

trained, informed, and trustworthy to carry out the audit of public expenditure. There is nothing on the parallel audit process that developed in the private sector, with the rise of large and complex companies, or the way the public audit developed in other countries. The government's audit service was a closed unit immune from competition from outside. It did not recruit professional accountants, with only two in the position of Comptroller and Auditor Generals having such a background. It preferred to train its own and to engage in a continuous battle with the Treasury for responsibility in monitoring public expenditure

Ronald Michie is an emeritus professor at Durham University and currently teaches at Newcastle University, England. His latest book is British Banking: Continuity and Change from 1694 to the Present (2016).

. . .

El Banco de Barcelona, 1874–1920: Decadencia y quiebra [Bank of Barcelona, 1874–1920: Decadence and bankruptcy]. *By Yolanda Blasco-Martel and Carles Sudrià i Triay.* Madrid: Marcial Pons Historia, 2016. 412 pp. Photographs, figures, tables, addendum, appendices, bibliography, index. Paperback, €30.00. ISBN: 978-84-15963-89-9.

doi:10.1017/S0007680517001532

Reviewed by Sergio Castellanos-Gamboa

This book is the final part of a bigger project that traces the evolution of the Banco de Barcelona, from its establishment in 1844 up to its failure in 1920. The project started with the unexpected discovery of the minutes from the bank's board of directors, board of governors, and general meetings of shareholders. The first part of the project, published in 2010, covered the period from 1844 to 1874 ("El Banco de Barcelona, 1844–1874: Historia de un banco emisor," Madrid, LID Editorial). Now, in this book, Yolanda Blasco-Martel and Carles Sudrià i Triay analyze the bank's demise, from the loss of its money-issuing privilege in 1874 until it stopped trading in 1920. An additional part of the larger project focuses on the last year of the crisis of the bank (Francesc Cabana, *La fallida del Banc de Barcelona, 1920: El fracàs financer de la burgesia catalana* [2007]).

To build a narrative of the last years of the bank, when it acted as a commercial bank as opposed to a note-issuing bank, the authors combine their archival sources with sources from the historical archives of the Banco de España, Arxiu Nacional de Catalunya (National Archives of Catalonia), and newspapers and other contemporary publications.

The main contributions of this volume to the financial, organizational, and business history literature are found in its building of a new set of data encompassing the bank's financial information, a set of brief biographies of the main actors (directors, governors, and a list of shareholders), and the mapping and analyzing of the bank's strategic and financial policies.

Decadencia y quiebra is divided into nine chapters in four parts. The first part analyzes the socioeconomic and legal environment in which the bank operated at the beginning of this period. The second part takes a closer look at the bank's internal organization, the board of directors and board of governors, shareholders, the evolution of its statutes, and its balance sheets. The third part focuses on the bank's operation, activities, and main transactions before 1914. The fourth and final part explains a series of attempts to restructure the bank (e.g., through mergers and acquisitions) and the effects of the outbreak of World War I.

It seems that Blasco and Sudrià were rather conservative in proposing a hypothesis to test for the failure of the bank and instead adopted a more descriptive narrative. Similarly to Manuel Girona (1817–1905), founder and director of the Banco de Barcelona from its establishment until his death, Blasco and Sudrià's main argument is that the bank's board of directors was too "conservative," risk averse in its credit policies, and unable to keep up with the pace of Catalonia's changing economic environment. It was only late in the bank's life (and well into the twentieth century) that the directors decided to increase its risk exposure, via a series of mergers and acquisitions of smaller banks (Vidal Quadras Hermanos and Caixa Valumara) rather than new credit advances. Nonetheless, these ended up compromising the Banco de Barcelona's solvency.

Additionally, Blasco and Sudrià offer biographies of some of the members of the board of directors and the board of governors. These biographies enable an understanding of the bank's connections and transactions with a number of companies, many of which were not in the industries driving the Second Industrial Revolution in other European countries. In this regard, it is quite intriguing that the minutes of meetings of the board of directors became more aggregated, more concise, and rather more obscure in the last decades of the bank. According to the authors, the directors even neglected the demands for change presented by the bank's board of directors and main shareholders.

The demise of the Banco de Barcelona effectively began when the Banco de Terrassa failed in 1920, unleashing an unexpected loss of confidence within the Catalanian financial system. The Banco de Barcelona had just acquired the Sociedad Crédito Mercantil, thereby increasing its

exchange-rate risk exposure. As a result, it suffered a bank run and had to resort, like many other Catalonian banks, to the aid of the Banco de España to maintain its solvency. The Banco de España acted as lender of last resort for the Catalonian financial system under the instruction of the Spanish Treasury. Nonetheless, because the Banco de España was still a private commercial bank, it stopped the flow of funds to the Banco de Barcelona when the latter's risk exposure was considered too high. Consequently, the Banco de Barcelona had to close its doors and declare the suspension of payments on December 27, 1920.

On balance, Blasco and Sudrià's book contributes to a better understanding of the development of the Spanish and Catalonian financial systems. It is written in such a way that requires no previous knowledge of Spanish economic and social history, and therefore could be of interest to an audience beyond business historians. It also builds a new set of information that can potentially be used in future research to further study the role of central banks. The Banco de Barcelona, initially a note-issuing bank, saw its demise in a period when the monopoly of money issuing was given to the Banco de España, an institution that was still a commercial bank, was not in charge of setting the monetary policy, and was not independent from the central government. One important caveat is that the book is currently available only in Spanish, considerably reducing the potential audience that it could and should reach.

Sergio Castellanos-Gamboa is a PhD candidate in banking and finance at Bangor University, United Kingdom. His research focuses on the evolution of consumer credit in Britain in the second half of the twentieth century and its effects on the economy, British households, and monetary policy.

. . .

Ethical Capitalism: Shibusawa Eiichi and Business Leadership in Global Perspective. *Edited by Patrick Fridenson and Kikkawa Takeo.* Toronto: University of Toronto Press, 2017. xvi + 273 pp. Notes, bibliography, tables. Cloth, \$55.00. ISBN: 978-1-4875-0106-8.

doi:10.1017/S0007680517001544

Reviewed by Timothy Yang

Is there room for ethics in capitalism? Does social responsibility make economic sense? In a timely, thought-provoking, and multifaceted volume, Patrick Fridenson and Kikkawa Takeo bring together the work of eight eminent scholars (themselves included) from Europe, Japan, and the United States to answer these questions. Sponsored by the