place between communities of the Europeans, the trade in goods in Africa remained in the hands of the Africans. Africans had an active role in African trade and nearly all European activity in the West African littoral was a result of negotiations with local African authorities.

During the seventeenth century European-African relations are grouped by Eltis according as to whether or not the Europeans occupied territory. There were three regions, Senegambia, the Gold Coast and Portuguese Angola, where Europeans had at least some territorial presence. Strong links developed between particular ports in Europe and particular coastal regions in Africa. Personal contacts maintained over the years came to form the basis of Afro-European business relationships. The forms of African resistance were known to Europeans, and respect for African power was recognised even by the British government but physical violence was never distant in trade relations.

Eltis uses a comparative perspective when he deals with the English plantation system in America and the Caribbean. Barbados was the richest English colony well into the eighteenth century, and it was the base for military and colonising ventures to the rest of the Caribbean. The first bank in English America opened in Barbados, though only for a short period. The exports of Barbados sugar increased by 40 per cent between the mid-1660s and 1700s. The Barbadian planters' basic strategy was to diversify the product they exported and one of their innovations was the marketing of sugar by-products.

Why English planters were so successful in the Caribbean is a complex question. Compared to the Dutch who preferred the trade in commodities, especially the gold trade, Eltis says, the English switched to predominantly slave trading earlier (in the 1670s or 1680s) than did the others. Moreover, there was a decrease in English emigration after 1660, and as earlier mentioned, there were links between the evolution of free labour and the tight control of slaves. What Eltis stresses is the cultural point of view: the English had a highly developed sense of separateness from non-Europeans.

There were many differences between the nature of European and African self-identification. At the beginning of the slave trade, Europeans defined as an insider anyone brought up as European. Europeans had a conception of self that included some sense of Europe as a defining entity. Eltis argues that African identities did not assume a subcontinental scope until the twentieth century. The early increasing African awareness of European activities and attitudes helped African resistance, which even produced some successful slave-ship revolts.

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***Howard Bodenhorn**, A History of Banking in Antebellum America: Financial Markets and Economic Development in an Era of Nation-Building,* Cambridge: Cambridge University Press 2000. 260 p. ISBN 0 521 66999 5.

This book deals with the important role of capital markets in the promotion of industrialization in the Antebellum (pre-Civil War) United States. The underlying theme is that these markets were more important than has generally been believed by modern researchers. Although the author, Howard Bodenhorn, is strongly attached to the traditional North American financial historiography of Raymond Goldsmith, Lance Davis and Richard Sylla, he establishes his own analytical framework by moving the time period further back to the early nineteenth century. Bodenhorn's prime achievement is an impressive collection of a rich set of data at both micro and macro levels, and this deserves a lot of academic attention. For the European reader, however, the absence of comparisons with the vast findings in European financial history is both puzzling and disappointing, especially since such efforts would have expanded both the use and the scientific value of the work.

The chapters in the book were originally published as journal articles, one new chapter offering a unifying framework. All the chapters deal with financial services in the pre-civil war US, specifically focusing on how they affected economic development, integration and the convergence of regional credit markets and the financing of entrepreneurship. In the first study, Bodenhorn explores whether financial development has any bearing on per capita income growth, using new financial state-level statistics. He finds that the initial level of financial development is positively related to subsequent economic development. The main banking functions behind this result are the monetization of the economy and the intermediation of deposits over to capital-demanding sectors in business life. Another of Bodenhorn's findings is that the antebellum capital market was far more integrated, at least regionally, than has been previously assumed, at least regionally. He measures the interest-rate correlations and differentials of bills of exchange across different states, and comes to the major conclusion that the pre-civil war American capital market was as integrated as it was after the war, at least until World War I.

At the micro banking level, Bodenhorn uses the archives of four banking firms active in New York, Tennessee, Virginia and South Carolina. His prime aim is to get a picture of how these banks expanded credit, who they lended to and the conditions these credits were granted against. One drawback of this study is the problem of making inference from a sample of only four banking firms drawn from a population of more than a thousand firms. Bodenhorn is well aware of these underlying statistical difficulties and discusses them extensively, but he nevertheless believes that his findings represent question marks on the view that bankers mainly pursued 'inside lending' to people they knew personally. Instead, bankers seemed to have generally channeled funds to merchant entrepreneurs within a region who offered the most profitable business prospects and reliable repayment arrangements. Bodenhorn interprets these findings as that bankers mainly conducted an economically-defensible credit policy aimed at minimizing risks and maximizing profits, admitting that personal connections existed since the bankers themselves had often been previously merchants.

Summing up the impressions of the book, it clearly represents a valuable collection of studies of how financial services worked in past times and how banks mattered for the growth of industrializing economies. From a practical research point of view, by integrating economic theory with statistical and classical historical methods, the book offers a useful benchmark for all scholars in the field of financial history. It contains a high-level reading of the banking literature, while offering practical testing procedures on clearly described data.

For a Scandinavian reference especially, Bodenhorn's book gives several hints on new research topics. For example, to determine how and when the Scandinavian credit markets became integrated (both nationally and between the individual countries), how this mattered to economic growth and in what way country-specific institutional settings might have affected such a development. The data situation is probably not difficult in any of the Nordic countries, and by simultaneously comparing them to the US results would allow for an overall improvement of methods and theories used, as well as integrate the international research agenda on this field. Most importantly, we would substantially enhance our understanding of how historical capital markets have mattered to economic and institutional development.

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