

McLean ensures that all get their dues. From Sir George Gipps, governor of New South Wales, at a time when the Australian colony briefly had charge of New Zealand, 1839–40, to the brief but important stay of Sir Hercules Robinson, 1879–80, to the latter-day gracious Dame Silvia Cartwright and the swearing-in of the current governor-general, Anand Satyanand, in 2006, all are here.

The procession of governors after Grey, and their struggles to find a role, having been removed from the centre of power, is particularly interesting. So, too, is the involvement of governors in the Parihaka episode in the early 1880s, in the country's defence policy (Jervois and Jellicoe), and in the matter of Legislative Council appointments in the 1890s. The last proved critical in confirming the role as figurehead. Pomp of empire replaced constitutional manoeuvres.

The book is organized around short biographies of each incumbent in turn, supplemented by chapters on ceremonial behaviour through the ages and on constitutional change within the British Empire, 1917–1931. There is also a slightly odd, lengthy, chapter-like Appendix 3 dealing with Government House. With ceremonial matters integrated in the main body of the book this material too should be located there.

The major point of the British Empire chapter is that New Zealand hardly changed at all. The reader has to pick up in following chapters signs of the extremely gradual severance of the governor's relationship with the British government. It was not until 1941 that Government House was completely supplanted in communications with the British government, and not until the late 1950s that New Zealand assumed its right to nominate people to the position.

The book is organized thematically into half a dozen sections corresponding to phases in imperial development and the eventual emergence of a 'home-grown' breed of governor. This is helpful in terms of the external forces changing the institution but, in combination with the even-handed biographical approach, it dilutes the differential impact that governors had in shaping our political history. In particular it underplays the Crown colony period when the governor reigned supreme and the early phase of representative government in which the governor retained (and exercised) crucial powers. While we have a detailed constitutional study of the Crown colony period together with biographies of Grey and other politicians, we still lack a sustained history of *governing* in the period.

But this is not meant to be an in-depth political history. McLean has accomplished a great deal in documenting a visible but not greatly understood component of our constitutional and political life. He has assembled into a single volume a fascinating parade of the governors in all their finery and with all their foibles. As we see them passing by we can reflect on just how much New Zealand itself has been transformed.

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Innovation and Independence: The Reserve Bank of New Zealand 1973–2002. By John Singleton with Arthur Grimes, Gary Hawke and Frank Holmes. Auckland University Press in association with the Ministry for Culture and Heritage, Auckland, 2006. 340 pp. NZ Price: \$49.99. ISBN 1-86940-364-9.

IN 1973 PROFESSOR GARY HAWKE published his wonderful history of the Reserve Bank of New Zealand, *Between Governments and Banks*. His book covered the policy debates that led to the bank's foundation in 1934, described its nationalization as the first legislative Act of the first Labour government, and analyzed how successive Ministers of Finance insisted that they, not the bank, would determine monetary policy.

It turned out that the early 1970s was a serendipitous place to end his account, since there were some momentous changes just around the corner. In the late 1970s and early 1980s, the bank struggled to cope with high inflation, low economic growth and Prime Minister Rob Muldoon's 'personal view' of the New Zealand economy. After the June 1984 announcement of an early general election, a substantial run on the New Zealand dollar drained the bank's overseas credit, so that the foreign exchange market had to be suspended for three days after the election while constitutional arguments took place about who had authority to devalue the dollar. Over the next six years, financial markets were liberalized, New Zealand experienced a severe sharemarket bubble, inflation was squeezed out two years ahead of schedule but accompanied by the country's worst post-war recession, and the bank's independence in setting monetary policy aimed at maintaining price stability was enshrined in the reformed Reserve Bank of New Zealand Act 1989. In the 1990s, the bank overhauled its system for monitoring financial institutions, creating a regime based on strict requirements for director attested public disclosure rather than on more intense central bank monitoring. At the same time, new computer technologies allowed significant changes to the mechanisms by which financial institutions settle their accounts with each other. Internal restructuring to improve services and efficiency saw the bank close its branches outside Wellington in 2000, and also resulted in staff numbers falling from 650 in 1983 to 200 by 2001.

John Singleton is Reader in Economic History at Victoria University of Wellington. With Arthur Grimes, Gary Hawke and Frank Holmes, he has written what is effectively Volume II of the Reserve Bank's history, covering the period 1973 to 2002. The book was researched with full co-operation of the bank, which provided hospitality and unrestricted access to its archives. Research also included taped interviews with seven key participants in the reforms of the 1980s and 1990s, while one of the authors was himself a leading figure within the bank as it reformed its policy frameworks after 1984. The text is supported by carefully footnoted references to a large number of international and domestic sources. The result is a fascinating and scholarly insider account of this momentous period in the country's economic history. It will appeal to a wide audience in New Zealand, but also overseas. As the book records, New Zealand was the first country in modern times to adopt an inflation-targeting framework, its example quickly followed by others. The bank's light-handed approach to prudential supervision of financial institutions has not been so widely imitated, but continues to provoke interest as a plausible alternative to the more intrusive frameworks currently in vogue.

Innovation and Independence begins with a précis of the bank's role and history prior to 1973, based largely on Hawke's earlier account. Chapters 2 and 3 cover 1973 to 1984. Chapter 2 gives an account of the practice of monetary policy during that period, dominated by the personality of Rob Muldoon and culminating in the foreign exchange crisis at the 1984 general election. Chapter 3 describes contemporary intellectual developments within the bank based on the work of economists such as Roderick Deane, David Giles, Max King, Mark Lumsden, Tony Fenwick, Gareth Morgan, Grant Spencer, David Grindell, Peter Ledingham, John Gallacher and Arthur Grimes. Their self-avowed eclectic approach meant that the bank was well placed when Roger Douglas (the new Minister of Finance after 1984) called for policies to deregulate financial markets and reform monetary policy. The next chapters describe the consequences: Chapter 4 gives an account of the initial monetary disinflation period during the fourth Labour government's two terms of office; Chapter 5 is devoted to the background, process and outcomes of the 1989 reform to the bank's governing legislation; and Chapter 6 describes the developments in monetary policy during the 1990s, including the eventual adoption of the official cash rate as its primary instrument. The book ends with three chapters devoted to the bank's approach to financial supervision, the bank's internal restructuring and a final evaluation of its achievements over the three decades.

There is excellent material in every chapter, and the book is a worthy successor to Hawke's 1973 volume. To conclude with one example, I had not previously known of 'the Treasury bombshell' that proposed in November 1986 to turn the bank into a State Owned Enterprise, accompanied by exposure to the risk of bankruptcy, and also by a statutory limit on its freedom to create money. Chapter 5 reports that at one meeting to discuss this alternative to the Reserve Bank's own proposals leading up to the new Act in 1989, 'tempers became so frayed that a senior bank official threatened to take one of the senior Treasury officials outside and punch him' (p.154). It is little wonder that the governor later acknowledged that some staff found the bank's 'very aggressive debating culture' to be intimidating. That whole episode, however, in which the Treasury and the Reserve Bank proposed changes to the country's monetary policy framework that were equally radical but utterly incompatible, is a fitting testament to those extraordinary times of reform when anything seemed possible.

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Standing Upright Here: New Zealand in the Nuclear Age, 1945–1990. By Malcolm Templeton. Victoria University Press, Wellington, 2006. 621 pp. NZ price: \$49.99. ISBN 9-780864-735409.

RICH, SUBTLE AND SUBSTANTIAL, or narrow, dull and unsuccessful? Malcolm Templeton's keenly anticipated account of New Zealand policy-making on nuclear issues from Hiroshima to the fourth Labour government will produce contrasting reactions from different readers.

In evaluating a prior contribution from Templeton to New Zealand's diplomatic history, I criticized his near-total focus on the state-centred dimension of the topic, to the exclusion of extra-official aspects of it. A reviewer of the same work for this journal, however, noted how 'Diplomats and political leaders, and scholars of their affairs, can learn much from Templeton's patient and lucid clause-by-clause analysis.' Both reactions are as appropriate to *Standing Upright Here* as they were to the earlier work on Antarctica. Despite its overly promising and thus misleading subtitle, Templeton's aim is not to tell the story of 'New Zealand in the nuclear age', but rather one part of it: 'a factual account of the development of governmental policy and the conduct of intergovernmental negotiations'. And he certainly succeeds in doing so.

In always elegant and occasionally pithy prose, Templeton offers a number of important contributions to historians' understanding of his topic, which was so decisive for the development of New Zealanders' late-twentieth-century (and contemporary) identity. Amongst them, I savoured the trans-Tasman sniping and rivalry on the issue; of when and why nuclear issues began to become more and more of a problem between New Zealand governments and those of their allies; and of the tenacity and sincerity of officials and some politicians in seeking to reconcile pressures from the New Zealand electorate with those of other governments. Of importance for the record, too, Templeton's study casts doubt on the reliability of former Prime Minister Lange's widely read recollections of the events he decisively shaped; it shows how painstaking diplomacy from Wellington and Washington could be derailed by radical speeches from that leader; and it offers a revealing portrait of a sympathetic American actor in the story, Paul Wolfowitz, who as a 'neocon' or 'Vulcan' of the first Bush administration was a prime architect of the ongoing Iraq debacle.

However, Templeton's focus on the interplay between officials and politicians of New Zealand and other countries also misses much of the life of his story — indeed, robs it of much of that life. Although the book's title and some of its epigraphs are taken from the