F. BATTISTINI, *Gelsi, bozzoli e caldaie. L'industria seta in Toscana tra città, borghi e campagne (sec. XVI-XVIII)*, Leo S Olschki, Firenze, 1998, pp.236.

Francesco Battistini's book concerns a field of research which has grown considerably in the last twenty years. Silk, both as an agricultural and industrial product, has attracted the attention of many scholars and the picture arising from such research is much more accurate and more finely drawn than it was in the 1970s. One of the most significant results has been that we now have a general idea of the changes affecting the Italian silk industry in early modern times, especially in the sixteenth and seventeenth centuries. Starting with an analysis of various regional cases, it has been shown that the crisis in the silk industry in the towns contrasted with a notable increase of activity in the initial phases of the silk cycle in the countryside. If, with all probability, the algebraic sum of these two processes was negative - since the loss of competitiveness of town manufactures was such to cancel out the growth in the production of semi-finished silk for foreign markets - we ought to acknowledge the fact that it was precisely during the "decline" of the seventeenth century that changes which had begun in the previous period accelerated. In many districts of central and northern Italy, activities that were inter-related spread – mulberry-growing, reeling and throwing. As a result, land rents were sustained, "proto-industrial" and even fully industrial activities (as in the case of water-powered throwsters) grew and, in the long term, a new class of entrepreneurs emerged who differed from the merchant-entrepreneurs of the towns. During the early modern period, economic changes that gave rise to new regional specialisations were set in train, and turned silk into a "natural" product. This paved the way for the success of the Italian silk industry in the nineteenth century which brings us to the processes of industrial transformation in the northern part of the country.

Battistini's book concerns the development of this process in a well-defined area, Tuscany in the sixteenth and seventeenth century. It is divided into three chapters, followed by a short chapter in which conclusions are drawn, and an appendix that sets out tables on silk production in Tuscany from 1550 to the end of the Old Regime and a vast collection of Florentine legislation on various aspects of sericulture. In the first chapter Battistini traces the stages in the development of the silk industry in Tuscany from its origins to the end of the eighteenth century. In the second chapter he examines the economic policies pursued by Tuscan governments in early modern times which aimed to protect and to promote the growth of sericulture. In the third chapter he describes production trends, technologies and the organisation of production in the sixteenth and seventeenth century.

We should start by saying that the history of the silk industry in the early modern and contemporary period has received much attention and the literature is vast and very detailed. During early modern times the silk industry in Tuscany differed notably from other silk-manufacturing areas in Italy. Its main characteristic

was the strong influence exercised by the interests of Florentine merchant-entrepreneurs in the region's silk industry. While in north Italy the industry became increasingly spread out over the countryside and the importance of the initial phases of the silk cycle grew considerably in order to satisfy the increasing demand from foreign markets for semi-finished products, in Tuscany the spread of mulberry-growing, reeling and throwing served to supply the looms of Florentine merchant-manufacturers who operated within a legal framework in which the role of the silk guild was central. The weight carried by the dominant guild's manufacturing needs was so strong as to dictate the kind of technology used in extracting raw silk and determined the persistence of backward methods such as the so-called Calabrian or high boiler. This influence continued even after the silk guild was abolished in 1770 and the Florentine silk manufacturing centre, unlike other Italian silk-manufacturing centres with ancient traditions, preserved a measure of importance up to the 1840s and 1850s.

Broadly speaking this is the well-known context in which Battistini's study is set, although it does examine new and original aspects about which we knew very little as far as Tuscany is concerned and which from a general point of view are stimulating points for debate. We refer in particular to the way mulberry-growing and silk reeling were organised and were diffused from the sixteenth century and to the role of the State which at least in the case of Tuscany played a far from marginal role in the development of the silk industry.

One of the most significant aspects of the present study is the use of a source that had existed since 1546, "the silk reelers' notebooks" which has enabled Battistini to gather together numerous facts regarding production, methods and work organisation. These documents, some of which are completely unknown and have never been consulted because they are kept in numerous town archives throughout Tuscany, reflected the need to control silk-worm breeding and silk production down to the smallest detail. Production was controlled for fiscal reasons and to provide a list of all those who possessed raw silk and who might decide to export it. The obligation to send to the Customs authorities the declarations of the silk producers collected by local town officials, was an efficient way to control the probable outflow of silk on which the exporter had to pay a duty. Later, when the export of twisted silk and afterwards raw silk was banned in order to protect supplies for Florentine textile manufactures, the notebooks became an essential tool to control the real efficiency of prohibition measures.

But how efficient was the State's control over production ? Battistini's reconstruction shows that control was very meticulous and that punishments were served out to those who did not declare that they had produced cocoons or silk. Silk-worm breeders were obliged to report the number of cocoons they had produced and the names of the persons they had sold them to, while silk reelers had to report how many cocoons they had received for reeling and how much silk they had produced. These documents provide us with a kind of census on the number of silk worm breeders and silk reelers in Tuscany in early modern

times. Battistini himself acknowledges that some of the production went out of the region in the form of contraband, especially in areas along the border, but in his opinion they were very small quantities since it was clearly worthwhile to sell to Florentine merchants.

On this basis Battistini has managed to reconstruct the level of silk production in Tuscany from the mid-sixteenth century to the second half of the seventeenth century for specimen periods. These data show a growth rate which, compared with the contemporaneous development of silk production in north Italy, can be defined as gradual and of a limited dimension: for the entire Grand-Duchy, excluding therefore Lucchesia, in 1779 production reached 75,000 kg of silk, the amount roughly produced in the Alessandria area. From the data it emerges that the periods of greater growth in the production of silk were from the end of the seventeenth century to the beginning of the eighteenth century (1674-1711) and the second half of the eighteenth century (1753-1779) with average annual growth rates of around 1.15-1.17%. Compared to other areas in the north, these figures should be re-evaluated in Tuscany during this period since mulberries were only grown in the Arno basin and in Valdinievole, while they were not grown at all in the Maremme region which occupied a considerable part of the territory.

Battistini wonders about the possible causes for differences in the rate of expansion between Tuscany's silk industry and that of Lombardy, Veneto and Piedmont. He leans towards the argument that sees mixed crop growing and share-cropping as the causes which limited the expansion of mulberry-growing and sericulture in the countryside. Initially the spread of mulberry growing was favoured by share cropping which imposed a series of obligations on the peasant regarding the planting and care of mulberries. However, as Battistini notes, the number of mulberries could not be increased beyond a certain limit because this would have clashed with other fundamental crops deriving from mixed crop farming. As a result, due to the competition from olive oil, corn and vines, the number of mulberries in Tuscany could never have grown at the same rate as it did in north Italy where land contracts were more flexible. It is quite plausible that apart from these causes, the expansion of mulberry growing was also checked by protectionist and"corporative" economic policies which by reducing contact with the expanding international market, subordinated the development of sericulture to the needs of town manufacturers.

The great attention paid by Battistini to legislation, tax policy and incentives to sericulture has enabled him to bring out the important role played by the State in promoting mulberry growing and in regulating several fundamental trade institutions like the cocoon market. In the case of mulberry growing it seems that the Grand-Dukes' action stemmed from the pressure of a number of Florentine silk manufacturers (Caccini, Gondi and Pitti) who urged the Grand-Duke to adopt measures to sustain Florentine mulberry growing. A realistic programme of action was drawn up based on a real knowledge of the region's

potential (for example mulberry growing was to be encouraged only in the areas most suited to it) and on the involvement of landowners whose interest was crucial for the success of the initiative. Other important measures concerned the regulation of trade in the purchase mulberry leaf and cocoons, aimed at curbing speculation in such markets.

Another aspect which should be emphasised concerns the types of organisation in the reeling of silk in the initial phase of growth in sericulture in Tuscany. The situation is very different from that described in the eighteenth and nineteenth centuries when merchants and silk manufacturers were able to control much of the silk production in Tuscany by granting credit to finance the purchase of cocoons. In the sixteenth century silk reeling was organised in a very different way. It was specialised and complementary to other main activities and performed for only a few weeks by artisans, small tradesmen, innkeepers and book-sellers. Above all it was mainly performed for third parties; the spinner, who was usually a relative of the silk extractor, spun only some of the cocoons purchased on the market. Most of them were spun for small producers, peasants and town dwellers who paid the silk extractor and the spinner in kind with some of the silk product obtained from the cocoons. The raw silk was then sold by these small operators to the big Florentine merchants or to their agents. The silk market was in fact populated by a plurality of figures, some of whom formed part of the *Kaufsystem* model. The most important changes occurred during the seventeenth century when the silk extractor gave spinners only the cocoons he himself owned to be spun and when merchants and silk manufacturers became established and extended their sphere of action, controlling directly or indirectly some of the boilers through credit. At the same time the occupation of spinner became a professional activity and lost its domestic associations which had been typical of the sixteenth century.

The profession of silk reeler, moreover, reveals to us another essential trait of silk reeling in Tusancy: namely that it was essentially an occupation based in the towns and not a proto-industrial activity carried on in the countryside. This characteristic of silk reeling is a well known aspect but Battistini's book confirms it quite clearly. In the notes Battistini remarks that such a characteristic was not only typical of Tuscany: examples in Bologna and Lombardy show that in this period raw silk was not only produced by peasants but often by "grocers, innkeepers, blacksmiths, carpenters, shoemakers and sellers of rustic wares". This aspect might well deserve special attention because it could help us to define more clearly the characteristics of a proto-industrial occupation that was traditionally defined as rural whereas this study and others bring to light a compietly different picture. While silk-worm breeding was an agricultural activity which formed part of the peasant family's productive cycle in most areas of Italy, reeling required a skill and equipment which very few peasants would have possessed.

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A. BIAGINI, *Storia dell'Albania dalle origini ai giorni nostri*, Bompiani, Milano, 1998, pp.174.

Within the last ten years, after a silence lasting almost half a century, Albania has become once more the focus of attention, as has the entire Balkan region whose geo-political, ethnic, religious and cultural instability has been fully laid bare with the ending of the era of real socialism. Today, western newspapers and television speak of the Kosovo conflict in the same way as they followed the exodus of thousands of Albanians yesterday, but compared to so much journalistic information, which tends largely to seize upon the more sensational aspects of the latest headlines, until now there has been no serious study investigating the remote causes of present-day problems. In the past, the explanation for this scarce attention paid to Albanian history can certainly be traced to the country's cultural isolation and the inaccessibility of its archival sources. In more recent times, on the other hand, political instability has meant that the cultural links which Albania began to re-establish with other eastern European countries as a result of the ending of communism have not been fully restored.

For this reason we should especially commend the fruit of the efforts made by Antonio Biagnini, a major expert on east European history, to bring together in one volume the results of many years of research into Albanian history based on the documents which are kept at the archives held by the Italian Army's Chief of Staff. Given the relations between the two countries on either side of the Adriatic and awaiting full access to the historical archives in Tirana, such an archive is undoubtedly one of the main sources for the history of contemporary Albania.

In the first introductory chapter, integrating this documentation with the available literature about the subject, which is not at all vast, Biagini conducts a rapid overview of the history of the Albanians from the settlement of the Illarich populations in the classical era up to the Ottoman conquest in the fifteenth century and the harsh struggles with Prince Giorgio Castriota, better known as Scandenberg. The latter headed the resistance of the local feudatories against the Turks and became the symbol of the country's independence and the first attempt to bring into being a unitary Albanian state. In the subsequent chapters, which are supplemented by a map and several important pictures from the Italian Army archive, the last two centuries of the country's history is traced: the beginnings of the Albanian question in the major political assemblies in the nineteenth century - from the Congress of Vienna (1815) to the Congress of Berlin (1878) - the Balkan wars, the declaration of independence (1912), the first world war, the inter-war period which was characterised by Italy's increasing influence culminating in the military occupation of 1939, the second world war, the popular republic and the difficult transition to democracy and the market economy.

Right from the start, Biagini stresses several characteristics which have given Albanian history a surprising continuity, especially the central position of the

clan and the family in the organisation of society and the country's geographical role. In this connection we can see that for centuries Albania has provided the natural access to the Balkan region with its low-lying land along the coast which gradually becomes hilly and mountainous in the interior. The country is crossed by one of the great Roman routes between the east and west, the Egnatian Way which led from Durazzo across the lake district to Salnicco and Constantinople. For this reason and for its strategic importance in controlling the Otranto Channel, Albania has aroused the interest of peoples and nations in the region, despite its lack of natural resources, its barren landscape and small size.

The history of Albania independence emerges from the conflicting claims that neighbouring peoples have sought to exercise over the country and from the desire to revindicate its backwardness due to centuries of Turkish domination. Here Biagini observes that at the end of the nineteenth century, just a few years before the final overthrow of the Turks, Albania still appeared to foreign travellers as an economically backward country, with a swampy coast and an impenetrable interior, torn by inter-clan rivalry, almost totally lacking in infrastructure, especially means of communication and ports, and with only a few roads that were impassable in the winter.

The main economic occupation was agriculture supplemented by animal husbandry which was practised with primitive methods everywhere (ploughs unable to dig deep into the soil and modest irrigation means) which reduced production to subsistence levels, even though the existence of areas with differing climates might have made diversification and productive specialisation possible. On the contrary, cereal and maize growing prevailed almost everywhere, except for the coastal areas and marshland; citrus fruit farming was concentrated on the southern coast and olive-growing around Valona, Berat and Tirana. Production was further restricted by the structure of ownership based on a semi-feudal system with large estates divided into medium-sized holdings which were rented or leased out while small holdings were to be found only in the north where the land was farmed directly by owners or by their families with the help of wage labourers. Rents were paid in kind as were taxes, corresponding to a tenth of the yield. Urban development was non-existent and only the towns of Valona and Scutari were above the size of modest villages, particularly the former which was Albania's main mercantile port at the end of the century, from which the country's few exports were shipped (livestock, fodder, olive oil) and through which imports - especially colonial produce - entered the country.

The overall picture is that of a pre-industrial country with heavy obstacles to the development of domestic trade and lacking the pre-requisites for the growth of a middle class which would be able to carry out the plan of political independence and which could oppose the large land owners, the clans who sought only to defend their vested interests and the government officers tied to the Turks. On the contrary, the instability of Ottoman Albania at the end of the nineteenth century and the beginning of the twentieth century was the result of

the strategy used by the Turkish government through the granting or negation of privileged status to different social, geographical and religious groups, to keep the population divided and thereby assert their political role and military hegemony.

Yet this model of territorial control collapsed when the traditional policy pursued by the Sublime Porte was abandoned with the rise of the Young Turks Movement to government (1909) and when the central administration became uncertain and contradictory about how to proceed. According to Biagini, it was the sum of errors made by the Young Turks' government - even though they had been inspired by an underlying if fanciful plan for political reform - which paved the way for the emergence of a single movement out of the various rebel groups, inspired by the common goal of independence that cemented the ties between the various factions. Throughout 1912 the military victories over the Ottoman troops and the favourable international conditions created by the first Balkan war which saw Serbia, Bulgaria, Montenegro and Greece staged against Turkey, prepared the ground so that the main chiefs of the Albanian clans could proclaim independence when they came together for the National Congress.

Nonetheless it was only at the end of the first world war, which led to the country's occupation by foreign armies and especially the Italian army, when the problem of Albania's definitive geo-political organisation was finally settled. After the long series of negotiations carried on alongside the Conference of Versailles, the Conference of Paris in 1921 once and for all defined Albania's borders. The previous year Italy had already committed itself to safeguarding the independence of the new state and, by voting for its membership, the League of Nations had sanctioned its status as a sovereign and independent state which was recognised by the international community. Moreover, the first world war had laid bare the limitations of the land-owning class, revealing its incapacity to lead a real process of social, political and economic development. Conversely, after the experience of foreign occupation and guerrilla warfare and through contacts with the communities of Albanian emigrants abroad, a stronger sense of national identity and independence grew among the nascent lower middle class, although the lower end of the social spectrum, peasants and shepherds, were not affected by this movement and appeared firmly rooted in the traditional forms of political and social life.

This dichotomy gave rise to the formation of two political groups: the progressive party which represented the interests of the landowners and the popular party inspired by liberal ideas which was the expression of democrats and intellectuals. The latter advocated agrarian reform and the direct exploitation of the country's oil resources which was an object of interest among two foreign companies, the Anglo-Persian Oil Company and Standard Oil based in New Jersey. The struggle between the two groups for control over the country's provisional government became evident in the calling of the Constituent Assembly which was elected in 1924. In this situation, a spokesman for the

landowners of the north emerged, Ahamed bey Zogu, later known as Zog, who personified the reaction against the policy of reform - including agrarian reform - announced by Monsignor Fan Noli, orthodox bishop of Durazzo and head of the provisional government in 1924. Supported by the landowners and foreign oil companies, Zog overturned Fan Noli's government by force, pressed the Constituent Assembly to lay down the lines of an authoritarian state and announced the birth of the Republic of Albania, of which he became the first president. In 1928, through the creation of a second Constituent Assembly, Zog transformed Albania from a republic into a monarchy of which he was proclaimed sovereign; in practice, regardless of the country's institutional framework, for fifteen years Zog exercised almost total power over Albanian public life.

In this period a faint process of economic and administrative modernisation was undertaken, partly through the adoption of a commercial code based on French and Italian models. However, during Zog's personal regime, which was the expression of the big land-owning interest, plans for agrarian reform and for restoring public finance, which would have required the introduction of progressive taxation, were abandoned. Instead Albania resorted heavily to international loans; in particular, Italy granted a loan of a hundred million gold francs to be paid in ten annual instalments on condition that a customs union would be set up between the two countries.

The 1931 loan also reflected the growing influence exercised by Italy, which since the ratification of the Treaty of Tirana in 1927 had stipulated a major defensive alliance with Albania. This was the first step towards increasing influence in the organisation of the army, administration, services and economy of the new state through which Mussolini aimed to assert a hegemony over the country. Throughout the 1930s Albania paid for Italy's political and military support with the removal of nearly all barriers to the trading of goods produced on the other side of the Adriatic. Moreover, in 1935 Albania did not join in the programme of sanctions decreed by the League of Nations against Italy for the war against Ethiopia. In exchange, Italy granted Zog aid amounting to three and a half million gold francs, which was destined for military outlay, and a loan of two million gold francs to develop agriculture.

However, the tightening of relations with Italy under Zog was looked upon with suspicion not only by the landowners but also by the urban classes who, through growing contact with foreign countries and through the assimilation of progressive ideas which young Albanians who had studied in the heart of Europe had brought with them on their return to the country, nurtured expectations for economic development and independence that were continually frustrated. On the contrary Italy continued to reinforce its expansionist designs in Albania; at the end of the 1930s, Galeazzo Ciano, Italy's foreign minister and Mussolini's son-in-law, strongly advocated the occupation of Albania. In this way Ciano sought to counter German expansion and to exploit more fully the resources of

Albanian raw materials (although after the occupation these revealed themselves to be much overestimated). Ciano's strategy was put into effect in April 1939 with a military operation which encountered practically no resistance on the part of Albania. At an institutional level, the occupation was completed with the proclamation of the union of the Albanian and Italian crowns in the person of King Victor Emmanuel III.

The Italians undertook a vast programme of public works, aimed principally at urbanisation, the improvement of communications, the construction of a water distribution network and the exploitation of raw materials (apart from oil, coal, bauxite and timber). The economy was reorganised on a corporative basis and steps were taken to form a local ruling class. However, all attempts in this direction were halted when Italy entered the war, especially with the attack on Greece which brought the war into Albania territory. In these circumstances, a mass desertion of soldiers from the Albanian battalions took place while civilians fraternised with Greek troops which had penetrated into southern Albania, with the hope of fighting along their side against the Italians. Italian occupation was not accepted by the majority of Albanians, and for the democratically-inspired groups and for the nascent Communist groups, made up of young people and workers from the mines and the first enterprises, the war came to be seen as an opportunity to bring together the political forces opposing Fascism and Italian occupation.

Although the liberation movement, first against the Italians and then against the Germans , involved the participation of all Albanian political forces, in 1945 only the strongest formation, the Communist Party, claimed merit for the resistance against the Nazis and Fascists and claimed the prerogative of rebuilding the country's new political and institutional system. Thus Albania adopted a constitution moulded on the Soviet constitution of 1936 and the personal power of the head of government, Enver Hoxha was consolidated. Hoxha, who was a French professor from Argirocastro, was one of the founder members of the Albanian Communist Party and one of the main figures in the struggle for liberation, whose absolute control over the country was destined to last for forty years.

The breakdown in relations between Belgrade and Moscow in 1948 put an end to the short-term collaboration between Albania and Yugoslavia and the aid that the latter had given to the neighbouring country, including the granting of a loan which amounted to 50% of Albania's total budget. In this transition ties were reinforced with the Soviet Union which intervened directly with substantial aid, first with regard to food then in the technological and economic sphere although such intervention failed to pave the way for the subsequent development of Albania or to guarantee a minimum standard of living for its inhabitants. Albania, which has not yet overcome the post-war economic crisis, is now having to face the problems deriving from the peasants' fierce opposition to the programme of land and cattle collectivisation. In the five-year period 1950-

55, the imposition of the Soviet model caused a further impoverishment of the country's already insufficient agricultural resources with the collapse in the production of corn, tobacco, vines and livestock.

In 1955 Albania joined the Warsaw Pact, enabling the Soviet Union to install its own naval base in Valona and to reorganise and take control of the armed forces; in 1959 on occasion of Kruschev's visit to Tirana, Soviet aid was boosted. But at the beginning of the 1960s Moscow's *rapprochement* with Yugoslavia, which was a source of great concern for Tirana, together with the revising of the system for granting Soviet loans and aid which henceforth were to be related to their profitability, and Kruschev's growing support for the revisionist wing of the Albanian leaders, all drove Hoxha to break away from the Soviet Union. Diplomatic relations between the two countries were broken off and Moscow stopped the payment of funds and withdrew technical staff and military experts. But Hoxha's was not a leap into the dark: the estrangement from Moscow had been long prepared by the tighening of relations with China which was ready to take the place of the Soviet Union, offering financial aid and itself as a trading partner: between 1960 and 1964 trade with Peking rose from 4% to 46% of total trade.

Yet China's replacement of the Soviet Union in the role of guiding country did not improve Albania's economic situation. The already low standard of living that characterised the inhabitants of all socialist countries, was aggravated here by a form of almost absolute poverty which was typical of a backward subsistence economy. Indeed the situation worsened between 1965 and 1969 with the adoption of the cultural revolution based on the Chinese model. When the United States opened relations with China with President Nixon's visit in 1972 and when international relations began to improve on a planetary scale as sanctioned by the Helsinki Agreements in 1975, the Chinese government lost interest in Albania which, in turn viewed with suspicion the policy of economic reform and openness towards the capitalist world that had begun after Mao's death and the rise to power of Den Xiao Ping. In 1978 China stopped the flow of funds towards Albania and a new phase in Albanian communism began which was characterised by total closure towards the outside world and a real obsession for the safeguarding of national independence. This led Albanian to spend huge sums for the construction of fortifications in re-enforced concrete to defend the country from improbable invasions. However, in the absence of any possible form of industrialisation as a result of the withdrawal of Chinese aid, the untenable economic situation forced the regime to resume commercial relations with several countries including Italy, East Germany, and Ceausesu's Romania. The only positive result of the country's isolation was the absence of foreign debt.

Enver Hoxha's death in 1985 enabled the Albanian leaders to begin a policy of cautious openness towards the outside world through tourism and foreign investment but it was only at the beginning of the 1990s that the situation evolved rapidly towards the total abandonment of the socialist past. In the 1992 elections the communists suffered a heavy defeat and the democratic party took over the

government, attempting a vast programme of reform. Regarding the economy, a programme of privatisation at two speeds was undertaken, a more rapid one for small enterprises and a slower one for large companies, with the aim initially to reduce public ownership by 20%. Substantial tax exemptions and the faculty to transfer profits abroad were granted to encourage foreign investment.

This policy did not immediately achieve the objectives that had been set (in 1993 foreign investment amounted to 90 dollars per capita against 500 dollars in Hungary and Slovakia), but unemployment fell even though it continued to run high and to constitute a very strong destabilising factor in the absence of any form of social security. Trade also increased, especially with Italy and Greece and GDP rose by 15% in 1995. In 1996 Albania obtained major international acknowledgements: admission to the World Trade Organisation, the Central-European Initiative and the Council of Europe, while an agreement for co-operation was stipulated with the European Union which the Albanian government hoped would be transformed into association and subsequently into full membership.

But in 1997 the controversy surrounding irregularities in the conducting of the elections held the previous year and the collapse of several large financial companies which had defrauded thousands of small savers with the promise of very high returns, caused violent disturbances throughout the country which threw Albania into upheaval. Some of the territory was taken over by groups opposing the ruling democratic party, other parts fell into the hands of illegal organisations and armed gangs which refused to recognise any authority. The general election held in July 1997 brought the defeat of the democratic party and the victory of the socialist party which was the largely the heir to the old communist movement but the country was far from being pacified and the government still had only partial control over large areas of territory.

Throughout the latter part of Albania's recent history, from the beginning of the process of democratisation to the present, Italy has come once more to play a central role. From Operation Pellicano in 1991 when, as part of the Phare Project of the European Community, the Italian army distributed humanitarian aid to deal with the emergency, helping the country to recover normal socio-economic conditions, to Operation Alba in 1997, when the United Nations entrusted Italy with the command of a multi-national protection force to facilitate the flow of aid and to protect diplomatic missions and the humanitarian organisations active in Albania, Italy has carried on an intense programme of co-operation in every aspect of Albanian life. Alongside this, however, is Italy's political role which Biagini defines as controversial, ambiguous and inconsistent, and which is partly influenced by the reaction of Italian public opinion to the extensive clandestine emigration from the Albania coast which has at times taken on the dimension of an exodus provoking outbreaks of xenophobia.

In this connection, Biagini presents us with an interpretation of Albanian history viewed from the long term and considers the current phase of emigration

to Italy as the logical sequel to previous flows, starting with the first wave between 1416 and 1442 undertaken to support the cause of Alphonse of Aragon against Robert of Anjou, the successive wave involving the loyal followers of Scandenberg defeated by the Turks (1466-68), the exodus of the population of Scutari following the Venetians, the migration from Valona to the Kingdom of Naples at the time of Charles III right up to the smaller flows which occurred throughout the nineteenth century and the first half of the twentieth century. Analogously, just as Albania has, throughout history, continued to be the object of territorial expansion, today it attracts entrepreneurs in search of new outlets and areas for investment.

Thus, Albanian history can be viewed taking account of a strong element of continuity between the past and present . Some aspects of this continuity are referred to by Biagini in his opening chapter, especially the central role of the clan and family in the organisation of society and the role of land, and constitute indispensable pre-requisites. Others emerge only from an overall consideration of Albania's modern and contemporary history. In particular Biagini clearly identifies poverty as the cause, on the one hand, of migratory movements and on the other of the tendency to view the country as a land of conquest for the more venturesome economic enterprises. At the same time, the conflict between different groups, which include geographical, socio-economic and religious divisions, belongs more to a pre-political phase than to the normal rivalry between democratic parties. In another words Albania's future appears to depend much on the ability to overcome some of its heavier historical constraints. In this respect Antonello Biagini's book is not only an excellent piece of historical scholarship but also an indispensable instrument for identifying the areas in which the West should direct its own political and economic action over the next few years if it wants to help Albania to pursue a virtuous path to growth and stability.

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J. DE LA TORRE - M. García Zúñiga, (eds.), *Hacienda y crecimiento economico. La reforma de Mon 150 anos después*, Gobierno de Navarra & Marcial Pons, Madrid, 1998, pp.265.

The role of the state in the process of economic growth is the object of one of the main contemporary debates. Studies on the paths to development in western societies have increased greatly, with special focus on the policies adopted by the public sector.

The book edited by De La Torre and Garcia Zuniga brings together the proceedings of a seminar organised at Pamplona in 1995 by the Universidad Publica de Navarra and the Universidad del Pais Vasco on the evolution of the

structure of public finance in relation to economic growth in Spain from the mid-nineteenth century to the present day. The seminar was held on the occasion of the 150th anniversary of the reform named after the Finance Minister Alejandro Mon which marked the end of the old regime in terms of Spanish fiscal structure and the beginning of a process of radical change.

With regard to this process, the opening essays by Mireille Touzery and Michel Morineau bring out the influence of French experience in matters of taxation and the role of the state before and after the revolution on the reform of Spanish finance in the nineteenth century. But through a careful reconstruction of the origins of income tax, Miguel Artola shows the great difference between the theory and the principles of reform, and their practical implementation.

Apart from the cultural constraints of a society which in the second half of the nineteenth century was very backward compared to other European countries, another factor determining the separation of theory and practice in taxation matters was the role of the political and administrative class which carried out and implemented reform. In his study of this role Josep Fontana is extremely critical in his judgement and links this factor to the bad reputation of Spanish finance in international capital markets throughout the nineteenth century.

Alejandro Mon's reform of the direct taxation of agricultural, commercial and industrial wealth is examined in the essay by Maria Teresa Pèrez Picazo and Concha Bertràn using an innovative approach which centres not on the short-term effects of the reform - effects in themselves quite modest - but on the longer-term consequences that the reform had on the development of agriculture and manufacturing towards more advanced forms. Emiliano Fernandez de Pinedo's contribution also considers the relation between the structure of taxation and the process of industrialisation, showing that in the case of the Basque region the existence of a certain degree of financial autonomy during the nineteenth century played an important role in promoting the region's economic growth.

A partial autonomy in the levying of taxes and in the distribution of tax income existed in the Basque provinces and in Navarre when the monarchy took on a bourgeois and constitutional character in the 1830s: the rise to power of men inspired by liberal ideas determined that functions which had previously been exercised by a plurality of tax collectors were now handed over to the state. In the case of Navarre, autonomy led to a low level of taxation but as Joseba De la Torre and Mario Garcia Zuniga point out, this was not itself enough to guarantee a more sustained economic growth for the region compared to the surrounding regions

With the exception of the aforementioned areas, the changes in the system of taxation starting with the abolition of tithes in 1837 and the subsequent reform of 1845 put an end to the legal and geographical disparities and opened the way to an increasingly more widespread recourse to direct taxation. In this context,

for a more comparative study of the data, in the final part of the book Franciso Comin attempts a long-term analysis of Spanish fiscal policy starting with the changes introduced by Mon showing that in this period public expenditure in the leading sectors of the economy was always modest.

Finally, the contribution by Oscar Bajo and Simon Sosvilla provides a quantitative study concerning the most recent period of Spanish history, from 1964 to 1993. Financial and monetary indicators, the degree of openness towards foreign countries and more generally structural change, all illustrate the role of the state and its tax policy in the economic growth undergone by Spain in the last twenty years.

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R. DI PIETRA, *Il "rapporto d'affari" fra Benjamin Ingham and Vincenzo Florio*, Padova, Cedam, 1996, pp.XIII-153.

Economic history is also the history of men who have contributed to the development of local and international economies. By studying their lives and business behaviour we can obtain useful tools to evaluate the periods in which they lived. It is not always easy to reconstruct directly these histories since the number of family archives preserved by descendants and placed at the disposal of researchers are few and, in the case of South Italy, indeed rare.

The Ingham-Whitaker Archive, however, is one of these. The documentation contained therein enables us to study not only the activities of the prototype of a Sicilian firm in the nineteenth century, but, through the study of a limited number of letters and book-keeping documents it has been possible to define more precisely the special business relations that existed between two very important figures in the Sicilian economy at that time: Benjamin Ingham and Vincenzo Florio.

The book is divided into two parts. The first concerns the role of the two entrepreneurs viewed firstly separately and then through their business relations by way of the analysis of the documentation. The picture which emerges is extremely interesting.

In restored Sicily, those British merchants who, during the Continental System, had found in the island an outlet for their own goods, did not abandon Sicily which still offered many opportunities for investment, even though they had to face the very difficult conditions of the post-Napoleonic reorganisation. This was not because of a shortage of capital but because of the scarce capacity of the local middle class to promote new initiatives and to open new markets. And thus the British merchants lucratively moved into the spaces they left empty.

Trading activities were carried on according to a large number of typologies, ranging from the simpler, although less common, form of trade based on one

commodity (such as that of the wine merchant) to the more complex forms involving various activities as practised by Benjamin Ingham. The "Croesus of Sicily" had built his fortune by extending his business operations to several different commercial, industrial and financial sectors, with a particular interest in markets outside Europe. The process of investment diversification, which was linked to the need to keep enterprise risk at a minimum and to the search for higher profits, constituted the so-called "Ingham model" , which was quite untypical and not representative of the large community of British merchants who operated in Sicily in the course of the nineteenth century. But it was the model which fascinated a Sicilian, Vincenzo Florio, who, by adopting it in his own activities, enabled him to break up the oligopolistic structure of foreign capital. Florio, "the only great Sicilian captain of industry of his time", differed from his fellow countrymen because the latter were mainly traders who also acted as bankers and ship-owners but who were hardly interested in production.

Although their managerial behaviour was the same, the two entrepreneurs had very different personalities and cultural backgrounds. The Englishman had an outstanding business sense and had grown up in a Protestant environment and had learnt the art of book-keeping from works which were most widely known during his teenage years and from the use made by such works in the family business. Among the book-keeping entries of the Ingham firm, Di Pietra discovers surprising connections with British writings on accounting which must have had a great influence on the training of the young Ingham, in particular the treatise by Benjamin Booth which was one of the most widely known at the end of the eighteenth century.

The training of the young Florio, on the other hand, took place in Palermo, inside the family and the firm inherited by his father and through contacts with British merchants. Although Di Pietra stresses the impossibility of knowing what Sicilian book-keeping notions were, due to the loss of the archive, he suggests that it was the contacts with British entrepreneurs resident in Palermo and several trips to London which led Florio to adopt book-keeping methods that were in use in the advanced British economy.

Through the study of 34 letters exchanged between Ingham and Florio in the period 1828-1861, Di Pietra identifies two periods in the relations between the two entrepreneurs. The first, defined as a period of "getting acquainted", was the time when Florio took the initiative and contacted Ingham in the hope of doing business with him. The rigid style used in the letters both by the sender and by the receiver shows that they concerned business mainly related to commercial matters. This phase lasted until the 1840s when the financial crisis that had overtaken the island had been overcome; the relationship changed and the period of "development" began. The frequency with which the two men exchanged letters, the style of the letters which, while keeping to the typical format of commercial correspondence, became less detached, and the fact that Ingham also took the initiative to write, are all factors that point towards a change

in Florio's attitude towards the Englishman and vice-versa. Florio no longer harboured reverential fears in his dealings with Ingham, since their business relations were now carried on with reciprocal interest and on an equal footing. Indeed, the creation of Florio's own company of steam ships in 1861 marked the final overtaking of Ingham, or his heirs, by the Sicilian.

The relationship between the two entrepreneurs grew out of the classical transactions of mercantile business, but the kind of commodity traded varied according to whether trade was carried on in the "getting acquainted" period or the period of "development". In the first period finished goods were traded; in the second period, their relations centred on the sale of raw materials which were directly linked to the production of manufactures. In the second period, moreover, the contents of the letters became more financial than commercial-oriented.

On the surface, Ingham's death in 1861 might lead us to consider the ending of economic relations between the two entrepreneurs. The fact that commercial letters between the two firms have not been found after that date would confirm such a hypothesis. Nonetheless, by examining book-keeping entries in the Ingham-Whitaker archive, Di Pietra has established that relations between the two firms continued and were mainly based on the use made by Ingham's heirs of the services offered by Vincenzo Florio's steam-ship company. These relations became so regular that they took on the mere form of entries in account books. In other words, economic relations were now so consolidated that they no longer required formal instruments to define their meaning and volume, although Florio's leader role is to be acknowledged, only a few years after Benjamin Ingham's death .

The second part of the book is concerned with the documents. Other than examples of commercial correspondence between Benjamin Ingham and Vincenzo Florio, Di Pietra also includes several letters written by Ingham to his collaborators in order to stress the obsession Ingham had in conveying to others his own knowledge about business management. Some tables from account books described in the treatise by Benjamin Booth are included in order to compare them with specimens from the account books preserved in the Ingham-Whitaker archive. Lastly, the chronological list of book-keeping works published in Sicily from 1398 to 1898 is a very useful instrument for scholars studying the history of book-keeping.

The message that the book aims to convey concerns methodology. It underlines what F. Melis had already argued about forty years ago: namely that through the instrument of book-keeping, business people strive to put order into their affairs to control and obtain a basis for action. But the numbers deduced from a cash book, a letter book, a day-book, a or a ledger enable us to reconstruct a picture of human lives and to describe relations which throw light onto unexpected social realities.

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B. EICHENGREEN, *Globalizing Capital. A History of the International Monetary System*, Princeton University Press, Princeton (NJ), 1998, pp. VIII-223.

Over the last few years, the international financial system has suffered major turbulence which has involved risks for the economies of the largest industrialised countries and has considerably slowed down the process of economic growth in a great number of countries lying on the periphery of the international capitalist system. What lesson can be drawn from these events? As the majority of economists have to admit they were quite unable to predict the crisis in advance of the event. The large number of empirical studies that attempt to develop econometric models with the aim to forecast crises establish the existence of several fundamental variables lying outside the equilibrium level before such events, but neither their size nor the time at which they occur and their evolution can be predetermined just on the basis of such factors. At the most we can study certain economic indicators like the level of the deficit in the balance of payments, and the size, structure and denomination of domestic and foreign debt, which can be used as tension signals. It is inevitable, therefore, that a reform of the international monetary and financial system is a very topical debate among both academic economists and those who operate within large international organisations like the International Monetary Fund and the World Bank. But is it possible to redefine a new architecture for the international financial system without having a clear understanding of the way monetary crises are spread? Of interest, in this respect, is the stimulating book by Barry Eichengreen who has spent most of his scientific career studying the history of the international monetary system.

The assumption underlying the work is that the international monetary system is the adhesive that holds together world economies. Its role is to give order and stability to money markets, to encourage the elimination of balance of payment problems, to promote access to international credit in the event of upsets. Governments would find it difficult to use effectively the income deriving from trade and foreign credit without an international monetary mechanism which functions properly. In any case, whether this mechanism performs its role well or not, it is impossible to understand the functioning of the international economy if we do not understand its monetary system. Therefore, any history on the development of such a system necessarily implies a history of the development of international financial markets. Starting from this assumption Eichengreen subdivides the book into four parts, each corresponding to an era in the development of world financial markets. Up to the first world war there was a high degree of freedom in international financial transactions and capital flows reached very high levels. The new conditions arising in the period between the two wars caused the collapse of this system. This was determined by the generalised introduction of very tight financial controls which brought a substantial decline in the movement of international capital. The twenty five years following the second world war

were marked by a progressive relaxing of controls and the progressive recovery of international capital flows. The last phase, which began in the 1960s, was once more marked by an impressive increase in the movement of capital.

Using this retrospective analysis based on international capital mobility levels over time, Eichengreen seeks to respond to the prevailing thesis which is used to explain the change-over from fixed exchange rates to flexible rates after 1971. According to the theory, fixed exchange rates were possible up to the 1970s due to the limited mobility of financial capital and the subsequent change-over to the system of fluctuating rates depended on the huge increase in capital flows. The problem with this thesis, according to Eichengreen, is that the movement of international capital was high even before 1914 but this did not stop the fixed-rate system from operating successfully under the classical system based on the gold standard. If we look at history, therefore, we can see that major changes in capital movements are not sufficient alone to explain the switch from fixed to fluctuating exchange rates. According to Eichengreen, what kept the fixed-rate system in existence was the protection it offered to governments against any pressure that aimed to exchange monetary stability with other objectives. With the nineteenth-century gold standard, the source of protection was provided by the separation of economic policy from the demands of domestic policy. After the first world war, circumstances changed. The downfall of the liberal state, universal male suffrage and the rise of trade unions and socialist parties gave a political character to the monetary and tax policies of governments. The birth of the welfare state and commitment to the goal of achieving full employment sharpened the conflicts and compromises between the domestic and foreign balance. As a result controls over capital came into play. These weakened the ties between domestic and foreign economic policy, enabling governments to pursue other objectives like full employment. Over the years controls over capital became more difficult to enforce. Without constraints on the movement of capital and democracy, which isolated the state from the pressures of the market, fixed rates became problematic. As a result, some countries introduced exchange rates that were subject to freer fluctuation while others, in Western Europe, sought to stabilise the exchange rates of their currencies once and for all by setting up a monetary union.

Regarding the future of the international monetary system, Eichengreen observes that, given the network externality of the monetary system, a collective effort of the whole international community will be necessary in order to change it. But the large number of countries involved would inevitably hamper negotiation since each government would withhold its consent in order to obtain concessions and to defend national interests. Those who want reform must therefore possess sufficient political influence. It is no accident that most of the international monetary conferences held in times of great tension have failed in the space of a century. In all cases, the failure to reach an agreement to modify its direction has meant that the monetary system has continued to develop

spontaneously. The only significant exceptions were the western alliance during and after the second world war, which developed an exceptional system of political solidarity in the face of Nazi and Soviet threats and managed to establish the Bretton Woods system, and the European Economic Community which has made extraordinary progress towards political and economic integration and has set up the European Monetary System. According to Eichengreen, this implies that the development of the international monetary system is fundamentally a historical process. The options available to aspiring reformers at any one time are not completely independent of the international monetary measures of the past. Recent measures reflect the influence of previous facts. As Eichengreen warns us, we cannot understand the present situation nor the system's future prospects, if we do not understand its history.

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Ph. GRIERSON and L. TRAVAINI, *Medieval European Coinage; with a Catalogue of the Coins in the Fitzwilliam Museum*, Cambridge, Vol. 14, Italy (III) (South Italy, Sicily, Sardinia). Cambridge University Press, Cambridge, 1998, pp. XXII, 794, inc. 63 plates, 35 figs, 7 maps, 21 tables.

The work of economic historians of medieval Europe should be greatly facilitated by the publication of this volume, as well as the other thirteen in the series, of which only Volume I (The Early Middle Ages, 5th-10th Centuries, 1986) has appeared to date. The series, sponsored by the British Academy, seeks to give a comprehensive account of the monetary history of medieval Europe based on the publication of the Cambridge collection, which is in great measure the personal collection acquired by Philip Grierson, the greatest medieval numismatist of this, and possible any other, generation.

In this volume, Grierson has collaborated with Lucia Travaini, now of the University of Milan, who is a specialist in the coinages under study; her 1995 book *La monetazione nell'Italia Normanna*, Istituto Storico Italiano per il Medio Evo, Nuovi Studi Storici 28 (Rome, 1995), along with numerous articles, provides much of the primary scholarship on which this account relies. This appears to have been a very congenial collaboration; in the few cases where the authors disagree on specifics or interpretation, they spell out their respective views clearly and amicably (e.g. pp. 109, 173, 1809. Future volumes in the series will involve specialists on other geographical regions; Volume 7, The Low Countries, is currently in press, and others are in preparation.

The present volume is especially welcome, as the south of Italy has been poorly served in the literature up to now. What has been available to scholars has been a series of monographic numismatic studies which are often antiquarian in nature, of very uneven quality, and available with difficulty in all but the most

specialized libraries. Even the *Corpus Nummorum Italicarum*, the great undertaking of Victor Emmanuel III, an ardent and accomplish coin collector, never got to the volume on Sicily. As the current authors point out in the context of their introduction to the coinage of Frederick II (p. 157), even the best modern works on the economic history of the region have suffered from the lack of a clear understanding of the coinage and monetary developments.

The book is divided into several sections, of which the main narrative of about four hundred pages will be of most value to readers of this journal. This comprises ten chapters, chiefly chronological, which treat Sicily and the southern mainland of Italy together when they are ruled jointly and separately otherwise; all of Sardinia's coinage to 1416 is considered in one chapter, and thereafter along with that of Naples. Each chapter begins with an introduction which summarizes the political history (often with useful and bibliographical tables) and reviews the relevant historical and numismatic bibliography. It should be noted that the coinages treated are only those issued by Latin rulers, though some bear legends in Arabic and in Greek.

The second major element of the volume is the catalogue of the 1,087 coins in the Cambridge collection, presented in a format known as the Sylloge, in which all specimens are illustrated in actual size in plates and described in formatted text on the facing pages. The collection is comprehensive and illustrates most of the major types and varieties; significant coins lacking in the collection are illustrated with line drawings at the appropriate place in the introductory text. The coin descriptions are exceptionally complete, including legend variations for each specimen, measurements of weight, die axis and (when available) metal content, standard catalogue references, and the provenance of each piece. Appendices include an annotated listing of medieval hoards found in southern Italy and Sicily (but not those found elsewhere which include coins minted in the region), a guide to reading Arabic legends, glossaries of numismatic and heraldic terms, concordances with earlier catalogues, an index of coin legends as well as a general index, and a treatise on the history of numismatic research on the coinage treated.

The utility of this volume for understanding the economy of southern Italy in the medieval period, and its limitations, can be illustrated with a consideration of its treatment of the coinage of Frederick II of Hohenstaufen, the best known and in most accounts the most important ruler of the period . Frederick's monetary issues consisted primarily of three denominations, all of alloyed metal: billion pennies of European type, gold tari of a hybrid Islamic and European tradition, and an innovative issue of the gold augustalis based on ancient Roman models.

The pennies of Frederick's reign were issued in a succession of types, each issue accompanied by the demonetization of earlier types. The intrinsic value of this coinage was debased throughout the reign. In 1221, with 25% silver, the pennies were tariffed at 16 to the tari of account, an overvaluation of 47%; by

1250 they had only 2% silver and with a tariff of 24 to the tari were overvalued by 940%. These petty coins were forced into circulation by a system known as the collecta, whereby individuals and institutions were required on occasion to exchange a specific amount of gold coinage into billion at official rates.

The gold tari had been the basic unit of account in the region since pre-Norman days; it derived from Islamic coinage and bore Arabic legends. The coins were of 16 1/3 carats (68%) fineness and, as attested by the uneven weight of surviving specimens, must have been weighed in transactions. In 1231, Frederick introduced the augustalis, with a fixed weighted and a fineness of 201/2 carats (85.4% gold), tariffed at 71/2 tari of account. This represented a debasement of 1.8% in the tari of account.

The economic aspects of Frederick's coinage policy are covered in the volume under review, but must be disengaged from a discussion which included lengthy passages on historiography and anomalous or counterfeit specimens. Moreover, the discussion of several of the key issues is muddled. On the origin of the 201/2 carat standard of the augustalis, Grierson and Travaini (p. 176) conclude that it was derived from that of the Byzantine hyperperon of more than a century earlier. This argument is circular, in that the authority that they cite for the Byzantine standard (Michael Hendy, *Coinage and money in the Byzantine Empire, 1081-1261* (Washington, 1969), pp10 -17) derived his own estimation of what they cite in the very next sentence on another question (Cécile Morrison, *L'Or monnayé* (Paris, 1985)), holds that the Byzantine standard was actually 21 carats, not 20½ (p. 154).

Grierson and Travaini rightly point out that neither the minting nor the circulation of the tari was ended with the introduction of the augustalis and cite in this regard their presence in the Pisa hoard of the 1260s (p. 178). They neglect, however, to note the significant presence of augustales in this hoard as well. As the systematic listing of hoards in the appendix is only for those found in the south, this information is otherwise unavailable to the reader without recourse to the original hoard publication. Their discussion of the size of the issue of the augustalis (p. 176) relies on subjective inferences from specimens in modern collections and ignores the implications of the exhaustive die - study of Kowalski in this regard, which they do cite for inferences as to minting patterns.

Throughout the volume there are passages which should alert the historian to the potential importance of monetary issues, such as the casual mention (p.261) in the discussion of the reign of Peter of Aragon that "one of the chief reasons for the Sicilian revolt [the Vespers of 1282] was the debased state of coinage under Charles of Anjou," an observation which finds no support in the authors' rather brief account of Charles's major monetary reform of 1278 (pp. 205-6).

With its careful analysis and exhaustive bibliography, this volume will serve well as a handbook for the historian dealing with the economy of medieval southern Italy as well as for the numismatist classifying its coinage. When all of

the volumes of the series are available, we will at least have the basis for a comprehensive view of the monetary development of medieval Europe.

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D. LANDES, *The Wealth and Poverty of Nations. Why Some are so Rich and Some so Poor*, London-New York, W.W. Norton, 1998, pp.650.

A comparison comes to mind spontaneously upon reading this vast, ambitious, erudite, at time irritating but always fascinating work and it is that with *Les temps du monde*, the third volume of Fernand Braudel's *Civilisation matérial et capitalisme*. Like the French historian, Landes aims to look at the history of the world with a long-term view but using an approach that is not based on profound structures, the role of geography and environmental constraints. Neither are the terms of trade nor the comparative advantages which favoured some countries and not others, exclusive in the subject's treatment, although they do constitute a basic theme. On close inspection, in this book Landes appears just as interested or indeed, more interested in the values of the western world and especially the Protestant Anglo-Saxon world, than in the economic forces which ancient civilisations, rich empires and powerful nations did not know how (or were unable to) counter sufficiently to avoid their decline. "What counts" he tells us concluding his historical analysis which spans the centuries "is work, thrift, honesty, patience, tenacity" (p.523). These virtues, together with a "legitimate" aggression towards other economic areas (not necessarily more backward than Europe and the western world, consider China) and a better political organisation in colonising the world, are the basis of western domination. In another passage where he discusses the validity of the Weberian interpretation of the origins of capitalism, he concludes: "the heart of the matter lay indeed in the making of a new kind of man - rational, ordered, diligent, productive. These virtues, while not new, were hardly commonplace" (p.177). In other words: every economic area (and the West has largely been successful in this) and especially other countries which want to overcome economic competition, must show these abilities, other than expressing political and economic wisdom. This is a constant imperative. In the difficulties facing the contemporary economy, wealth and work are guaranteed "by moving into new jobs, learning from others, by finding the right niches, by cultivating and using ability and knowledge" (p.523). According to Landes there are no definite formulae since on the one hand "the gains from trade are unequal", "comparative advantage is not the same for all", and on the other hand not everyone knows how to respond adequately to market signals: "some people do this better than others, and culture can make all the difference" (p.522).

In Landes' analysis, which is far-reaching in terms of space and time, only Japan and a few other areas in east Asia are near to the western model and can be counted among the "winners". The "losers" (Latin America, The Ottoman Empire and the Soviet Bloc) did not know how to take advantage of the raw materials they possessed, the political domination they exercised (the Ottoman Empire), and the opportunities that favourable economic circumstances offered. They should have made the necessary investments (Argentina and Brazil this century are the best example), extending decison-making power to wider social strata (political consensus and religious and intellectual liberty are sensitive chords in Landes) and diffusing culture and the necessary technological know-how.

One great event has marked the fortunes of the western world and similar countries: the Industrial Revolution and that is hardly surprising for the author of *The Unbound Prometheus*. It is no accident that Landes has dedicated an important chapter to the subject, substantiated by an analysis as to what the Scientific Revolution was about and why it was that Britain of all countries was able to take advantage of a "European heritage". In this deliberately European-centred view (significantly the title of the third chapter is "European Exceptionalism: a Different Path") Landes is well aware of laying himself open to the criticisms of historians who pursue a "World History" and a multi-cultural approach that would enable us to understand the originality of social and economic models outside Europe. Landes has sensed the danger and has got many arrows ready for his bow. Adding irony to his arguments, he is convinced that in pursuing these parallel ways marked by different societies, in the end bad history is produced since we would presuppose the historical reasons why one model and one society are winners. Is Landes always convincing? Overall yes and, in any case, the historical reasons and documentation he presents are exceptional. However it is true that a certain triumphalism sometimes leaves a sense of unease. For example, given that Landes, more than any other economic historian, makes a case for culture in general, it is perhaps disappointing that he does not take account of the relativity in the economic performances of each society, including western society , in relation to other social values and other cultures which it is risky to always consider as "losing". He does not leave much room for the losers' arguments. When examining the situation of the Balkans and rejecting the view that European influence caused the area's stagnation, he comments:"It was not resources or money that made the difference; not mistreatment by outsiders. It was what lay inside - culture, values, initiative. These people came to have freedom enough. They just didn't know what to do with it" (p.253) This interpretation reoccurs in the analysis of other cases. Nonetheless, neither can we say that Landes wants to tie us down to a single line of interpretation at all costs. Otherwise we would not understand why he asserts: "A common mistake of would-be scientific history is to assume that today's virtues must also be tomorrow's and that a given factor, if positive once, must always pay. History doesn't work that way.....Different strategies in different

circumstances" (p391). Apart, therefore, from a few moralistic and subjective remarks, a vast knowledge of economic and social facts make up this solid work which every historian should keep on his shelves.

The first two chapters take their lesson from Braudel ("Nature's Inequalities" and "Answers to Geography: Europe and China"), criticising the scarce interest of American history in geography, exemplified by the closing of many geography departments after the second world war (including that of Harvard). Landes builds his interpretation on this theoretical basis which, as we have seen, focuses on economy, culture, technology, values and political choices. At times his synthesis leads to exemplification but the lessons that are drawn (and the pleasure in being transported by a direct and colourful language) are truly considerable. It is not an easy task to summarise such a vast subject which ranges from the comparison of ancient, medieval and modern Europe with civilisations like that of China (and we know how much interest contemporary historians show in comparisons with this country), Japan and Islam. This is partly because such comparisons are woven into more far-reaching analyses, such as the historical significance of colonialism (how far is this to be identified with imperialism and to what extent did colonialism sustain the Industrial Revolution?) and the globalisation of the economy with all of its repercussions for the performances of the western economies and the challenge it poses for all countries in terms of investment, the renewal of production, flexibility and intellectual ability.

Landes has divided the subject into chapters that examine the different areas of the globe, from the Americas to Asia and Africa. At times these long excursuses seem to move away from the basic theme of the book and have a separate existence. This impression is reinforced by the fact that each chapter ends with a further short essay. The book's merit, however, is that every aspect of a total world history provides a rich store of information and very useful ideas for further study. Landes has achieved an important result at a time when wide-scale comparison is a task for every historian.

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A. TEICHOVA, G. KURGAN VAN HENTENRYK, D. ZIEGLER (edited by), *Banking, Trade and Industry . Europe, America and Asia from the Thirteenth to the Twentieth Century*, Cambridge (UK), Cambridge University Press, 1997, pp. 427.

The session on research on the history of banking at the XVIIIth International Conference on Historical Sciences in Montreal 1995 was a remarkable opportunity for debate and scientific updating on one of economic development's main themes. The papers presented at that conference have been published in a miscellaneous book, edited by Alice Teichova, Ginette Kurgan van Hentenryk and Dieter Ziegler, and deal with the inter-relationships between banking and

trade, industry and institutions, at the beginning and during the growth of capitalism, spanning more than eight centuries and four continents.

The book has four sections, dealing with the origins of banking and the connection between local and international markets, the role of the banks both in those economies that led the industrialisation process and in those economies that did not industrialise until a later date, and the growth of banking systems in the economies of America and Asia. The book contains more than twenty papers. Although these papers are the result of many different methods of research and deal with very diverse topics, the editors point out in the Introduction that an underlying recurring theme can be seen: a comparative interpretation of different research experiences, with the aim of increasing current research perspectives on these subjects.

The first paper in the book is by David Abulafia on the differences between banking and long-distance trade in the cities of northern Italy in the Llate Middle Ages. Examining Florence in the fourteenth and fifteenth centuries, Abulafia shows how different the modern concepts of investment profitability and competitiveness are from the economic realities of the first banking companies whose success was based on a network of family connections rather than on decisions made by the market. Florence had a lively banking scene, but other places, even neighbouring towns, revealed a very different situation. Herman Van der Wee's paper explains how banking developed differently from one region to another: he examines the role of banks in the birth of capitalism and, referring to Amsterdam, he suggests that the institutions played a decisive role in this process.

In Amsterdam the endorsing of bills of exchange was first carried on a large scale by bankers from Antwerp, where this practice had originally developed. To limit speculation on the part of immigrant bankers, the Amsterdam authorities in 1609 founded a public bank which was a huge success, because they perfected those techniques used by the bankers of Bruges and Antwerp, techniques which had originated in Italy. More generally, Van der Wee retraces the stages of the development of banking techniques, beginning with those originating on the fringes of medieval trading practices. Michael North's paper deals with the same subject with regard to the big German banking houses, and Youssef Cassis's with regard to Switzerland. In terms of innovation, the turning point in the development of financial instruments occurred at the two extremities of Europe, in Sweden and in southern Italy when credit certificates issued by the public banks in Stockholm and Naples took on the function of currency, as seen in Paola Avallone's paper on the Neapolitan public banks.

In contrast to those areas that consolidated their central position by gradually perfecting more advanced instruments, there were regions in Europe which, with a varying degree of rapidity, lost the positions they had gained in the Late Middle Ages and the beginning of the Early Modern Times. Gabriel Tortella's paper on Spain illustrates a case where, despite having developed

to a considerable extent, trading and financial centres declined. From the late Middle Ages, bankers had settled in practically all the main trading centres in Aragon and Castile, and in the first half of the sixteenth century Spain had become the centre of the growing global market. However, as the Early Modern period advanced, the close connection with the chaotic Crown finances prevented bankers from developing a banking system able to sustain the development of the new commercial capitalism in the seventeenth and eighteenth centuries.

Of course, the connection with the state was not always a delaying factor in the development of banking systems. This is proved in the case of the Swedish Riskbank, founded in 1668 on the ashes of the Stockholm public bank by a decree of the Swedish Parliament. In the eighteenth century the Riskbank performed the embryonic functions of a central bank, although in his paper Hakan Lindgren considers this definition unsuitable for the economic context of the time; nonetheless it is a fact that the Riskbank was a model for all the public banks founded in Scandinavia until the early nineteenth century. The other more important example of the development of functions similar to those of a central bank refers to the prominent role of the London merchant élite, not the state. The Bank of England was founded in 1694 and acquired the right to issue banknotes in 1707. Huw Bowen and Philip Cottrell's paper states that the Bank of England was protected by the state which had become financially dependent on it: the British government urged the Bank of England to extend its financial activities from the London markets to those provincial areas of England which were the stage for the Industrial Revolution.

In the rest of Europe, the development of banking techniques followed the pattern of European trade for the whole of the eighteenth century, which influenced the way new instruments of payment and clearing mechanisms took shape. For example, the export of manufactured products to the Latin-American colonies gave rise to the demand for means of payment that could be accepted both in Spain and in all the Atlantic ports and the main European trading centres. Montserrat Garate Ojannguren's paper examines this system which emphasised the trade network between Spain, the other areas of Europe and the Spanish colonies in South America.

Although Latin America was part of this system, it did not seem to have taken much advantage of the new banking techniques that were introduced, nor did it develop any of its own. This may be because, especially in the first centuries of the Early Modern era, the great availability of precious metals was a deterrent as far as finding more flexible instruments of payment was concerned, and later on, when the colonies gained their independence, many South American banking houses moved to Europe. Carlos Marichal's paper suggests that the banking system was connected not necessarily with industrialisation but with the role of countries exporting primary goods from the agricultural or mineral sector.

From the second half of the nineteenth century, in many South American countries - such as Argentina, Brazil, Chile, Mexico and Peru - the big state banks played a central role in political and administrative modernisation and in the development of the structure of the state, so much so that Marichal asserts that in South America the transformation of the banking system preceded the Industrial Revolution. This idea is repeated in Andrés Regalsky's paper on Argentina where, he argues, the banking system supported agricultural capitalism rather than industrial capitalism.

If North America is compared with South America, it is immediately obvious that financial systems developed differently because of the lack of precious metals. This lack, together with the necessity to divert currency minted by the mother country, prompted the colonies to seek to provide themselves with other means of payment and to issue paper money. However, the British government tried to restrict such issuing and according to Larry Schweikart this was one of the causes of the colonies' rebellion. Once independence was gained, it became possible to found banks - among them the First Bank of the United States promoted by Congress in 1791 - to sustain the economic and industrial development of the young Federation by issuing currency which was convertible into gold or silver.

Banking in France developed differently, as can be seen in Eric Bussiére's paper. After the foundation of the *Banque de France* in 1800, the drive to found a modern banking system came from the building of the railways about the middle of the nineteenth century. And so, in the 1850s, a new generation of banks was born, whose symbol and model was the famous Crédit Mobilier. Crédit Mobilier itself went bankrupt because of the difficulty of operating in the situation of scant liquidity that was a consequence of a policy of long-term investment in industry and transport. From the 1880s, there were two types of banks in France: banks which collected deposits and distributed short-term loans to industry and commerce, and merchant banks which were active in the capital market in high finance operations such as placing government loans.

Contrary to what happened in France, in Germany the investment banks system did not face bankruptcy in the twentieth century. In this context, Dieter Ziegler points out the relative success of the German model of a universal bank until 1914, due to the fact that liquidity was guaranteed by the abundant availability of capital from the market and the Central Bank. However, when the availability of capital was greatly reduced in the 1920s and when, after 1931, the Central Bank was not ready to act as a last-resort lender on a large scale, the system collapsed and could be rebuilt only with massive state intervention.

A somewhat similar pattern may be seen in the development of banks in Italy, as expounded in Luigi De Rosa's paper.In the nineteenth century, the Italian system was, to a large extent, moulded on the Crédit Mobilier model and was greatly influenced by German banks and, to a lesser extent, by Swiss banks. De Rosa shows that this model was abandoned during the first thirty years of the

twentieth century, when the Fascist regime abandoned the universal bank in favour of total state control over banking systems. The Crédit Mobilier also played an important role in guiding the development of the Swiss banking system, as seen in Youssef Cassis' paper which also illustrates the non-economic reasons underlying the foundation of Crédit Suisse as a nationalistic reaction to the control foreign capital exercised on Swiss railways.

In her paper, Alice Teichova maintains that it was in the Austro-Hungarian Empire that the symbiosis between bank and industry took place in its purest form. Before 1914, eight big banks in Vienna controlled most industries throughout the Empire, but, on the breaking up of the monarchy, they suddenly became multi-national banks. The universal bank survived in the individual nations that rose from the ashes of the Austro-Hungarian Empire, but, except in Czechoslovakia, the period between the two world wars was beset with problems related to the insufficiency of local capital markets, the shortage of liquidity and slumps caused by indebtedness, until, for want of a last resort lender, this system succumbed to the world-wide Depression of the 1930s.

However, at the end of the nineteenth century, well before the crises the European banking system was to undergo in the twentieth century, the English, French and German banks played a fundamental role in fostering the development of the more backward economies. Elena Frangakis Syrett shows what an important role the banks played in controlling public and private finances, and in sustaining the building of the railways and big public works in the Ottoman Empire. Shizuya Nishimura's paper deals with another backward region, the Chinese Empire, where international banks had specialised in foreign relations and in serving European and Japanese customers, and the local banks offered smaller-scale banking services to local customers.

Andrei Yudanov's paper on Russia suggests again that the presence of foreign banks and capital led to a split in the market in a backward region. Yudanov refutes Gerschrenkron's argument that growth in Russia was simply state-induced: he tends to think that in Russia, in the second half of the nineteenth century, elements of English and German growth models could be found at one and the same time. The English model was dominant in the textile sector where investment banks and state financing played an insignificant part, whereas the German model was seen in the big banks of St. Petersburg.

In terms of historical debate, there has been a reappraisal of Japan too. Kanji Ishii challenges the interpretation that tends to play down the importance of banks in the period of strong economic growth between the two world wars, and instead points out what a decisive role they played from the end of the nineteenth century right until the 1970s, although he does emphasise how important the public financial institutions were in sustaining the impressive amount of financing required by Japanese industrial development. The Bank of Japan, one of the pillars of the Japanese banking system, also played a decisive role in sustaining these institutions.

One last point where a well-established view of the banks' role in the economic growth process is challenged concerns the fact that specialisation of the bank's functions entails reduced vulnerability in a time of crisis. Specialisation would seem to confine the consequences of a period of instability to a particular sector of the market, whereas a universal bank would seem to entail a more general destabilising effect. In particular, according to Robert Sweeny's paper, the Canadian banking system, which was only marginally affected by the Depression in the 1930s, seems to refute this theory, although in this case it could be accounted for by the fact that Canadian banks had a high concentration of economic power.

In conclusion, the book clearly traces the profiles of the two types of bank that have been established during the processes of economic growth. The papers reviewed show how new and interesting studies, which are the result of synthesis and hitherto unpublished research, are always possible even in a particularly rich field of research as this one is.

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