

Y. BRETON - A. BRODER - M. LUTFALLA (eds.), *La longue stagnation en France. L'autre grande dépression 1873-1897*, Economica, Paris, 1997, pp.VIII-492.

The "great depression" of 1873-1897 is by no means a new subject. It has been dealt with at great length in the literature. Leaving aside contemporaries, already in 1969 S.B.Saul listed 59 titles of essays and books on the subject in English.<sup>1</sup> But the bibliography was not complete.<sup>2</sup> Saul did not take into account the studies published in other languages nor the fact that the subject had now fully entered into the literature on economic cycles and crises.<sup>3</sup>

This is not the place to grapple with the various interpretations which, starting with Jevons, have sought to provide an explanation for the phenomenon. However we should remember that the most recent studies have rejected the idea that the stagnation was a long, continuous one without even any short periods of recovery. They have also stressed that the stagnation did not have the same duration, form and intensity in all countries. Many studies, for example, have acknowledged that German and American industry suffered a heavy depression in the 1870s but not in the subsequent ten years; indeed they argue that precisely because of the increasing flow of immigrants these were years of prosperity for the United States. This is not to deny that the last quarter of the nineteenth century was a period of rapid change and upheaval.

Therefore from a general point of view, and, in the case of some countries, through detailed studies, the question has received ample treatment; yet no specific study has been published, for example, on Italian stagnation, while this is the first book to take a detailed look at France whose stagnation according to comparative literature, began in 1881 and ended around the mid-1890s.

With the collaboration of more than ten experts, the editors of this book, who are themselves the authors of some of the essays making up the work, reconstruct the effects in France of the long depression following the economic crisis of 1873. The book is divided into four parts. In the first part, apart from a general analysis of its development, the stagnation is considered in relation to the structural changes which occurred in the coal industry, price trends, bankruptcies, demographic movement and foreign trade.

The monetary, banking and financial aspects of the stagnation are considered in the second part which deals with the relation between gold and the balance of payments, the trends in banks and the French financial market,

<sup>1</sup> S.B. Saul, *The Myth of the Great Depression 1873-1896*. Macmillan Press, London-Basingstoke, 1976 edition, pp.56 *et seq.*

<sup>2</sup> For example in the book by R. Fels, *American Business Cycles 1865-1897*. The University of North Carolina Press, Chapel Hill, 1959.

<sup>3</sup> Among the latest works dealing with the question which are worthy of note, J.S. Goodwin- M. Di Mattei - A Vercelli (eds.), *Technological and Social Factors in Long Wave Fluctuations*, Springer, Berlin and A. Tylecote, *The Long Wave in the World Economy. The Current Crisis in Historical Perspective*, Routledge, London-New York, 1992.

and the financial instability at the end of the nineteenth century. The state is at the centre of the third section in which attention is paid to the links between depression, scientific education and research as well as on the development of public finance. Finally the last section deals with the colonial empire, the attitudes of French economists towards stagnation and current French thought.

The editors of the book agree on the date *a quo*. While acknowledging a slowing down of the French economy around 1866-69 they accept that it was the crisis of 1881-1882 which set in train the depression. As regards the date *ad quem* their conclusion is less certain. On the one hand they accept that the depression could be said to have come to an end towards the mid-1890s; on the other hand they mention recent studies which prolong the end of the depression to 1905-06 although they add that the differences of opinion on the subject might stem from the use of data that are not really comparable.

The book compares France's main economic indicators with those of Germany and Great Britain, drawing attention to the delays and structural weaknesses of France compared to the other two great nations. The conclusion is that French stagnation was not a consequence of the international situation but rather specific to the French economy, at least as far as the overall effects are concerned.

France did not feel the crisis immediately. It was not aware that it would be affected by it, nor that when it was affected that it would last so long. Having escaped the collapse of the stock exchanges of Vienna, New York, London and Berlin, the Paris Stock Exchange believed that it would remain unscathed by such events, comforted in this optimism by several economists including Clément Juglar. Neither did France correctly assess the influence of competition from American grain which arrived in Europe at increasingly competitive prices, favoured by a continual reduction in freight prices as a result of growing and substantial progress in rail and sea transport. In 1878 and 1879 while Germany, Italy and other countries increased customs duties to protect their cereal growing, France persisted in its free-trade policy and as a result its cereal-growing continued to flounder. Neither was recovery helped by the adoption of the so-called Freycinet Plan (1878-1882) since the measures contained in the plan did very little to safeguard agrarian interests. 1882 closed with the worsening of the agricultural crisis, a slow-down in industrial production and a growing involution in trade and finance.

In dealing with these negative trends the book does not follow an exclusively chronological criterion. References to the period before the outbreak of the crisis are frequent and are often illustrated by abundant quantitative data. For example the trend in consumption and production prices as well as in nominal and real wages begins with 1860 and does not end in 1897 nor in 1905-06 but carries on until 1910-1911. In addition, many tables and charts are drawn up on the basis of data which begin in 1860 and end in 1910, as in the case of the import and export figures. The book is therefore to be commended for the plethora of quantitative data it provides.

It is also to be commended because in dealing with the various aspects the authors bring a lively understanding of the process of economic development in France and not just France. Indeed, we could conclude by saying that the book is an economic history of France seen from the vantage point of the stagnation in the last quarter of the nineteenth century.

LUIGI DE ROSA.

S. DRESCHER, *From Slavery to Freedom. Comparative Studies in the Rise and Fall of Atlantic Slavery*. Foreword by Stanley L. Engerman. New York University Press, New York 1999, pp.XXV-454.

For more than a century after the abolition of slavery in the British colonies (1834), the main protagonists in the process of emancipation were considered to be several religious and philanthropic figures who sensitised their fellow countrymen and the whole world to the iniquity of slavery. Then in 1944, the publication of *Capitalism and Slavery* by Eric Williams gave rise to an interpretation that was diametrically opposed to such a view: slavery had been abolished when it was no longer profitable. Williams' assumption about the importance of economic motives and forces became the main explanation for the ending of slavery in the British colonies among scholars and outside the academic world. But in 1977 Seymour Drescher challenged this thesis with the publication of *Enocide: British Slavery in the Era of Abolition*, arguing that the decline of slavery did not come about in a context of economic decline. Both the first requests for the freeing of slaves in 1787-92 and the abolition of the slave trade in 1806-07 came while the colonies where slavery was in force were expanding and making a big contribution to Britain's overall imperial economy. Drescher concluded that it had not been so much the decline of the economy based on slavery which brought about its abolition; on the contrary the abolition of the slave trade preceded the economic decline of the British West Indies by several decades.

This thesis naturally aroused a great stir among scholars and gave rise to a new and heated debate about the end of slavery. At the same time Drescher continued his investigation with further research and extended his work to new fields of enquiry while still actively participating in the debate he himself had raised. The result was a great number of articles published between 1976 and 1999 which have been brought together in a single book, testifying to more than twenty years of labour.

The essays contained in the first part of the book concern the British abolitionist movement and provided an explanation which is much less elitist and economics-based than the one we have been used to. Attention focuses on the dynamic interaction between religion and politics in Britain during the

Industrial Revolution. Studying the documents that asked for the abolition of slavery in the last twenty years of the eighteenth century Drescher shows that they were signed mostly by artisans and members of the working class in the expanding industrial towns. Although a large number of religious figures were present in these areas - especially evangelical Protestants - Drescher plays down their role in the abolitionist movement compared to that of the working class.

Drescher makes a second important contribution to studies about the end of slavery with a comparative analysis of abolitionist movements in other countries which practised the slave trade. In France, for example, in whose colonies slavery had the same importance as in the British colonies, the movement to free slaves was not carried so far as it was in Britain: the number of documents requesting the abolition of slavery was exiguous, the contribution of religious orders was insignificant and there was no mass mobilisation. Drescher explains these characteristics pointing to the difference between the French and the British political systems: the French system allowed much less incisive forms of political pressure. Analogous cases were the Dutch case with its very tardy interest in the liberation of slaves in its colonies and Brazil where the abolition of slavery did not engender great debate nor extensive political movements.

The third part of the book brings together essays dealing with issues that considerably widen our perspectives about slavery and abolition: the relation between the end of the slave trade and racist ideas in Europe, a comparison between the slave trade and the holocaust; the role of Jews in the slave trade and the contraposition in abolitionist historiography between free labour and slavery. Drescher, consistent with his line of research, criticises the thesis that in the British West Indies free labour replaced slave labour because it was more efficient and denies that in the British abolitionist movement such an ideology ever took root. He stresses once more that the explanation for the birth and success of the movement for the liberation of the population subject to slavery lies above all in the political system and in the type of political action made possible by such a system.

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J. GRANT, *Big Business in Russia: the Putilov Company in Late Imperial Russia, 1868-1917*, University of Pittsburgh Press, Pittsburgh, 1999, pp. VIII-203.

This book is about one of the greatest Russian industrial complexes - the Putilov Company - which was founded at the end of the eighteenth century. During the following two centuries, both the size of the works and the product range grew gradually. It began as a mere foundry, but within a few years it had managed to secure the contract to supply bullets to the army of the Tsar. Later,

when its steel production had become important, it became the chief supplier of rail-track for the Russian railways, and then went on to more sophisticated mechanical products, artillery production and the manufacture of warship components, as well as engineering products for the commercial market.

In the early nineteenth century, the Putilov industrial complex moved to St. Petersburg's industrial area. It did not escape the conflicts that initiated the Bolshevik Revolution. Indeed, in February 1917, when the work-force numbered more than 30,000<sup>1</sup>, the revolutionaries assassinated the director and his assistant and threw their corpses into the Obvodnyi Canal.<sup>2</sup>

It is interesting to note that this complex had originally been founded as a state enterprise. However, about the mid-nineteenth century, for a series of reasons, the state became more and more determined to get rid of these works. This was why N.I. Putilov, an engineer from an aristocratic family who was already well-known in St. Petersburg's industrial area where he managed some factories he had rented, decided to buy the works. He was attracted by the easy terms the government granted for the purchase and by the particularly substantial and advantageous orders for rail-track which the government had commissioned from these works.

The entire story of the Putilov Company is retold in the five chapters that make up the book, and the company's relationships with the state, the market and the banks are examined, with pertinent references to the international economic situation, the European industrial panorama and the Putilov Company's relations with this latter.

The incredibly easy terms the government granted Putilov showed what a great interest the state had in maintaining and consolidating the works' activity. However, this interest was much more apparent in 1877, when Putilov, crippled with debt, was forced to declare bankruptcy. On that occasion, in order to save the works and safeguard both the Moscow banks and merchants who had financed the factory and the workers employed there, the government did not hesitate to make an unprecedented decision: it ordered the government bank to pay off all Putilov's debts and to buy up the shares and other securities held by the banks, thereby also opening new credit channels.<sup>3</sup> And so the works belonged once again to the state that had founded them. But this time the state tried to get rid of them and sold them to the Briansk and Warsaw Steel Syndicate. Three years later, in 1885, the works were again in Putilov's hands. Because he established a new company and managed to obtain loans, Putilov was able to

<sup>1</sup> A. Rabinovich, *Prelude to Revolution, the Petrograd Bolsheviks and the July 1917 Uprising*, Indiana University Press, Bloomington - Indianapolis, 1968, p.25.

<sup>2</sup> S. A. Smith, *Red Petrograd, Revolution in the Factories 1917-1918*, Cambridge University Press, Cambridge, 1985, p.55.

<sup>3</sup> A. J. Rieber, *Merchants and Entrepreneurs in Imperial Russia*, University of North Carolina Press, Chapel Hill, 1982, p.194.

buy back the shares that were still in the state's possession. Grant is right in drawing attention to the fact that "Putilov's experience also illustrated the limits of state control over free enterprise and its tolerance of illegal activities". The fact remains that "N. I. Putilov flouted the restrictions and principles of the corporate charter in any number of ways. He freely disposed of the company's shares and capital, and through reincorporations and renegotiations of state contracts he obtained multiple cash advances" (p.37). There is no doubt that Putilov still controlled the company, and his family continued to be part of the capital's economic and financial oligarchy. At the end of the century, his son, A.I. Putilov, continued to work in the Putilov Company, and later became chairman of the Russo-Asiatic Bank.

The Putilov Company did not take on the characteristics of an arms factory; it did not become a Russian Krupp or a Russian Vickers.<sup>4</sup> J. Grant argues that the Putilov Company behaved like Janus, "with one face looking at the market and the other face looking at the state" (p.62). It was forced to do this because not only did the state not pay for its orders in advance, but often, because of the weakness of its budget (pp.90-91), it paid late.

Until almost the end of the nineteenth century, recourse to the financial market did not create particular problems; for the most part, it was a matter of short-term loans. However, in the 1890s, the company turned to the big banks for long-term loans, and that is how representatives of the big banks came to sit on the board of directors. In 1907, the big banks were no longer financiers but became share-holders of the Putilov Company and went on to own the majority of the shares. In 1907, they owned 8.1% of the company, but by 1914, they owned 52.2%.

The outbreak of war found the Putilov Company engaged in expanding its naval production, i.e. a sector whose development had caused the company to run up huge debts, at a time when it appeared obvious that Russian defence would require more artillery and bullets than ships. The change of plans cost money and required time.

Increasing debts and the delay in government payments changed into losses the profit that the Putilov Company expected from its government commissions; this was also due to a sudden galloping inflation. The government ordered that the company be administered by an external commissioner, but its situation did not improve. In 1918, the Putilov Company ended up in the state's possession again.

The book's underlying theme is the similarity between the Putilov Company's conduct and that of its counterparts in the West. The Putilov Company adopted the same methods as western industrial capitalism and used the same market strategies. As far as rail-track was concerned, the Putilov

For the Vickers Company cf. C. Trebilcock, *The Vickers Brothers. Armaments and Enterprise 1854-1914*, Europa Publications, London, 1977. On the relationship between the Vickers Company and Russia cf. *Ibid.*, p.130.

Company, too, preferred agreements with the other production firms rather than competition. The trend to join syndicates then spread to the Putilov Company's other products, such as locomotives, railway wagons, steel bridges, shells for artillery, turrets for warships, and so on. Joining syndicates did not originate with the banks, as in Germany, nor with Russian bureaucracy. It was the Putilov Company's own achievement, an indication that business could be carried on freely even in an autocratic régime which was hostile to free enterprise and fraught with controls.

Although the title of the book limits it to pre-1917, the book ends with a chapter on Putilov's successors, which covers the period from 1991-1998, with frequent and significant references to the Soviet era. The Putilov Company is still today the biggest industrial enterprise in St. Petersburg, but it has changed its name. During the Soviet years, it was called the Kirov Plant; now it is called Kirovsky Zavod, and was the first enterprise to begin privatisation and intensify production for domestic and overseas markets. The book, however, does not omit to point out the complexity of the problems and obstacles encountered.

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H. S. KLEIN, *The American Finances of the Spanish Empire: Royal Income and Expenditures in Colonial Mexico, Peru, and Bolivia, 1680-1809*, Albuquerque, University of New Mexico Press, 1988, pp.xiv, 221.

The Latin-American and Spanish archives hold a great number of documents that were produced by the Spanish financial administration. These include both the registers kept by the functionaries of the colonial royal finances and the auditing carried out on such registers, the records of which were sent to Spain or were kept in the colonial archives. The amount of information provided by such documents is enormous and lends itself to serial analysis, especially in the case of annual reports concerning the various colonial treasuries. Using this very source, after ten years of research, two scholars of the calibre of J.J. TePaske and H.S. Kein, published the results of the accounts of the main American treasuries from the second half of the sixteenth century to Independence.<sup>1</sup> Until now they have used the material only for short contributions but the book by H.S. Klein here under review is the first to use it and to demonstrate the breadth of results that the material can provide. In it Klein examines the relation between

<sup>1</sup>J.J. TePaske-H.S.Klein, *Royal Treasuries of the Spanish Empire in America. 1580-1825*. Vol.3, Durham, NC, Duke University Press, 1982; *idem*, *Ingresos y egresos de la Real Hacienda en Nueva España*. Vol.2, Mexico City, Instituto Nacional de Antropología e Historia, 1986-1988.

public finance and the realities of the economy underlying it in the territories that provided by far the most extensive revenue from Spanish America: Peru, High Peru (corresponding in the colonial period to Audencia de Charcas and to present-day Bolivia, albeit with important changes) and Mexico (or the Viceroyalty of New Spain) from 1680-1809.

To obtain such a result Klein has taken on an enormous task, analysing the annual trends of thousands of entries regarding the income and expenditure of the main treasuries - around 40 in all - in the three regions above-mentioned.

After the first two chapters which provide an historical-methodological introduction, three chapters follow which deal with Peru, High Peru and Mexico respectively. Although the study of the economic and fiscal conditions in the three regions confirms the general trends identified by other scholars (that in the course of the eighteenth century Mexico had become the main source for the Royal Treasury's colonial revenues so that by the eve of Independence it had assumed a predominant role) the sources enables Klein to show the exact scale of the phenomenon and to trace its evolution over thirteen decades. In this way by studying the numerous tables and diagrams contained in the book we can see that, while in the first decade of the century the treasuries of Peru and High Peru raised 3.5 million *pesos* a year compared to the 2.8 million in Mexico, in the course of the eighteenth century, the considerable increase in public revenues in Spain's American colonies was above all determined by Mexico. In the last period under study, from 1800 to 1808, while the Peruvian treasuries raised 9-10 million *pesos* a year Mexican treasuries collected more than 16 million, to which must be added the 73 million *pesos* a year deriving from loans, requisitions and extra revenues. Klein shows us how this had come about. After a period of stagnation lasting up to the mid-eighteenth century, in the decade of 1770-1779 the Peruvian treasuries returned to the levels it had reached at the beginning of the century and in the subsequent three decades annual tax income in Audencia de Charcas increased by 50% while that of the Peruvian viceroyalty doubled. In Mexico, on the other hand, there was a steady increase in tax revenues throughout the century: in the decade 1770-1779 they tripled and in the subsequent decade up to 1808 average annual income was around six times greater than what it had been at the beginning of the century, excluding the sums deriving from loans, requisitions and other extra revenues. If we calculate the latter which, up to 1789 roughly corresponded to the figure for ordinary revenues while after that date it amounted to double such income, we may have an idea of the financial efforts sustained by New Spain's Viceroyalty.

For each territory the economic activities that generated such income are examined. Thus, contrary to what is commonly believed about the American colonial empire, Klein shows that mining produced the largest portion of public

revenue in High Peru alone where it was more than half the total, while the taxes on the native population accounted for the other major source of income. In Peru, on the other hand, for nearly the whole period trade provided the biggest income, while the tax on the natives was the second main source. Finally in Mexico mining and trade provided the main revenues up to the end of the eighteenth century when they were overtaken by the proceeds from royal monopolies, special loans and miscellaneous revenues. The tax on the local population generated a negligible amount in the north while it was significant in central and southern regions.

The study also focuses on the changes affecting the territories within each region under study. As regards High Peru, although Potosi continued to occupy a dominant position up to the end of the colonial period, the eighteenth century saw the rapid growth of Oruro and La Paz. In Peru, while Lima, the central plateau and the Sierra preserved their primacy, in the course of the century the Southern Sierra became increasingly important, bringing an increase in royal revenues. And in New Spain the growing importance of the treasuries in Mexico City and Veracruz was accompanied by the opening of new treasuries in the western, central and northern regions, evidence of the economic growth which yielded more revenue for the Royal Treasury.

Of great interest is the chapter containing the conclusions where Klein compares the results of his research with several schools of thought about the Spanish colonies in America. To begin with, although outside the period under study, he touches on the controversial issue of the economic crisis in seventeenth-century America, a crisis reflected in the reduction in the arrivals of precious metals in Europe as is well known. After having been emphasised by historians for various decades - often without sufficient arguments to support the thesis - in recent years the notion of the «seventeenth-century American crisis» has fallen into disuse or at least it has been scaled down and some scholars have argued that we should speak more of a weakening of Spain's control over the American colonies with a consequent fall in tax revenue. On the contrary Klein asserts that in the seventeenth century America was actually affected by a crisis which struck the Andes' region, where silver production in the Potosi mines fell drastically, more than Mexico, where mining suffered only a slight decline.

The book also carries on the debate on the relationship between the Bourbon reforms and the increase in taxation in Mexico and on the relation between such taxation and the outbreak of the independence movement and the fate of the Mexican economy in the nineteenth century. The thesis regarding the «reconquest of the Americas» by the Bourbon dynasty, that is, the attainment of greater efficiency in the government of the American colonies, especially in matters of taxation, has been confirmed by several scholars who are quite convinced that the Bourbon reforms were the cause of an excessive regime of taxation which undermined the Spanish colonies' economic development. But

Klein believes that in the present state of research we cannot be certain that the Bourbon reforms led to oppressive taxation and consequent economic decline. Undoubtedly taxation in the American colonies and especially in Mexico, was huge starting from the 1880s when Spain was engaged in various wars but we cannot be totally sure that such taxation weighed negatively on Mexico's economic development. Klein concludes that more research is needed to determine whether the decline began in the late eighteenth century or at the beginning of the nineteenth century and whether it was due to the Bourbon reforms and to the extra taxation in the last thirty years, or to the war of independence itself.

Addressing the issue about the costs and benefits of taxation in the Spanish American colonies Klein asserts that tax revenue – which at the end of the century represented around a fifth of the Spanish Crown's total revenues – did not just benefit Europe but a large part of the revenues were spent in America, a small part on administration and a very big part on defence. We should not forget that other than providing for its own defence the Mexican and Peruvian treasuries also provided for the defence of the Caribbean, Buenos Aires and other places of strategic importance which did not possess sufficient resources of their own, through extensive transfers. Moreover, according to Klein, in order to weigh costs and benefits we need to take account of the fact that royal revenues from the colonies secured three centuries of peace and law and order in Spanish America against internal and external enemies, even though this led to the oppression of the native and African population.

The book concludes with a useful indication for a research programme to be carried on using the results already obtained, research that should be conducted using more analytical tax documents than those consulted by Klein. As regards the criticism which has been levelled against him, mostly concerning the fact that the use of annual statements about the income and expenditure of colonial treasuries can lead to too many inexact conclusions about the economy and finances of the Spanish American colonies, Klein asserts that possible inaccuracies should not detract from the results of an analysis conducted over such an extensive geographical area and an extensive time span. This does not mean that the other documents of the colonial financial administration should be neglected: Klein shows the excellence of the results obtained by teamwork and individual scholars who have grappled with the abundant and complex analytical tax sources for each treasury, for a smaller number of entries and for short periods of time. Indeed he hopes there will be more contributions along these lines, contributions that will enrich and render more comprehensive our understanding of the American economy he has outlined.

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W. von STROMER (ed.), *Venedig und die Weltwirtschaft um 1200*, "Studien-Schriftenreihe des Deutschen Studienzentrums in Venedig", VII, Thorbecke, Stuttgart, 1999, pp.IX-269.

W. von Stromer is a specialist in *Hochfinanz*, i.e. in national and regional financial leaders. Some time ago, he drew our attention to that expansion pole formed by Southern Germany and Northern Italy in the Late Middle Ages.<sup>1</sup> Now, together with nine colleagues, he presents us with a picture of the world economy or, rather, of the economy of the world known to Westerners and the world where they were transacting business, when the Crusades were at their height, about 1200. The vantage point is the great political, strategic and economic beneficiary of this last medieval drive eastwards: Venice.

The thirteen papers in the book<sup>2</sup> are concerned with the period between the rise of the western cloth industry - and the Champagne fairs - about 1140 and the end of Christian conquest in the eastern Mediterranean about 1270. The Fourth Crusade, which founded the Venetian colonial empire (1204), and the first check to the Papal campaigns - the reconquest of Constantinople in 1261 by the *basileus* Michael VIII Palaeologus - mark the boundaries of a sort of parenthesis of fifty years of Venetian supremacy within this longer period. And so this is a discerning choice of view-point, and it is noteworthy that all the authors shared the desire to emphasise the factors related to western financial and economic expansion from the end of the twelfth century. By then Amalfi had been overshadowed, the imperialism of Barcelona was tottering, Genoa was experiencing a crisis and was withdrawing; Southern Germany and England were awakening but Sicily was proving unable to prolong its political-administrative integrity by means of a commercial expansion which would free it from its centuries-old role of corn-provider.<sup>3</sup> All things considered, Venice was the "crucial point", not only fit to strengthen the links between East and West - a role she played from the tenth century - but above all - and this constituted her new image - fit to control the flow of the European continent's industrial and agricultural products and financial investments. Venice was a model for redistribution and exchange, which she

<sup>1</sup> *Oberdeutsche Hochfinanz 1350-1450*, I-III, Wiesbaden, 1970, and the article on the *Verlagssystem*, *Revue Historique*, CCLXXXV, 1991

<sup>2</sup> The articles can be summarised as follows: W.von Stromer and N. Fryde, A general picture of the economy about 1200 and *Hochfinanz*, economy and politics at the time of the Crusades; N. Fryde, North-western Europe; I. Fees, the Zianis; D. Abulafia, Italy's relationships with Spain and a study of southern Italy; G. Roesch, Northern Italy (imperial); R. Haertel, Venice, Friuli and Austria; R. J. Lilie, Italians in the Byzantine Empire on the eve of the Fourth Crusade; P. Schreiner, Public finances, agriculture and trade in Byzantium in the second half of the twelfth century; M. Balard, the Black Sea; M.L. Favreau-Lilie, the Holy Land; G. Roesch, Egypt.

<sup>3</sup> Justifiable, the author of *The Two Italies*, Cambridge, 1977, Naples, 1991, makes a radical contrast between a rather self-consuming Sicily and a Sardinia which was colonised early on. For my part, I put forward in the past the figure of 100,000 *salme*... at most, exported annually from Sicily essentially by the Aragonese about 1400.

seized (pp. 78-79). W. von Stromer is fully justified in pointing out that in the period when the Venetian Empire was being built, the founding of the *Fondaco dei Tedeschi* in Rialto was "decidedly necessary" (p.19).

Consequently, this book's first point of interest is the clarification, targeted on the period 1140-1270, which the authors make about the rise of western trading methods and means. Of course, to speak of the rise includes not hiding the restraints and constraints; and it also includes revealing personal successes which, at this time when the economy was beginning to emerge, are not as easy to identify as in the fourteenth and fifteenth centuries. The entrepreneurs of this period achieved such successes (cf. I. Fees on the Ziani and the useful comparison between the Ziani of the first half of the twelfth century who travelled about and the Ziani of the second half of the twelfth century who were people of the *terraferma*).

There is no doubt that in the second half of the twelfth century the instruments of credit that would enable companies and entrepreneurs to undertake more permanent business had yet to be invented and brought into use. Nevertheless - as N. Fryde and W. von Stromer assert - it was at this time that such determinant factors as the bill of exchange connected with fairs and the fixed-term contracts, which brought a reduction in the cash payment of seigniorial dues, started to be used. It was then that the *Verlagssystem* played an important role.

This last notion - which I would say is almost the expression of a civilisation - is the most innovative aspect of the work of the author of *Oberdeutsche Hochfinanz*. He traces its origins back in several places in Europe to the two decades that preceded the Third Crusade (pp. 22 *et seq.*). The *Verlagssystem* is the "strategy of an economy that is poor in "good money": it links up cottage industry with the control of raw materials in the hands of the merchant-manufacturer, who thus provided work. This was when an individual enterprise economy emerged. Intervention on the part of the State or the principalities could take the form of control and setting apart a portion of the goods (cf. France described by N. Fryde pp.77 *et seq.*) or, on the contrary, of instigating industrial and trade initiatives. This was the case in Italy at the time of the Hohenstaufen Emperors (1152-1250), studied by G. Roesch, and, from a narrower point of view in the Friuli region by R. Haertel, where we find Crown investments, recourse to financial-market specialists, and privileges granted to the textile manufacturers - all within a political context that was often uncertain (Lombardy, Milan). But Venice and, to a lesser degree, Genoa and Pisa were the engine growth. It is true that, in the case of Venice, the control of a territory and salt-works (p. 60) where profits from investments in Constantinople reinvested were an irresistible trump-card. D. Abulafia does not find such dynamism in the Kingdom of Sicily which (unlike H. Bresc) he distinguishes radically from

<sup>1</sup> The well-chosen title of the article by W. von Stromer, indicated on p.22 and published in VSWG, 1991.

Sardinia: he is right - Sicily became even richer at this time by feeding Northern Italy and Southern Germany (or Provence, cf. G. Yver), as the Papacy later forced Charles of Anjou to acknowledge (pp. 137-157).

This brings us to the second strong point of this collection of papers. With excellent maps, the authors outline the economic geography of the late twelfth and early thirteenth centuries - a subject which until now has remained very sketchy. By means of some portraits, the authors describe those merchants whom we knew settled locally and became entrepreneurs, although we never fully understood the reasons for this development.

The classical parallel, also stated but rarely explained, between Genoa and Venice is reconsidered in two papers (D. Abulafia, pp.150 *et seq.*, and R.-J. Lillie in the context of the decline of the Byzantine Empire between 1180 and 1204, pp. 168 *et seq.*). It was justified by closely overlapping strategic-economic causes to the point that it could seem inevitable on the eve of the thirteenth century that the two cities imagined themselves compelled to choose totally diverging expansion axes to avoid fighting each other to the death in the western Mediterranean. The first of the papers to which I refer examines, *inter alia*, the Pisans' snatching of Bonifacio from the Genoese thereby assuring from this time onwards the connection between Liguria and Sardinia via Corsica, with a potential threat for Sicily (1195). The other axis began three years later when the Venetians obtained for themselves the exorbitant imperial privilege which opened up to them the Greek market even before they took part in the division of land following the Fourth Crusade.

This prompts me to state immediately that both P. Schreiner, who calculates that before 1200 about 60% of western trade with the Byzantine Empire took place - according to Venetian sources - in Greece, and M. Balard, who shows that the *Partitio Romaniae* did not maintain all the monopoly promises that might have been expected, invite us to review our ideas of history (pp. 184 and 199 respectively). The above-mentioned Imperial Bull of 1198 was undoubtedly the act of an Empire that was already weakened administratively. But it meant that the Venetians could, because of the local conditions of Greek political administration, have access to all the cities included in an appropriation area vaguely defined by the *Partitio*.<sup>5</sup> In other words, was the situation in the eastern Mediterranean better for the Venetians *after* the Fourth Crusade than *before*? It is doubtful, all the more so in that studies on the reign of the *basileus* Michael VIII, driven back into Asia Minor until the reconquest of Constantinople and the contacts he was able to make with the Genoese (Zaccaria) on the grounds of working the Phocaeen alum mines, as well as the fact that the Venetians were not very active on the Constantinople - Soldaia axis despite the *Partitio* in the first half of the thirteenth century (M. Balard), temper the overall views on the unfair advantages obtained through the Christian conquest. It was not until they had contacts with the Mongols that the Italians managed to organise trade which

<sup>5</sup> Cf. p.194, the Pontic ports were omitted by the *Partitio terrarum imperii Romaniae* of 1204.

M. Balard calls world-wide, but this happened about 1260-70, well after the period which concerns us.

As I read this book my curiosity was always satisfied. I expected someone to mention "world economy" in the sense F. Braudel gave to this expression. M. Balard did just that, and rightly so, in the paper to which I have just referred. However there were still some problems to resolve to give total credence to the *Weltwirtschaft* that the authors of this book recognise.

I would like to deal first with the Iberian and North African states. It is significant that neither the Magrab nor the Nasrid kingdom, nor Valencia, nor the Balearic Islands had any role in the world economy of that time. The Reconquest stopped at the Ebro (Tortosa, 1148), and the Balearic Islands were the object of an international mini-crusade led by the Aragonese, but not until 1228. Italian merchants in Barcelona who had dealings with the most western regions were adventurers who ventured as far as Ceuta when the local leaders in Seville or Almeria deigned to tolerate them. In Northern Spain, Catalans and people from Montpellier or Provence sponsored the trading activities of Italians according to their respective political designs.<sup>6</sup>

I would like to make a sole criticism about this book. What a pity that no paper deals with the relations between the monetary areas of the second half of the twelfth century! The issue appears here and there, in particular in connection with the silver-gold ratio or the copper-gold ratio in the already debased Greek besant (P. Schreiner, pp. 178-181). However, alongside this subject which is now well-documented, research still needs to be done on the contribution of coins from Almada and Almeria to the numismatics of the Iberian states.

On the other hand, the traffic of merchants on the trade routes, and the dealings of those merchants whose name became known because of their success, are subjects on which important research has been done. They are particularly eloquent for this period when western high finance was coming into being.<sup>7</sup> Using the research of E. Bach and D. Abulafia as a back-up, G. Roesch reminds the reader that, from the middle of the twelfth century, Egypt was a favoured destination for Genoan maritime companies and their investments; more precisely, money for voyages to Islamic lands represented more than 75% of the capital involved (p. 243). The favourite market was Alexandria, far ahead of Constantinople.

M-L. Favreau-Lilie (pp.203 *et seq.*) in her paper describes the kind of traveller who went east. The Holy Land (Northern Syria - Palestine) was visited first mainly by pilgrims - crowds for which we have no figures, but which must have been considerable - then by Italian merchants, even after Jerusalem was abandoned by the Crusaders, and then only by Venetians, amongst whom Favreau-Lilie

<sup>6</sup> V. Ch.-E. Duffource, *L'Espagne catalane et le Maghreb aux XIIIe et XIVe siècles*, Paris, 1966. In the North, there was a conflict among Merchants Toulouse, Barcelona, Provence and a fight between the salt imperialisms of the Rhone and the Ebro.

<sup>7</sup> According to the acts of the notary Giovanni Scriba.

draws up an interesting list of consular officials in Tyre and Acre from 1171 - 1178, which she then most wisely continues until 1289-1290. This is the moment to point out that at the same time the first wave of settlers and knights surged back towards the west (Cyprus, Rhodes).

P. Schreiner deals with the strategic, economic, political and even moral (from the Christian point of view) problems posed by the Fourth Crusade. Writing of Constantinople at the end of the twelfth century, he draws up a balance-sheet of Byzantine public finances and economy (pp.177 *et seq.*). He raises the following problem: if Westerners had learned about "modern" currency circulation - which they went on to introduce gradually in their own countries from the early thirteenth century onwards, i.e. the ducat or florin, going back to the parameters of the Byzantine *hyperperum*, did the model correspond to the ideal of a strong real currency (gold or silver) which was not debased, and which inspired confidence? Schreiner is justified in stating that, contrary to ideas prevailing from the twelfth century onwards, the Greek standard had weakened considerably between 1136 and 1199, a period during which it certainly lost more than 65% of its degree of fineness! In short, it was a memory that was being imitated.

Going back to the starting point, i.e. the strategic axis London - the Champagne fairs - Ypres and Saint-Omer - Cologne - the Po valley - Venice, N. Fryde and W. von Stromer invite the reader to savour the portraits of businessmen who were also involved in public finances by lending money to princes: the Ummazes in Cologne, Bernardus Teotonicus in Ratisbon and, above all, the Zianis in Venice, whose history is traced from about 1100 until just before 1253. Two Doges in three generations! The family dealt in commercial credit from the time of Doge Sebastian and his descendants, in the second half of the twelfth century, before returning to traditionally aristocratic activities concerning land. However, this is a typical attitude of capitalist traders right down to modern times.\*

And so we have a book consisting of a collection of studies which has the huge merit of giving an economic picture of the world prospected by the Italians, first among whom were the Venetians, at a delicate - indeed disagreeable - date for historiographical interpretation: on the eve or at the dawn of that great twelfth century which has always fascinated medieval scholars with an interest in the economy. The success of W. von Stromer and his collaborators is all the more edifying in that they have managed to reveal the strategic and political context of the birth of the earliest manifestation of medieval capitalism. Despite publication difficulties, the finished work is valuable also for the quality of the edition, the maps and the bibliographical reference material.

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\* Loans to partners were made at the rate of about 20% annually. There is an interesting mention of "new Saracen besants of pure gold" in 1178. This was an Arab coin which resembles the Byzantine sou.

