re-emergence of the City, for the gold market and moreover through the new euromarkets; even if this is now well understood, it is supplemented by this story of the role of BIS there; and the BIS played a key role in helping the British authorities during the sterling crisis in 1960-6 (pp. 64-168). Happily, these examples of reorientation towards banking balanced the loss of the *Reparations* mission in 1953 and the loss of the linked deposits in 1964.

The high quality of this book is complemented by sections which, in each chapter, provide statistics about the balance sheet, the operations and the profits of the BIS. Quantitative financial history might thus have been practised. One single piece of criticism lies with what Professor Yago calls a 'conclusion': the lightness of this ultimate text is disappointing, as some broader comparison of the BIS with other international institutions, discussions about the Swiss background of its activities, meditations about 'internationalised experts' could have covered two or three dozen pages, instead of these meagre conclusive remarks.

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Peter Temin and Hans-Joachim Voth, **Prometheus Shackled: Goldsmith Banks and England's Financial Revolution after 1700** (Oxford: Oxford University Press, 2013, 224 pp., ISBN 978-0-19-994427-9, £25.99)

This book on England's 'financial revolution' after 1700 and its effect on the 'industrial revolution' is the culmination of several earlier articles, published in various journals by its authors, Peter Temin and Hans-Joachim Voth. Their argument, foreshadowed in these articles but now given full force here, is that the slow speed of industrialisation in England during the eighteenth century was because entrepreneurs were starved of the credit they needed to operate, reflecting the operation of a highly efficient public debt that imposed its own priorities upon financial markets. Government borrowing did not crowd other potential investments out of the market, as other historians and economists have argued, but the government lowered the maximum legal rate of interest from 6 to 5 per cent in 1714 in order to reduce the amounts payable to those holding government debt. This change in the usury laws dissuaded banks or proto-venture capitalists from risky and speculative investments in industrial innovations that demanded a higher rate of interest to be profitable, especially because the Bubble Act of 1720 prohibited joint-stock companies that would have repaid investment in dividends on shares. This is grounded upon a detailed study of the lending profile of one London goldsmith bank, Hoare's & Co, between 1694 and 1724, supplemented by shorter studies of several others whose records do not survive in such profusion. Acknowledging that the London goldsmith bankers were not the first people that the burgeoning industrialists would have looked to for credit, and that they were only ever a minor element within the wider landscape of English finance in the eighteenth century, Temin and Voth argue that these banks are nevertheless an extremely sensitive indicator of wider problems within the economy. 'Just as canaries in coal mines signal the presence of toxic gas without causing it', they conclude, 'goldsmith banks reveal how new industrial firms were starved of resources without being the cause of the diversion' (p. 149).

Temin and Voth present a compelling case, and their study of Hoare's & Co has considerable merits, but there is also a case to be argued that this neat chain of cause and effect has several weak links. They acknowledge that their case studies may not be representative, but they nevertheless conclude that the consistent evidence of credit rationing by Hoare's and other goldsmith bankers after 1714 suggests that the problem was systemic and not specific. They also argue that loans allocations changed 'markedly and abruptly' (p. 87) after 1714 once the interest rate had been reduced by 1 per cent. Yet, as they acknowledge, Hoare's and other successful West End goldsmith-bankers pioneered and perfected a version of low-risk 'boring banking' that accounted for their survival and prosperity after 1720. As a result they were probably one of the financial institutions least likely to breach the usury laws in their own business in the early eighteenth century, or to invest in speculative ventures rather than government stock and blue-chip shares that offered low, legal and reliable returns. By contrast, goldsmith and scrivener bankers in the City of London and the provinces seem to have been more willing to lend to industrial entrepreneurs, though admittedly the existing literature on this subject is sparse and a great deal more remains to be done. Temin and Voth also chose to end their analysis of the bank's loan books in 1724, by which time the Industrial Revolution had barely begun to gather pace, and when the need for credit was correspondingly lower. It is a shame that they did not extend their study into the early nineteenth century, when the calls that industrialists made upon bankers were correspondingly greater, to see if even goldsmith bankers such as Hoare's altered their lending profile in response to growing demands for capital.

In their detailed study of lending between 1694 and 1724, Temin and Voth establish the social profile of borrowers, and demonstrate that the reduced profit margins created by the usury limits after 1714 forced Hoare's to ration their lending to those of greater social status, whose wealth provided greater security or collateral. Gender and social status, they argue, were 'the only two important determinants of access to credit' (pp. 86–7), supplemented after 1714 by a history of borrowing at Hoare's. Their survey identifies the 20 largest borrowers in any five-year period between 1695 and 1724, and seems to provide compelling evidence for their claims. They admit, though, that they were only able to identify 36 of the 103 borrowers in their sample: 'we surmise', they continue, 'that these unknown borrowers must have been prosperous members of the growing middling sort' (p. 79). Wanting more information on these borrowers, I examined the article on which this chapter was directly based (Temin and Voth 2008), which gives the names of these borrowers and marks those whom the authors had identified in 'standard sources' such as the

Oxford Dictionary of National Biography. This showed that a number of important names had been left unidentified. For example, although the Quaker merchant Edward Haistwell borrowed £1,500 in 1705–9 and is listed in the *DNB*, he is not identified because his name is misspelled as 'Haistnell' in their list. Streynsham Master, who borrowed £3,200 in 1700–4 but is listed here as 'Master Streynsham', was a tory figure familiar to historians of the East India Company. Numerous other examples could probably have been found by comparing the lists against other prosopographical resources, including numerous studies of London civic and mercantile life during this period or the recent *History of Parliament* volumes, as well as the abundant primary sources now available. Prosopography is of course an inexact science, and some difficulties of identification are to be expected. In fact, these examples all actually support Temin and Voth's surmise that the remaining borrowers were part of the gentry or prosperous mercantile classes. Yet by relying on a very limited range of 'standard sources' and using social status as a proxy for wealth and collateral, they appear to miss some of the subtleties that shaped the loans in Hoare's ledgers during this period, and which Anne Laurence has emphasised in her article on this topic (2008), which Temin and Voth do not cite here. Based on her study of the same ledgers, she notes the tory profile of many borrowers, and suggests that lending was guided by personal connections and political loyalties. Such factors were not unimportant. The tory politician Charles Caesar only appears once in their list, borrowing £8,011 in 1710–14, a transaction almost certainly related to his appointment as Treasurer of the Navy between 1711 and 1714. Hoare's no doubt calculated his credit with reference to factors such as his temporary access to large sums of public money and his standing with the new tory ministry (and thus his tenure in office), as well as his own personal wealth. The exclusion of tories from office and power by the whig ministry after 1714 might therefore account for the rather precipitous fall in lending observed by Temin and Voth, which seems out of proportion with a simple reduction of the legal rate of interest by 1 per cent.

Temin and Voth therefore present extremely interesting data concerning the activities of one goldsmith bank during the early eighteenth century, showing how it may have responded to wider changes in its immediate financial environment by altering its lending profile to manage risk. This has considerable implications for the history of business and commercial institutions. Their analysis of Hoare's investment strategies during the Bubble is convincing and an important contribution to the literature, which has paid too much attention to those who lost rather than those, such as Hoare's, who won. Their summaries of the economic and financial context of the 'financial revolution' and the South Sea Bubble are lucid and clear. By emphasising the role of government in forcing down interest rates on public debt after 1714, a factor that the existing historiography has not always stressed strongly enough, they firmly undercut North and Weingast's thesis concerning the growth of credible commitment in England after 1688. But their wider arguments concerning financial and industrial revolution are harder to accept. Their key example does not appear quite as representative of wider financial experience as could be wished. Not everyone was

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probably so scrupulous concerning the usury laws, while even goldsmith bankers took account of wider political and economic contexts when lending, and it would have been very useful to see how Hoare's altered (or not) the profile of their lending as the demand for industrial capital strengthened in the late eighteenth century.

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Hubert Bonin: **French Banks and the Greek 'Niche Market' mid-1880s–1950s** (Geneva: Librairie Droz, 2013)

This work about the Greek 'niche market' offers the opportunity to study the investment strategies of French banks in the Mediterranean. Of course the niche is a very small one, as Greece represented only 0.17 per cent of the world imports in 1913. Bonin is aware of this fact and emphasises that the Greek market is not of interest in its own right, but as a case study of the implementation of the niche strategies of French banks in general. The study region is not limited to the Greek state, the frontiers of which expanded during the period under examination, but extends to the whole of the Mediterranean where the Greek diaspora was active, including the Balkans, Asia Minor and Egypt, and regions which Greece 'was destined to acquire' (p. 355) like Salonika. The so-defined Greek market is assumed to have been seen as 'Eldorado' by French bankers since the mid nineteenth century (p. 42) in a phase of fast expansion of French financial interests in many parts of the world. The author shows little interest in foreign direct investment in the Greek economy. The investment projects of the Mines of Laurion, the Canal of Corinth or the Lake Copais Company are mentioned only very briefly. The same is true of the big infrastructural projects of the twentieth century like railway construction or the gas and water supply in Athens. The Greek state loans, many of which were issued also in Paris, are discussed in more detail. The role of the quartet Comptoir National d'escompte de Paris, Société Générale, Crédit Lyonnais and Paribas is analysed. Bonin's main focus, however, is on the Bank of Salonika (founded in 1888) and the Bank of Athens (1893), which became the 'godchildren' of the Société Général and Banque de l'Union Parisienne. Bonin describes the day-to-day activities of the two Mediterranean banks in great detail, using considerable material from French archives. He analyses their business investigating how far they were influenced by