining access to customers. It was cheaper to negotiate with municipal government officials for access to public right-of-way than to enter into agreements with owners of property that adjoined the roads. Neufeld notes though that this provided the municipal government officials with considerable economic leverage that they were not reluctant to exploit: “[h]istorical evidence confirms that municipal corruption involving utilities and franchises was common” (p. 51). The high-cost of local extortion encouraged the utilities to turn to the state to provide a more just governance structure.

Government control was needed because the industry was not competitive. Neufeld shows that the industry was incredibly capital intensive. “Prior to 1914...it took over twice as much capital to produce \$1 worth of output in electric utilities as in railroads and over ten times as much capital to produce the same value of output as the average for all manufacturing” (p. 50). The capital was typically a sunk investment which made the investment risky. Consequently, after an initial period of competition, it was highly unlikely that actual or potential competition could constrain the power of the incumbent utility. Consequently, there was a need for government regulation.

Neufeld points out that, unfortunately, state regulators did not provide the utilities with an incentive to develop the rural market. The utilities largely neglected this market because the expected return on investment was perceived as risky and low. Furthermore, state regulation blocked potential competitors in unserved markets by making it very difficult for an entrant to gain access to the public right-of-way. The absence of electricity in rural areas limited the economic opportunities of farmers and led to a lot of unnecessary drudgery.

The federal government, through the Rural Electrification Administration, subsequently promoted the development of rural distribution systems. This competition, which began in the mid-1930s as part of the New Deal, provided a prod to privately owned systems. Neufeld provides a rich historical account of how “[t]he competitive threat rural cooperative brought hastened the availability of electricity to all Americans” (p. 240). The provision of electricity greatly enriched the life of residential residents.

Selling Power also contains new, insightful material about other federal projects, the Tennessee Valley Authority (TVA), the Bonneville Power Administration, and the Hoover Dam. The book explores both the economics and politics of these federal agencies. Neufeld highlights the conflict between public and private power agencies, and largely argues that these projects could not have been done privately due to the need to coordinate electrical generation over a wide geographic area and across product markets (e.g., irrigation and power generation).

Some of the most interesting material in the book addresses the pricing of electricity. Be it a hydro dam constructed by the federal government, or a coal-burning generator, the cost of the equipment can be classified as a joint cost. For example, the TVA had to

determine how to recover the joint cost of dams from users of the different final products: electricity, irrigation, flood control, and recreational use of the water. According to Neufeld, the prices established by state and federal agencies too often reflected the political power of different user groups, rather than a pricing structure that encouraged economic efficiency.

Technical and economic efficiency are big themes throughout the book. The introductory chapter has a brief discussion of why integrated network are more cost efficient than stand-alone systems. Neufeld explains how one large network requires less generating capacity than multiple smaller networks due to non-coincident demand peaks and efficient water management. Throughout the book he argues that large systems had the potential to operate more efficiently than smaller, stand-alone units.

Selling Power belongs on the reading list of courses that address regulatory economics. It provides a rich account of how public and private entities address pricing and provisioning questions. The institutional details, as well as the discussion of engineering economics, nicely complement the theoretical models contained in IO and regulatory economics textbooks. Neufeld has done a wonderful job of using historical material to illuminate pricing and organizational issues that remain with us today.

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Beyond Rust: Metropolitan Pittsburgh and the Fate of Industrial America. By Allen Dietrich-Ward. Philadelphia: University of Pennsylvania Press, 2016. Pp. vii, 347. \$27.50, paper.
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In *Beyond Rust*, Allen Dietrich-Ward covers more than 200 years of the social, environmental, economic, and political history of Pittsburgh and its surrounding valleys, plateaus, and communities in the states of Pennsylvania, Ohio, and West Virginia. Dietrich-Ward's intent is to present "the ways in which Americans interpreted common social and physical landscapes, mobilized local and nonlocal resources to reshape their regional environments, and conceptualized themselves in spatial and historical terms" (pp. 16–17). The chapters provide a series of stories about Pittsburgh, Steubenville, Weirton, Wheeling, and other Steel Valley cities; federal, state, and local politics and policies; the coal, steel, transportation, medical, and education industries; non-profits that provided development planning and recreational opportunities; the elites that controlled all of them; and the voices that sought alternative paths of development.

The book has three sections, roughly broken into three historical eras. The first section—The Steel Valley—covers the rise of the coal and steel industries and the beginning of the city's transition away from those industries. Pittsburgh's meteoric rise to industrial prominence was based on the natural resources of rivers and coal and was guided by industrial capitalists. Places matter to Dietrich-Ward, and the relationship between the central city of Pittsburgh and its hinterlands is an important part of the narrative. The towns that sprung up in the Steel Valley to support coal mines and steel mills were often centered on a single employer in a single industry and often suffered when industry conditions changed. Towns could also suffer, or disappear entirely, to support the needs of the central city. For instance, efforts to control flooding led to a