Banking in Crisis: The Rise and Fall of British Banking Stability, 1800 to the Present (Cambridge Studies in Economic History - Second Series). By John D. Turner. Cambridge: Cambridge University Press, 2014. $20.51, paper.
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John D. Turner, who has written extensively about British and Irish financial history, here provides us with a carefully documented and thought provoking history of financial stability in Britain.

There have been, by Turner's reckoning, only two major banking crises in Britain: 1825–1826 and 2007–2008. What explains the long period of stability between these crises? For the period from 1825 to WWII, Turner points to the removal of constraints on branching that made for bigger, stronger banks, and eventually a stable oligopoly. But he gives the most credit to the extended liability of shareholders. Extended liability took several forms over the years, which Turner explains in detail in Chapter 5, one of the most interesting in the book. The argument is simply that the system was stable because shareholders had a substantial amount of "skin in the game."

Until 1878, the rule for most British banks was unlimited joint and several liability: if a bank failed, the shareholders were liable to the extent of their wealth. If one shareholder was bankrupt, the remaining debts of the bank fell to the other shareholders. But when the City of Glasgow Bank failed in 1878 the papers were filled with stories about shareholders, some of modest means, whose wealth had been wiped out. In reaction, unlimited liability was replaced by limited but extended liability, the latter analogous to the double liability of American National banks. Turner is skeptical about some of the claims of suffering caused by the City of Glasgow failure, and he views the response as an overreaction.

While Turner makes a strong case for the importance of extended liability I have to admit that I was uneasy about his willingness to downplay other factors. The role of the Bank of England as lender of last resort has often been cited as a source of stability—Bagehot and all that—but Turner does not award the Bank much credit. To be sure, in Chapter 6 he provides detailed accounts of the Bank's lender of last resort operations. Particularly interesting are his accounts, based on research in the Bank of England's archives, of the creation of a guarantee fund for Barings in 1890 and of the rescue of the Yorkshire Penny Bank in 1911.

What explains the stability of British banking after extended liability had been eliminated? In the early postwar years, British banks were safe because they were invested mainly in government bonds, a start on 100 percent reserve banking. Turner refers to this era as one of financial repression because the banks were pressured to hold government debt by the Treasury and Bank of England. But in the 1970s financial repression ended. The ratio of government debt to GDP fell, and British banks needed to respond to competition from savings banks and foreign banks. It was not until 1979 that formal regulation of the banking system began. But that regulation, based on successive Basel Accords, as Turner explains, was unable to prevent the banks from going overboard on risky investments.

To his credit, Turner ends his book by explicitly summarizing the conclusions that he draws from history. To achieve financial stability Turner would resurrect extended liability of shareholders complete with wealth qualifications for owners. I have to admit that while I was persuaded that this would make for greater safety, I was not convinced that it would be sufficient to do the trick. It makes sense that in some cases shareholders would blow the whistle on imprudent banking, but in others, as Turner's evidence on the City of Glasgow Bank shows, shareholders may miss the signs of imprudent banking or, I suspect, might be swept away by the same enthusiasms as managers. What looks like foolishness in hindsight may have often looked like financial genius before the crash. But whether or not one accepts his policy conclusions it is clear that Turner has written a timely and admirable book, one that belongs on the shelf (or in the Kindle) of all financial historians, and all policymakers involved in formulating regulations for financial institutions.

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Custom and Commercialisation in English Rural Society: Revisiting Tawney and Postan. Edited by J. P. Bowen and A. T. Brown. Hatfield: University of Hertfordshire Press, 2016. Pp. xiv, 310. $37.95, paper.
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This book contains 11 essays all responding to the legacies of R. H. Tawney (1880–1962) and his student Michael Postan (1899–1981), leading scholars in the fields of early modern and medieval economic and social history, and early editors of the *Economic History Review*. In an excellent introduction the editors pay close attention to the meanings of the words "custom" and "commercialization" and briefly survey trends and findings in recent research on English agrarian history. Tawney was interested in crisis and response, through human agency, in relations between lords and tenants in early modern England. Postan focused on demography and statistical information illuminating the rise and decline of serfdom in medieval England. Both men were wide-ranging scholars who wrote on many topics, and they were committed to a style of economic history inseparable from social history.

In his lecture series on medieval English economic history, which Postan shared with Edward Miller, this reviewer heard him introduce the subject on 17 October 1974 by advising students to learn how to "eat the heart out of a book without reading it." Given the high entry costs to the astonishingly rich and complex scholarship on English agricultural history, this comment was a big relief, but hardly suitable to the ostensible duties of a book reviewer. Christopher Dyer in his framing essay on their legacies feared that Tawney and Postan were not often read now, and that their reputations endured at second-hand. Dyer saw in Tawney the committed Christian socialist who brought to economic history a moral component imbedded in spiritual values. Postan liked big data and used it to study change over time, as in his famous work on the chronology of labor services, which he wished in another lecture that he had labelled "nff" (not for fools). This 1937 essay, not cited in this volume or included in the long bibliography, required an ability to understand tables and graphs too often lacking, along with even a rudimentary knowledge of economics, among his contemporaries. The contributors to this volume show no interest in econometrics and present their statistical findings in tables and figures uninfluenced by advances made over the last 50 years in presenting data.

The contributors set themselves the tasks of reuniting social and economic history, and extending the work of Tawney and Postan beyond the regions of England they