

A. COVA, S. LA FRANCESCA, A. MOIOLI, C. BERMOND (eds.), *La banca*, Turin, Einaudi, 2008. pp. XXVII-944.

Published in the series *Annali della Storia d'Italia* Einaudi, this book on the evolution of the Italian banking system from the Middle Ages to the present day sets the seal on recent decades of fruitful research. We may well wonder why one of the vital sectors of the economy, especially in a decidedly bank-oriented financial system, has not been the subject of a volume sooner in a series of history studies which, in the preceding 22 volumes, has dealt with topics which, from an objective point of view, are less important in the history of Italy. Alberto Cova's introduction (*Considerazioni sullo stato degli studi*) provides us with an answer by attributing, from a European point of view, "the increased interest in banking history to the attention research paid to the characteristics of industrialisation in the various countries of Europe", and by clarifying that, as far as Italy is concerned, only "the most recent economic history studies regarding contemporary Italy have provided the decisive drive to study the banking system".

This contemporary trend of studying the history of banking in Italy is confirmed by the book's format: although it provides a picture of how banks were formed and their economic role over the centuries, three of the book's four sections deal with the history of the Italian banking system from the unification of Italy until the present day. Although not in the chronological mainstream of the articles, the paper by Piero Barucci and Alessandro Pavarin (*Gli economisti italiani e la banca tra il Risorgimento e la Costituente*) is noteworthy in that it describes the economists' contribution to the history of banking in Italy between the nineteenth and twentieth centuries, and the wealth of opportunities of interpretation that "a parallel history of the "idea" of the bank" can offer research in economic history.

The first section of the book examines the medieval origins of Italian banks and their development during the modern age until the Restoration and the Unification of the Kingdom of Italy: five papers analyse different periods, different geographical areas and different ranges of research. This lack of homogeneity proves useful in Giuseppe Felloni's paper (*Dall'Italia all'Europa: il primato della finanza italiana dal medioevo alla prima età moderna*) in that it gives adequate space and importance to Italian supremacy in creating and controlling banking techniques and instruments from the twelfth to the sixteenth

century. From contracts to credit instruments, from the first money-brokers to the public banks, medieval and modern Italy has been the source of and the setting to the greatest financial innovations in which the often usurious nature of some banking practices were diluted and hidden, as is observed in Tommaso Fanfani's paper (*Usura e attività di prestito alle origini dell'Italia moderna*), with particular attention to the forms of war on usury waged by the Roman Catholic church, war which, for the most part, consisted in creating "Monti di pietà" (pawn agencies).

Recapitulating the various monetary systems, from the monometallic gold or silver to the real trimetallic system (gold, silver and copper) up to the first issuing of fiduciary money in the eighteenth century, Marco Cattini (*Monete misure, monete effettive e metalli preziosi*) describes the destabilising effects the widespread unrestrained practice of minting coins had on economic relations between individuals and on international exchanges. The last two papers in the first section highlight the Italian banking system's different courses of development before the unification of Italy, with regard to the territorial characteristics which have always fuelled the economic gap between northern Italy and southern Italy. Compared with the flurry of initiatives that, following the examples of the more advanced countries in Europe, the evolution of the banking system of the states of northern and central Italy sustained in the first half of the nineteenth century, the role of financial brokerage in southern Italy seems compressed in operational spheres of inevitably more modest dimensions. However, albeit acknowledging a more advanced and multiform level of growth in banks, in virtue of which Giuseppe De Luca and Angelo Moioli (*Il potere del credito. Reti e istituzioni nell'Italia centro-settentrionale fra età moderna e decenni preunitari*) are able to conclude that "the Kingdom of Sardinia and the Grand Duchy of Tuscany embody the most structured models of banking development in Italy before Unification", Luigi De Matteo (*Banche, credito ed economia nel Mezzogiorno continentale tra Restaurazione e crisi postunitaria*) proposes a critical re-examination of the "idea of southern Italy before Unification as irremediably stationary and stagnant", in that research on southern banking systems is scanty and, more generally, knowledge about the financial mechanisms of production enterprises is insufficient.

When the Kingdom of Italy came into being, the government bodies responsible for the national economy had to tackle very serious issues of readjusting and harmonising currency, banking structures and the financial market, by introducing reforms aimed at coping with the periodic crises

connected with the global economic cycle, and at fortifying the Italian banking system's weak constitution. In the paper at the beginning of the book's second section (*Il sistema bancario in Italia dopo l'Unità. 1861-1900*), Paolo Pecorari examines the events and the banking institutions that influenced the modernisation process the young unified Italian state had laboriously begun. Pecorari leaves Maria Carmela Schisani (*I caratteri originali del mercato finanziario italiano. 1861-1914*) the task of identifying those organisational and legal aspects, which, all too often with the worst consequences, rendered the Italian financial market lustreless and unstable, distancing it from the more advanced German and French systems. The second section ends with two short papers. The first (A. Polsi, *Banche e industrializzazione in età giolittiana, 1900-1914*) recounts the fundamental role of the banking system, *in primis* the issuing banks and the mixed banks, in promoting and supporting industrial development in Italy between the nineteenth and the twentieth century. The second paper (G. Della Torre, *Collocamento del debito pubblico e assetto normative del sistema creditizio in Italia, 1861-1914*) examines the problems connected with the growth and the marketing of the national debt during the first fifty years after the unification of Italy.

The years between the first and second world wars, the unrest that hit the world of Italian industry and banking after a period of remarkable growth, the reorganisation of the banking system and the birth of the banker state, the banking law of 1936 and the Bank of Italy's performance as a central bank are the subjects of the third section of the book. Giuseppe Conti (*Banca centrale e politica monetaria tra le due guerre*) considers the effects of the break-up of the Gold Standard – buried once and for all after the crisis of 1929 – on a monetary policy entrusted solely to the Bank of Italy. The other three papers deal with specific periods and aspects of banking history between the two world wars: Claudio Bermond (*La banca tra Grande Guerra e grande crisi, 1915-1930*) recapitulates the successes and failures of the protagonists of the banking and financial world after World War I, and Ennio De Simone (*L'organizzazione del credito speciale tra primo e secondo conflitto*) investigates the evolution of the special credit or merchant banking system which took root during the Fascist period, before developing once and for all after the second world war. The last paper in the third section is written by Pasquale Galea (*Imi, Iri e legge bancaria del 1936*) and deals with the banking crisis of the early 1930s and the rescue

measures implemented by the Fascist government, culminating in the founding of IRI and the reform of 1936.

The last section of the book is the one that contains the most articles, confirming that research on those events, men and institutions, which have left their mark on the history of the Italian banking system in the second half of the twentieth century, is thriving. After the end of the second world war, once the period of reconstruction was under way, the government of the Italian Republic's economic policy and the Italian banking system worked together in close synergy, both to combat the worrying phenomenon of post-war inflation, and to support "the economic miracle" with a stable banking system. This is the wide-ranging, detailed introductory picture which Andrea Leonardi (*Il sistema bancario nella ricostruzione del paese: tra vecchi e nuovi equilibri*) paints in the first paper of the last section of the book. At this time of radical change in Italy's political-institutional structure, the Bank of Italy's task was to "assure confidence in the currency in use", before taking on the role of directing and implementing Italy's economic policy. Leandro Conte (*L'azione della Banca d'Italia 1948-93*) ascribes the Bank of Italy's new central position to the personality of Guido Carli and to the political weakness of government forces: conditions which gave rise to a procedure of gradual reinforcement of the Bank of Italy's autonomous decision-making in the sphere of monetary and banking policy until the early 1990s. In those same decades, the banking system went from a period of expansion – linked with the favourable international situation during the twenty-year period from 1950 to 1970 – to the drama of stagflation and then the recovery of the 1980s, up to the reform of the sector, using the model of the full-service bank and the privatization of the big banks. Against this background, Salvatore La Francesca (*Raccolta e allocazione del risparmio: credito ordinario e credito speciale*) outlines the changes in the Italian banking structure and in the relations between credit and savings with regard to the operating of banker's credit institutions and merchant banks, whereas Francesco Balletta (*Mercato mobiliare e debito pubblico nella seconda metà del Novecento*) shows how the national debt was formed and of what it consisted, with its long-lasting repercussions on growth and the functioning of the Italian stock market.

For Italy, the second half of the twentieth century was also a period of intense and multiform industrial development, with an investment level for which the banking system supplied the necessary resources, particularly through the merchant banks and, more precisely, personal property banks. The role of

these latter in providing credit for production enterprises is the subject of the paper by Vera Zamagni (*Il credito all'industria*), introducing the operations of Mediabanca, the history of which, together with the history of its founder and *dominus* Enrico Cuccia, is the subject of Luciano Segreto's paper (*Il caso Mediobanca*). Regional medium-term credit banks were another important means of financing enterprises in the medium to long-term during the post-war economic expansion, and are examined in the paper by Pietro Cafaro (*Una rete per lo sviluppo: i mediocrediti regionali, 1950-65*). The book ends with two papers that describe legal and institutional changes and the organisational innovations adopted by the Italian banking system during the last years of the twentieth century (F. Cesarini, *Il sistema bancario nell'ultimo decennio: I nuovi assetti*), and summarise the main legislative interventions and their effects on the banking fabric and its control apparatus (F. Belli, *Gli sviluppi della legislazione bancaria italiana: una sintesi*).

As the editors announced in the Preface, no new elements or analyses emerge from this book if we compare it to the wealth of knowledge collected in research on the history of banking. Nevertheless, it must be stated that this was not the objective of the research and coordination work in this volume: it aims to provide a valuable outline of the history of the Italian banking system, subdivided rationally according to period and subject. The expert or the interested reader will appreciate the attention with which the subject has been treated, and the support of a wide-ranging bibliography.

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F. DANDOLO - G. SABATINI, *Lo stato feudale dei Carafa di Maddaloni. Genesi e amministrazione di un ducato nel regno di Napoli (secc. XV-XVIII)*, Napoli, Giannini, 2009, pp. 300.

The authors of this volume, both economic historians, present an analysis of the feudal possessions of the Carafa di Maddaloni, a prominent branch of one of the oldest and grandest aristocratic families in Naples. The family is well known

to historians as the subject of an old romantic study by the German historian Alfred von Reumont (1851), and to art historians (as well as to anyone who has strolled through the old town centre of Naples) as the owners of two splendid *palazzi*: Diomedea Carafa's early Renaissance *palazzo*, and a grand Baroque *palazzo* just off the Via Toledo designed in part by the great architect Cosimo Fanzago. Francesco Dandolo and Gaetano Sabatini concentrate primarily on the management and revenues of the Carafa fiefdoms, and they argue persuasively the importance of the feudal state, both as an analytical tool for the historian, and as the core of the Carafa family and their wealth, as well as of their sense of their own identity and position. The feudal state's dynamics and its logic played a crucial role in shaping the Carafas' political and social status, as well as their financial position.

The book is divided into two sections. In the first section, Francesco Dandolo examines the history both of the family and of the formation of its feudal state. From the fifteenth century, the family pursued a clear policy of strong loyalty to, and identification with, firstly the Aragonese, and later the Spanish, monarchy. Service to the Crown, both in the military and in prominent positions as counselors, officials or diplomats, remained a constant theme throughout the four centuries of the family's history, and brought the Carafas fiefdoms, titles (counts in 1465, dukes in 1558) and support. This strong bond with the monarchy furthered the parallel consolidation of the family's status and of its wealth. The Carafas also took care to foster good relationships both with the ecclesiastical authorities (in their fiefdoms and in Naples) and with their vassals, the population subject to them who lived in the feudal state: the family engaged in local charitable activities, and maintained strong protective ties with local administrations and local families. The result was a remarkable bond between vassals and lords that served the Carafas well through various political and financial crises, practically until the family became extinct, which coincided neatly with the abolition of the feudal system in the Kingdom of Naples at the beginning of the nineteenth century.

A particularly interesting section of this part of the book examines the instructions left in 1604 by the Duke to his successor, which set out the long-term principles of the family's management of its lands and its status. The Duke emphasised the importance of cultivating the network of relationships that connected the family both to the monarchy and to the population of their

fiefdoms, and made clear the central role the town of Maddaloni itself played in the family's strategy and sense of continuity. This document supplies information which justifies the authors' rejection of a view of feudal power as static and closed in on itself: as they stress throughout the volume, feudal power was remarkably active and closely interrelated with other forces and bodies.

In the second section Gaetano Sabatini delves more deeply into the family's management of its possessions, and examines in particular the composition and trends of feudal revenues. The main sources here are data from the records of the feudal succession tax (*relevio*) paid by the family at each generational shift. These data, carefully tabulated and analysed by Sabatini, present an effective picture of the aims and principles the family pursued with remarkable intensity and continuity. The logic of the feudal state, with its centre at Maddaloni, consistently guided the family's decisions about investments and acquisitions. The Carafas put a premium on ensuring the geographic and administrative coherence of the state, so that, for instance, Maddaloni was the hub of a road network that kept the various fiefdoms integrated with each other. The state consisted of half a dozen fiefdoms, with a population of between ten and fifteen thousand, thus forming one of the largest such states in the Kingdom of Naples. The family also diversified its feudal revenues, in order to mitigate any downward periods in the agrarian cycle: rents, jurisdictional rights and other sources of income were carefully balanced to provide the most reliable overall income.

The book's focus on economic and financial themes and data is thus strong; some non-specialists may wish it was rather less relentless. When, for instance, we learn that around 1560 Duke Marzio killed his mother and her paramour (p. 51), we might wish for a fuller story than the authors give us, even though the matter is, of course, of little economic impact. Similarly, the book contains very little on the Carafas as patrons of the arts (or even on their two famous *palazzi*), and almost nothing on family structures and topics such as the role of women within the family strategy or the family's religious life. However, the authors were not aiming at a complete family case study, and they succeed brilliantly in providing what they promise, namely a careful and convincing analysis of a feudal state, of its revenues and administration, and of how the logic and dynamics of that state shaped – and was shaped in turn – by the family's strategy and by feudal wealth and power's interconnection with royal government and local forces.

The volume is based on solid archival evidence, in particular on private family papers and state documents (both the *relevé* and other documents). The book also contains a useful bibliography, a genealogical chart, many helpful tables and graphs, and a rich documentary appendix with transcriptions of several interesting documents.

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G. DOSTALER, *Keynes and his Battles*, Cheltenham, Edward Elgar, 2007, pp. 374.

This book is the English translation of a revised and expanded edition of a volume published in French in 2005. Gilles Dostaler lectures at the University of Quebec in Montreal, Canada, where French is the main language. The inhabitants are notoriously proud to claim descent from the French settlers who, centuries ago, were the first to land there, so much so that they harbour an ardent and at times pathetic anglophobia, which is instrumental to their need to defend their identity. However, although Dostaler's mother-tongue is French, he is well aware that French has not been a *lingua franca* for a long time now: to facilitate the book's circulation, therefore, it had to be published in English. Dostaler has been fortunate in finding in Niall B. Mann a translator who has taken it upon himself to translate the text into an English that flows agreeably, and in Edward Elgar a publisher of international repute that will ensure a wide circulation.

As far as the contents are concerned, we shall begin by pointing out what has been most influential in inspiring them. Is this perhaps the umpteenth biography of Keynes? Indeed, the title could at first leave the reader uncertain: however pugnacious the subject of a biography may have been, a life does not consist entirely and solely of battles, even if obviously the term is not to be taken literally. And so, before answering this question, let us start from a premise: our reasons will be apparent (hopefully) in a moment.

It is common knowledge that biography is a difficult genre. "Writing a life well" (affirmed Lytton Strachey) "is as difficult as living it". An observation that certainly hits the mark, albeit lacking in originality: Carlyle, who was an expert

on such matters, had already been able to put it in more or less the same terms, while still remaining (as we all know) a convinced, prolific enthusiast of this genre. Despite all difficulties, the art of writing a biography continues to be practised airily. Therefore these difficulties which must be faced have never frightened the biographer, although they have often, however, conditioned his research, so that sometimes G. M. Young's scornful remark "servants talk about people, gentlemen discuss facts" is justified. Setting aside the metaphor, biography would seem a gymnasium which is open to hacks and closed to the only people able to ennoble it, i.e. historians. Are these then the roots of biography's repeatedly deteriorating into a fictionalised or hagiographical genre? Of its often being reduced to a report (reminiscences of someone's life) or rhetoric (texts that praise or condemn someone)? This does not appear to be the case, in that (as Strachey observed) "strictly biographical interest can not totally exclude historical interest". In other words, genuine biography may legitimately aspire to rise to "history": to a story, Croce said, in which "the individual is considered and judged only in his work, which is his and at the same time not his, which he carries out and which goes beyond him".

Now, we would hope that certain declarations of Gilles Dostaler's do not spring from the fear of being considered a "servant" and not a "gentleman", referring to Young's remark. This doubt of ours is closely connected to the question posed above: is this book of Dostaler's a biography? The answer, the author tells us, must be no. He writes: "the present work does not propose a new biography of Keynes". He could not be more definite! But he does add: "it does however contain several biographical elements". Almost as though he needed to apologise for not having been able to leave them aside. Furthermore, he specifies that (and the affirmation sounds like a justification) since "Keynes's ideas are placed in their biographical and historical context, awareness of this context is indispensable". But if a man can not be talked about, and his actions can not be examined outside the context in which he lived and worked (and Dostaler's clarification seems to confirm this), why not then stop beating about the bush once and for all, and say that this book is an intellectual biography? Of course, open to the reader's judgement, be it positive or negative, but without his being able to question the genre, which is to all intents and purposes a biography. Besides, reflection on the "battles" fought by Keynes during the course of his life, battles which are amply discussed in the book, leads us (to

quote Croce again) to consider and judge his work, which is his and at the same time not his, which he carried out and then which inevitably went beyond him.

The fact is this book of Dostaler's is a historical work, or at least an attempt at a historical work. Of course, he has an interpretation of his own and cherishes an ambition he confesses openly: he aims to urge the reader to reflect on aspects of Keynes's many-sided personality which are not necessarily unknown, but are too often considered with the sole aim of throwing light on his figure as a remarkable economist. Therefore to be exploited in a biased way. Dostaler writes in fact: "Most Keynes scholars are economists. Several among them believe that studying his political thought, or exploring his life and the context in which it unfolded, is of interest only in the light of the theoretical revolution he achieved in economics". It is not enough, and it seems that there is indeed even worse: Dostaler adds that "it is also believed that his economic thought can be understood independently from other aspects of his world vision". It follows, he adds, that Keynes's *The General Theory of Employment, Interest and Money*, the book that made him famous, and therefore "conceived as the culmination of this thought, results exclusively from Keynes's reflection in the domain of economic analysis, as if theories reproduce themselves independently of the conditions in which they were conceived".

This affirmation can be judged valid if addressed to economists (but not to all of them), but it would seem somewhat forced if addressed to Keynes's biographers (especially those with a greater sense of history or, at least, the shrewdest among them). Could it be said of Skidelsky, for example? Who significantly has written: "(Keynes's) economic theory was always connected with his non-economic ideas". He went on to do his best to prove convincingly that "it was ideas such as these that made him the economist he was". But what's the use? Dostaler does not appear to be smitten with doubt, and so he allows himself to go on generalising and to conclude: "It is hoped that this book will help invalidate such positions". The positions, if we have not misunderstood, of those who are inclined to ignore or disregard non-economic influences on the theoretical formulations of Keynes the economist. These people, moreover, are politely invited not to forget that (according to Dostaler, unknown to most people) Keynes's influence "is connected not only to his economic theories, but also to a political vision and a philosophic conception which he skilfully

integrated into his activities as publicist, adviser and theoretician".

That Dostaler with this book intends to oppose such questionable convictions is an appreciable aim. It follows that "even if economics occupies an important place in this book, it is neither a work of economic theory nor a history of economic thought". And so what on earth is it then? We think that, just like the suggestion made above, despite all his declarations to the contrary, it is legitimate to define this book of Dostaler's an intellectual biography, albeit not an all-round one. It is nevertheless fairly wide-ranging, to the extent that in its ten chapters it covers what the author calls "(the) four main axes in Keynes's thinking and action": the philosophical, the political, the economic and the aesthetic.

The first axis. The issue of ethics and the passionate battle waged by Keynes and the other members of the Bloomsbury Group against Victorian morality are examined. But the matter expands until it covers the issue of knowledge, the nature of the intellectual influence Keynes's father, John Neville, had on him, and his contribution to the theory of probability. There are many names of scholars with whom he "converses" which recur in the right place and in the right way: Moore, Sidgwick, Russel, Ramsey and Wittgenstein. *The second axis.* Keynes's attitude to Conservatism, Labourism and Liberalism is analysed. Burke's influence is examined. But the issue of conscientious objection which, after the outbreak of the first world war, "afflicted" Keynes and so many other English intellectuals, receives due attention, together with Keynes's well-known reservations on the post-war territorial and financial arrangements which emerged from the Treaty of Versailles. *The third axis.* This section deals with the most famous Keynes, the economist, and the many examples of his unheeded "wisdom": on monetary policy, on fighting unemployment, on re-introducing the international monetary system (a matter of the return to gold) or of promoting the international monetary system (discussions at Bretton Woods and thereabouts). *The fourth axis.* Important, albeit less studied, aspects of Keynes's personality are examined: those seen in his capacity as a promoter of the arts (he played a considerable part in creating the Arts Council of Great Britain) and as a collector of genuine masters. But Dostaler wants particularly to emphasise what he defines "(the) unknown though still important part of Keynes's thought, namely the conception of aesthetics he developed in a series of unpublished papers written during his time as an active member of the Apostles' Society". An example of attitudes on the matter that would be important? Here we have one: "We ought to write filth

packets not only about the normal passions, but the abnormal also (...). There is no proper literature on the higher sodomy, a passion which might provide material for the most splendid situations". Any comment does indeed seem superfluous, unless we want to moralise.

And here we stop, but to close we must point out that Dostaler does not always pay attention to details in his book. In fact, there are a number of inaccuracies in the text. Some are forgivable, although they are repeated because of a mere misprint: this is the case of Amedeo Modigliani's first name, which has become "Amadeo". However at times things are very different, and we feel obliged to give an example.

Regarding the negotiating difficulties the Italian delegation at the Paris peace conference in 1919 met with, we quote: "the decision to give newly-created Yugoslavia *the city of Fiume in Dalmatia*, the majority of whose inhabitants were Italian-speaking, *in spite of promises made to Italy in 1915*, led to Orlando's departure on 24 April" (the reviewer's italics). There is barely the need to point out for a start that Fiume is in Istria and not in Dalmatia, and that its name in Croatian is Rijeka and not Rejekt, as is written in note 35 on page 155. It is a more serious error to have forgotten that the so-called "Fiume issue" arose because the city was not among the territories the London Pact of 26 April 1915 acknowledged as belonging to Italy: the insuperable opposition from Russia at the time had in fact prevented this. And so the facts are the exact opposite of what Dostaler has written: Italy was claiming ownership of a city that, despite its undoubted Italian character, it had no formal right to lay claims to, since the London Pact had made no provision for this.

There are also some statements that could in some way mislead the reader, making him draw wrong conclusions: on certain decisions, for example, of Sir Oswald Mosley's, the leader of the British Fascists. Dostaler, referring to the vicissitudes of this dubious figure and of his second wife, Lady Diana, both of whom were prudently imprisoned by the British government from 1940 to 1943, writes: "*after the war the couple withdrew to France*, not far from their friends the Duke and Duchess of Windsor" (the reviewer's italics). A couple who had, as is well known, winked rather ambiguously at Hitler's Germany. But let us go back to the Mosleys. Did they really withdraw to France after the war? It almost seems (the verb used risks making it seem true) that, outraged at the way they were treated during the war, they crossed the Channel, never to return to

their own country. Now the fact that they bought a house at Orsay, not far from Paris, is certainly true, but they did so in 1949, during their first trip to the continent, after their passports, which had been taken away from them, were given back to them. Actually Mosley spent the immediate post-war years with his family at Crowood, near Ramsbury in Wiltshire, looking after a huge country estate: "largely confined" (writes Skidelsky) "to farming an eleven-hundred-acre estate". Save for then returning to the breach, being involved in active politics in Britain (and elsewhere) for a few years: chasing, with his usual vigour, success which, of course, did not come.

I agree these are mere details which do not detract from the dedication Dostaler has lavished on his book to present us with a detailed picture of Keynes's public and private life, "from ethics to aesthetics", without neglecting philosophy, politics and economics: a life that is without any doubt fascinating and prolific, so much so that once again it has attracted the attention of a biographer, Gilles Dostaler, who curiously seems to have qualms about calling himself a biographer.

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A. ORLANDI (ed.), *Merçanzie e denaro: la corrispondenza datiniana tra Valencia e Mallorca (1395-1398)*, Valencia, Universidad de Valencia, 2008, pp. 721.

The archive of the great fourteenth-century merchant Francesco di Marco Datini, who lived in Prato, is well-known to scholars, including those who are not economic historians. This immense store of testimonies, consisting of some six hundred account books and almost six hundred files of correspondence, containing over 150,000 letters, is kept in the State Archives in Prato. It was brought to the public's attention by one of the twentieth century's greatest European economic historians, Federigo Melis, the author of, *inter alia*, *Aspetti della vita economica medievale. Studi nell'Archivio Datini di Prato* (Siena, Monte dei Paschi, 1962). It was Federigo Melis who wanted the International Institute of Economic History in Prato to be called the Francesco Datini Institute, as Fernand Braudel, who was the

Institute's President, recalled when he inaugurated the first of the centre's study weeks. Moreover, showing the importance of the Datini archive triggered a heated debate between Federigo Melis and Armando Saponi, another famous expert on Italian, and, in particular, Florentine, merchants. The debate concerned issues of mercantile history and economic history in general which still today, many years later, are of great interest, such as the discussion regarding the larger size of the Florentine banks compared to Datini's bank in the first half of the fourteenth century, or regarding the different commercial techniques used.

The book *Mercanzie e denaro: la corrispondenza datiniana tra Valencia e Mallorca (1395-1398)* is the result of research carried out by Angela Orlandi, a Florentine scholar who has spent a long time studying the Datini documents. It follows in the wake of Federigo Melis' research, and has been published by the University of Valencia, a city with Datini connections. Valencia's productivity has been researched by Paolino Iradiel, a historian with leanings towards economic history, but also very interested in a general view of the course of history. Iradiel taught several generations of historians, and he took part at the seminars organised in Prato by Melis. A long-standing member of the Istituto Datini's scientific committee, Iradiel has written a perceptive introduction to Angela Orlandi's book.

The book reconstructs an important piece of the history of Datini and his collaborators, with 264 letters exchanged between Valencia and Palma de Majorca from 27 July 1395 until 8 March 1398, a correspondence which documents how Datini got into Catalonia by founding a Catalan branch of his company, for which the Valencia branch acted as head office. In the first chapter of the book, Orlandi stresses that Florentines were "*merchants holding pens*": Francesco Datini, who came from Prato which at that time was not yet officially a city, must have felt rather Florentine too. There is no doubt that his turnover was so big that he wrote until the small hours every night in order to finish his correspondence. Besides, Francesco Datini, a man who wanted to see and know about everything and to direct and advise on everything, at the end of the fourteenth century had built up a group of companies which numbered five merchant-banking companies (one of which had two branches), three individual firms, two industrial companies (cloth manufacture and dyeing) and one banking company. "*A business group*" – as Orlandi writes, "*which from Prato, Florence and Pisa reached Barcelona, Valencia and Palma de Majorca via Genoa and Avignon*".

It is impossible here to run through everything that Orlandi and the documents point out and so we shall highlight only some aspects of the book. It is enough merely to mention one aspect at least - the commercial companies "*as excellent technical and professional training schools*" deriving from the widespread basic education which was characteristic of Florence, famously described by Giovanni Villani - because this subject has been studied and discussed for quite some time. This aspect emerges clearly from reading the letters: although the merchants and, even more so, the apprentices, gained experience from working in the business, from contact with the market, and from gradually becoming acquainted with and practising accountancy, when they wrote their very precise letters, business aims were of course stated first and foremost, but we find more general considerations on the city and its surroundings, moral observations on people and objects, and opinions which, on some specific issues, even included entire populations. For example, with an obvious attitude of superiority a Florentine in Genoa wrote of a correspondent from Piedmont: "*and they are not decent people, they write in their own manner, the pen is a burden for them*".

Of course, the principal subject of this correspondence was the chartering of vessels, the purchasing of wool, of Wervicq and Courtrai cloth, of hides, ropes, candles and corn; or else the shipment of cheeses and other local products from Majorca to the Caccini partners in Bruges, while woollen cloth from Florence, Flanders and Brabant, textiles, rush matting and whatever else it was thought could be traded were sold on their behalf in Majorca. But, as has been mentioned, goods intermingled with people and opinions of people: sometimes these were decidedly positive and characterised by a strong spirit of collaboration with regard to the correspondents; yet at other times they were highly negative, with violent words against merchants considered dishonest, as Luca del Sera, director of the Datini Company in Valencia wrote against Piero di Bartolo Giugni who worked in Valencia for Lorenzo di Cresci's Florentine company; "*thief, traitor ... man of little shame*".

This correspondence between merchants is thus invaluable for the evaluation of the Company's trading activities, even though it requires knowledge of the overall framework - be it political, economic or of whatever other nature - in which the Company operated, which may be reconstructed on the more general basis of public sources or of a different kind of source. At the same time, a lot

of data and insights, that go beyond mere merchants' reports and economic activities, are to be found in the merchants' correspondence. Angela Orlandi is very well aware of this, and for this alone her introduction is a very useful information tool. See, for example, what the introduction states in the section on *The Contents*, where Luca del Sera's indulgent reproaches to a sick business colleague are reported, stating that his illness was merely "eating to excess and frequenting wenches"; or where we are told that a violent battle at Oropesa in May 1397 had convinced the Valencian authorities to decree that Muslims should be driven out of the kingdom, just like the Jews had been driven out previously; or where we read about a fleet attacking Barbary because Saracen pirates had stolen some pictures from a Christian church.

Another important aspect of the book concerns the way in which the activity of the merchants and their employees became part of the urban landscape so that its broader significance is apparent. In a section entitled *The Valencian Warehouse in the City's Economy*, Angela Orlandi describes the city of Valencia, its considerable early population growth following the plague in 1348, the basic characteristics of its economy, and the business that was carried out both in the port and in the city with its streets, its shops and its marketplaces. Luca del Sera probably rented a prestigious residence in keeping with the Company's reputation in the area of the merchants' loggia or of the Boatella market. He would certainly have had to spend a lot of money, but this did not dampen his enthusiasm, because he immediately wrote to Majorca about it in the following terms: "*I have got such a beautiful house ...suitable for everything and with the best show of woollen and silk cloths and organised for the best*".

The Datini mercantile correspondence therefore constitutes a universal corpus of documentation, as Federigo Melis claims, which is highly reliable: the fact that it is confined within a short span of time obviously enhances the wealth of its contents. It should be added that this type of source is available for other towns in Tuscany and for other periods, which deserve more research than has been carried out until now. However, these records have nothing like the amazing solidity and range of the Datini correspondence has, as the book edited by Angela Orlandi shows so effectively.

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A. DE OTAZU - J. R. DÍAZ DE DURANA, *El espíritu emprendedor de los vascos*, Madrid, Sílex, 2008, pp. 715.

Entrepreneurship has generally been considered one of the main attributes of modern capitalism, and the reasons why some societies have built a more favourable environment for the development of entrepreneurial activities than others have long attracted researchers' interest. At the beginning of the last century, Max Weber argued that the Reformation introduced a mindset which led to a reappraisal of the role of entrepreneurs in the economy and in society, facilitating the growth of modern capitalism. Weber's theory exerted a strong and lasting influence on the literature which attempted to explain the reasons for Northern Europe's economic advancement during the seventeenth and eighteenth centuries. However, more recent research has led to a substantial amendment of many aspects of Weber's theory.

Weber was convinced that, unlike Protestantism, Catholicism hampered the development of entrepreneurship. However, after the research carried out during the last decades, today it seems no longer possible to claim that Catholicism has been a serious obstacle for the emergence of dynamic business communities in many Catholic areas, such as Belgium, France, Southern Germany and Spain. In the book under review R. Díaz de Durana and A. de Otazu, analyse when, why and how entrepreneurship became one of the hallmarks of Basque society and economy in the early-modern period.

The Basque Provinces were traditionally a conservative and staunchly Catholic region in the north of Castile. According to Weber's reasoning, it could therefore be thought that they possessed all the requirements necessary to discourage the widespread adoption of values leading to the growth of flourishing trade and manufacturing. This is the exact opposite of the true situation: from early times the Basque economy was based on iron-manufacturing and a dynamic trade with the rest of Europe. All this would have been impossible, of course, without the emergence of an environment which favoured the development of entrepreneurship: the roots of this environment may be found in the changes brought by the last centuries of the medieval period.

The Basque Provinces were poorly endowed with natural resources, and this limited the prospects of agricultural growth. The above-mentioned development of manufacture and trade only partially compensated for this lack, since in the

fourteenth and fifteenth centuries the local oligarchies devised a twofold policy in order to prevent the threat to social stability posed by the risk of overpopulation (chapters 1-3). Firstly, they promoted a new system of inheritance in which the family estate was handed down entirely to only one heir, (usually the eldest son). This damaged the prospects of the other heirs, compelling them to leave the Basque Provinces and to migrate to the rest of Castile and to America. Secondly, in order to aid the demographic surplus which left the Basque Provinces every year, the local oligarchies simultaneously promoted the idea that all those born in Biscay and Guipúzcoa were noble (*hidalgua universal*).

The idea behind *hidalgua universal* was to allow all those Basque migrants living in Castile to enjoy the same fiscal privileges as the Castilian nobility and, above all, to help them to seize control of the Crown's bureaucracy, traditionally in the hands of ministers and officials of Jewish descent. Of course, *hidalgua universal* aroused strong opposition in the other sections of Castilian society, particularly because, as the authors show, the Castilians simply could not understand why the Basques living among them were noble and at the same time were enthusiastically prepared to work as artisans and traders in almost every capacity, even in the lowliest roles.

Chapters 4-7 deal with the role played by the Basques in the Spanish Empire. Again, the prevalence of noble values among them did not prevent their active involvement in bureaucracy, mining and trade, nor was their staunch Catholicism ever an obstacle to their involvement. As the authors show, both in Castile and in America the Basques took good care to build close links with some religious orders (firstly with the Franciscans, then with the Augustinians and lastly with the Jesuits), using them as the basis for the development of a strong sense of identity and shared purpose which was one of the keys to their success, although the internal cohesion of the Basque communities in México and Perú also aroused suspicion, sometimes with disastrous consequences, as shown in the fight between Basques and *vicuñas* in Potosí about 1620.

If what has been noted so far tends to contradict Weber's theory, the developments of the eighteenth century are even more interesting (chapters 8-10). Since the second half of the seventeenth century, the close links between the Society of Jesus and the local oligarchies had been one of the most outstanding features of Basque Catholicism. After its difficult beginnings in the Basque

Provinces, the Society of Jesus had finally achieved its objective of ensuring its influence over the region through its alliance with the local oligarchies; in return, the Society had developed an open idea of Catholicism, well suited to the needs of the local oligarchies, where some Jesuits, such as Father Larramendi, even justified commercial profits. Yet the fruitful alliance between the local elite and the Society of Jesus was short-lived and it came to an end sometime between 1750 and 1760. During the eighteenth century a kind of religious schism seems to have divided the rank and file of the Society of Jesus as a result of the emergence of a more severe idea of Catholicism (*rigorismo*) which left little room for the kind of compromises with local oligarchies, trade and commerce which had been so familiar to Jesuits a generation earlier. The success of *rigorismo* was one of the reasons which may explain why the Basque oligarchies supported the expulsion of the Society of Jesus from the Basque Provinces (and from Spain) in 1769. However, if the Basque nobility and traders had hoped that this would mean the end of the *rigoristas*, their hopes were soon to be dashed. With the Jesuits gone, *rigorismo* survived in the ranks of the clergy, and, in fact, it became a distinctive hallmark of Basque Catholicism. It is, however, worth stressing here that, contrary to expectation, *rigorismo* does not seem to have had any adverse effect on the work of the vast group of Basque entrepreneurs (most of them devout Catholics) which has resulted in the Basque Provinces having been one of the most dynamic and advanced regions of Spain during the last two centuries.

When placed in the context of other Catholic countries, the case of the Basque Provinces analysed by Díaz de Durana and de Otazu deserves to be considered as further proof of the inadequacies of Weber's theory. And so, if we want to discover why the Basque economy has always harboured a vast pool of dynamic entrepreneurs, perhaps we should look in another direction: a comparison between the Basque experience and that of other European regions with similar conditions, such as Scotland, may be of some help.

There were certainly many differences between Scotland and the Basque Provinces. Unlike the Basque Provinces which belonged to the Crown of Castile since the Middle Ages, Scotland was an independent Kingdom with a long and proud history for of the sixteenth and eighteenth centuries. Nevertheless, the two regions shared remarkable similarities. Situated on the fringes of the most powerful states of the age, both regions were peripheral areas poorly endowed

with natural resources, a fact which seems to have played a key role in the growth of Basque and Scottish entrepreneurship. Forced to earn a living abroad, important sections of the Basque and Scottish population developed complex trading networks from an early date. Scots and Basques also embraced enthusiastically the opportunities opened to them by British and Castilian overseas expansion. Recently, T. Devine has studied the Scottish involvement in the British Empire in terms which could be used to describe the role played by the Basques in the Spanish American colonies. It would therefore seem that both areas provide us with good examples of how entrepreneurship should probably be seen more as a way of solving the difficulties natural constraints posed to human beings than as a consequence of certain religious beliefs¹.

In *El espíritu empresarial de los vascos* all those interested in Basque, Spanish and American social, economic, intellectual and religious history will find much more than its title suggests. It is an eminently readable volume. In their attempt to account for the growth and development of Basque entrepreneurship, the authors have provided a fresh portrait of the complexities of the evolution of Basque society during the early-modern period, full of insights which improve our knowledge of Basque history and justify reading the book.

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H. VAN DER WEE and M. VERBREYT, *A Small Nation in the Turmoil of the Second World War: Money, Finance and Occupation (Belgium, its Enemies, its Friends, 1939-1945)*, Louvain, University Press, 2009, pp. 494.

In 1975, Herman Van der Wee and Karel Tavernier ended their history of the National Bank of Belgium (hereafter NBB) on the eve of the second world war. Thirty-four years later, Professor Van der Wee – now with the help of Monique Verbreyt – returns to the issue at the same point he left it. This time,

¹ T. M. DEVINE, *Scotland's Empire, 1600-1805*, (Penguin, London, 2004).

however, the task is very different: as the authors themselves make clear in the Preface, “war, occupation and liberation are phenomena that have a very specific character”, posing “a great challenge” for historians. The result of such a demanding endeavour is an authoritative and fascinating fresco of the troubled vicissitudes of Belgium’s central bank in the maelstrom of the war.

The book is organised into twenty-seven chapters. Chapters 1-5 recount the hasty evacuation of the Belgian government on the eve of the German invasion of May 1940, first to France and then to London. According to law, the NBB was obliged to have its official headquarters in the same place as the government; however, after the capitulation of the Belgian army, Governor Janssen was authorised to bring the Bank’s registered office back to occupied territory – a move that would spark off harsh controversies between Brussels and London in the following years. Chapters 6-8 deal with the establishment of Belgium’s new administration under the German military rulers. During the NBB’s stay in France, a new issuing bank had been founded in Brussels – the *Banque d’Émission à Bruxelles*, whose capital had been supplied by Belgian private banks. After Janssen’s return, the newly-created bank retained central banking functions – except the direct printing of banknotes – and was soon integrated into the German-centred clearing system. The Belgian business elite facilitated this integration with the aim of helping the real economy end the state of paralysis into which it had fallen since the beginning of the conflict. However, as chapters 9-12 show, this “policy of accommodation” only partially led to the desired results. Domestic industrial production recovered thanks to foreign demand, but the Germans hindered imports of foodstuff and raw materials: as a result, the country began to accumulate huge surpluses within the clearing system. Chapters 13-15 examine the action of the Belgian government in exile. After Janssen’s death in June 1941, the Finance Minister in London refused to recognise the newly-appointed Governor and established the NBB’s registered office in unoccupied territory. Legally in charge of the substantial gold reserves deposited in Britain and in the United States, the NBB office in London was, in turn, asked to contribute to the war effort by lending gold to the Allies. Chapters 16-20 illustrate how the policy of accommodation envisaged by Belgian administrators became increasingly removed from reality during the years 1942-44: the country’s surpluses within the clearing system got bigger and bigger, but the *Banque d’Émission* could not resist German pressure to continue authorising transactions

– which was later seen as a contribution to the plundering of the national economy. Chapters 21-23 consider the part Belgium's exiled government played in designing the post-war institutional setting. Besides participating in the Bretton Woods conference, Belgian Ministers actively pursued the creation of the Benelux economic area – the ancestor of the European Economic Community. Chapters 24-27 cover the return of the government and the NBB to Brussels after the liberation in September 1944. The re-establishment of the NBB in its headquarters, the liquidation of the Banque d'Émission, as well as the monetary reform implemented by Minister Gutt are examined. Lastly, the Epilogue deals with a thorny matter: an assessment of the conduct of Belgian administrators during the Occupation. Although the authors acknowledge that many questions still remain unanswered, they conclude that, on the whole, the policy of accommodation succeeded in preserving the country from too heavy a burden – as proved by the fact that the gross per-capita levy imposed by the Germans was apparently lower in Belgium than in other occupied countries.

In line with the reviewer's competences, what follows does not tackle the question of the historical responsibilities of the advocates of the policy of accommodation, and focuses rather on more strictly economic and financial aspects. Among many others, this work has two great merits. At the "macro" level, it shows clearly the extreme complexity of the events which took place during the war years, both at a national and at international level: thanks to their mastery of an impressive amount of archival sources, the authors manage to take into account a wealth of different elements in order to explain the phenomena they analysed. At the "micro" level, the book enables the reader to appreciate the specific context in which its protagonists found themselves: it explains nicely their conflicts of interests and the dilemmas which a juridical framework, distorted and confused by war, presented to them, helping to understand the rationality of their decisions.

If some criticism must be levied, it could be pointed out that a number of intriguing aspects related to wartime central banking – such as the changes in the structure of the money market, the workings of domestic black markets, and the trends in the balance of payments – are often hinted at, but never actually investigated in depth. For instance, at the end of the book the reader is left with some unanswered questions concerning the actual wartime profits of bankers and industrialists – which nonetheless played a role in determining the policies

implemented by the Banque d'Émission, controlled by private banks. However, this is merely the observe of one of the work's great merits – its rigorous reliance on institutional archival sources. Moreover, this proves that the book has the potential to open new avenues for future research on many related subjects which fall beyond its scope.

Van der Wee and Verbreyt's monograph is undoubtedly a major contribution, providing an outstanding model for historians of complex issues such as war, occupation and liberation.

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