by "imperial powers" to rule colonies: "divide and conquer."

With the rise of division of labor in 18th-century factories, bosses were needed, as free-market economist Adam Smith outlined in *The Wealth of Nations* (1776), to streamline production. Indeed, worker specialization became a central feature of the streamlining process: By 1830, Swiss clockmakers divided watch assembly into 50 steps, utilizing nearly 150 laborers to craft a single timepiece. But what the history of high-volume manufacturing shows, according to Marglin, a Marxist, is not a quest for efficiency, but the lengths to which employers will go to turn hired hands into what Karl Marx called "crippled monstrosities."

Landes, a Harvard historian, retorts that history shows nothing of the sort. Factories, he says, did not emerge because owners sought to conquer employees; rather, they appeared when big machines were devised to "overcome the cost advantage" of cottage industry and "put-out" production. Owners, too, did not just coordinate work; they bought materials and sold finished products (thus *creating* profit) and advanced technology. The powered "water frame," Richard Arkwright's 1768 invention for making tough warp yarn, revolutionized textile manufacturing—but only after mill owners adapted it for assembly lines.

Bosses were essential here: "No one else was in a position to look upstream and downstream, as well as to competitors on either side."

As for "crippled" employees, Landes cites an 1806 House of Commons study of England's wool industry: "Not infrequently," it reported, "men rise from low beginnings, if not to excessive wealth . . . [then] to a situation of comfort and independence."

In fact, entrepreneur Josiah Wedgwood (1730–95) trained so many specialists for his innovative pottery firm that he had to create managers—"a new profession," notes Landes, some of whom "became employers in their turn." When "workers learn that they can do without the capitalist, it is because they have become capitalists themselves."

Today, hierarchy—bosses—and technology are as vital to large socialist enterprises as to capitalist ones. "As every good economist knows," says Landes, "there is no such thing as a free utopia."

Defending the IMF

"The IMF under Fire" by Jahangir Amuzegar, in *Foreign Policy* (Fall 1986), 11 Dupont Circle N.W., Washington, D.C. 20036.

Third World debt, changing exchange rates, yawning trade gaps. The International Monetary Fund (IMF) has much to deal with. During 1980–84 alone, the Washington-based Fund's officials ran 94 "stabilization" programs in 64 Third World nations—all with money woes.

What concerns Amuzegar, a former IMF executive director, is another problem: rising criticism of the Fund, from many quarters.

U.S. liberals protest that the IMF "bails out big multinational banks." Conservatives dislike its economic meddling, and its aid to anti-Western regimes. Foes on the Left say that its "help" deepens poverty and keeps poor nations in "imperialism's grip."

In 1944, when the IMF was founded (along with the World Bank) by the United States and its World War II allies, its mission, writes Amuzegar, was to cope with short-term, "1930s-style exchange and payment problems" in developed countries. The IMF now has no programs in such nations. Since the 1973–74 oil crisis, it has "gradually and erroneously" become "the world's master economic trouble shooter." For this, it has "neither adequate expertise nor sufficient resources."

Even so, argues Amuzegar, most criticism of the IMF is unfair.

The Fund does not, as is often charged, apply the same "draconian" measures to all debtors. When programs in Gabon, Panama, and South Korea were emphasizing "demand restraint," for example, those in Burma and Sri Lanka encouraged public investment and increased imports. As for the allegation that IMF-imposed austerity destabilizes nations, Amuzegar notes that, of the nearly 70 nations under IMF care between 1980 and 1983, only 10 (including the Dominican Republic, the Sudan, and Argentina) have suffered serious social unrest, "not all of it Fund-related." Indeed, "many countries do not come to the IMF until the seeds of political turmoil are firmly rooted."

The IMF is biased toward free markets and free trade, goals enshrined in the Fund's charter. And its operations do reflect its Western founders' predilections: Aid has been denied to Vietnam and Grenada (when under Soviet-Cuban influence), but approved for El Salvador and South Africa. Yet the Fund does have Communist members (e.g., China, Romania, and Hungary), and has helped leftist regimes (in Jamaica, for instance).

The Fund can point to successes. Of the 21 African nations with IMF stabilization programs in 1981–83, for instance, one-fifth met their economic growth targets and half hit their inflation-reduction goals. What the critics should ponder, says Amuzegar, is "where [such] countries would be without the IMF."

SOCIETY

The Mad Colonists

"Madness in Early American History: Insanity in Massachusetts from 1700 to 1830" by Mary Ann Jimenez, in *Journal of Social History* (Fall 1986), Carnegie-Mellon Univ., Schenley Park, Pittsburgh, Pa. 15213.

Madness. In 1702, Cotton Mather defined it as a "black melancholy," inspired by Satan. Most other Massachusetts colonists viewed the mentally ill as merely "distracted"—odd, but not ***sick***, victims of the Devil.

Even so, legend holds that 18th-century New Englanders jailed the insane, and even tortured them to purge their affliction. Not so, says Jimenez, a historian at the University of California, San Diego. While 19th-century mental hospital reformers like Horace Mann did blame abuse of the insane on pre-Revolutionary War practices, it was not until postwar days, says Jimenez, that insane people were beset by "sometimes unhelpful efforts to control them."