

Christopher Kobrak and Joe Martin, *From Wall Street to Bay Street: The Origins and Evolution of American and Canadian Finance* (Toronto: University of Toronto Press, 2018. Pp. 416. ISBN 9781442648210 Hbk. \$67.50)

Chris Kobrak died in early 2017 and is much missed, especially in the business history community where he was particularly active, for both the breadth and depth of his scholarship and his generous spirit. He left a number of unfinished projects, including this book, a product of his joint teaching with his co-author Joe Martin, his good friend and colleague at the University of Toronto. It is a fine tribute to their collaboration.

The objectives of the book are broad: to ‘contribute to a better understanding of ongoing relations between the United States and Canada: how differences and similarities affected their economic successes and failures, and how the interaction of the two countries, especially in the realm of finance, affected their respective development’ (p. 5). It therefore reflects Kobrak’s tradition of writing, placing business and financial history in the wider context of economic, political and social developments.

The book is ambitious in time span and coverage. The authors do not limit themselves to banking, or other aspects of finance such as insurance or investment, but examine finance more broadly, embracing legal and regulatory frameworks, the financial infrastructure of stock markets, clearing houses, corporate governance, the professions, and gatekeepers. They aim to appeal to the general reader rather than financial and economic historians already familiar with the literature on financial development and more specialised literature on, for example, the differences between the US and Canadian banking systems (see in this journal: Michael Bordo, Angela Redish and Hugh Rockoff, ‘Why didn’t Canada have a banking crisis in 2008 (or in 1930, or in 1907, or ...)?’ , 68 (2015), pp. 218-43).

A short introduction addresses the book’s challenge, parameters, structure and approach. Six chronological chapters follow, with 40 pages taking the reader to the US Civil War, nearly 40 pages on the decade around the Civil War, 60 pages covering 1869-1914, 40 on 1914-45, 70 on 1945 to 2000, and a shorter concluding chapter. About 20 pages of data are presented straightforwardly in charts relating to each chapter. The notes, bibliography and index account for around a quarter of the page count.

The authors argue that Canada and the US evolved distinctive institutional frameworks heavily influenced by their internal tensions. For Canada the most important was the divide between French and English speakers. But Canada was unencumbered by one powerful factor shaping the US financial system, the influence of slavery which created a divide between slave and non-slave states. The US’s escape from British colonial influence was much earlier and fuller. There were shared influences too, such as western expansion in these vast countries, including the development and financing of the railroads. The two countries’ economic and financial progress was linked but not completely synchronized. This was attributable in large part to Canada’s greater reliance on agriculture and natural resources, with the result that it fared worse than the US on some measures after World War One and during the Great Depression and the 1980s. Indeed, both world wars strengthened the US’s relative financial position, not only in relation to its northern neighbour.

The US was ahead of Canada in some respects, for example, in the establishment of a central bank and deposit insurance. But for all the power of some US financial regulators, the fragmentation of regulation between the states and the federal government has consistently

contributed to weaknesses in the US financial system. The origins of this fragmentation were in the fledgling republic's antipathy to centralization, and were manifested most obviously in the long-standing prevalence of unit banking and restrictions on interstate banking.

The authors are clear that US financiers' greater willingness to embrace innovation has frequently proved a mixed blessing: for instance, 'Much of the innovation and dynamic growth in the United States was purchased with no regard for existing risks and even with the addition of some new ones' (p. 259). Both countries experienced significant financial deregulation in the 1980s and 1990s, but Canada largely avoided the excesses arising from extensive use of securitization and derivatives, as well as in the longer run the US's episodes of governance-related corporate scandals.

Overall, this book achieves its objective of providing a history for the general reader. The authors are particularly effective in conveying a sense of US exceptionalism, notably in housing finance, and not only by comparison to Canada. Although the specialist historian may prefer to go to the authors' source material and the wider literature, Kobrak and Martin have provided an admirably accessible but rigorous overview which extends beyond finance into the broader economic and political histories of these two countries.

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