

the linkages it forms between European markets and Indian productive labor. Fur trade studies since the 1970s have made great contributions to ethnic and native history. As valuable as this research has been, academic interest in ethnic locale and prescribed regions in North America has arguably diverted attention from other key matters. Early fur trade scholars such as Harold Innis never lost sight of the staples, investments, and terms of trade between Europe and America in the fur trade. Now, with globalization and integrated markets so relevant to scholars of many disciplines, *Commerce by a Frozen Sea* is timely, indeed, providing an optic on an early economic activity beyond borders and the intercultural exchange that early overseas trade initiated.

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Clash of Extremes: The Economic Origins of the Civil War. By Marc Egnal. New York: Hill and Wang, 2009. Pp. xiii, 416. \$30.00, cloth; \$21.90, paper.
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In the preface of *Clash of Extremes*, Marc Egnal observes that one “would think that after all these years historians would agree on why the country came to blows. . . . But they do not” (p. 3). Egnal wastes no time informing the reader that he has a straightforward answer: “the evolution of the Northern and Southern economies,” he explains, “more than any other factor, explains the conflict” (p. 17). This is hardly a novel approach. More than three-quarters of a century ago, Charles and Mary Beard made a similar claim when they asserted that the war was an “irrepressible conflict” that produced a “Second American Revolution” (*The Rise of American Civilization*. New York: Macmillan, 1927). In an earlier article, Egnal laid the groundwork for the present work by admitting that he agreed with the Beards “in spirit if not in detail” (“The Beards Were Right!” *Civil War History* 47, no. 1 [March 2001]: 30–56).

So is this new articulation of economics and the Civil War simply a case of old wine in a new bottle? If it is, the new vintage seems well worth the effort to taste it. *Clash of Extremes* is a masterly narrative that blends economic and political analysis—complete with easy-to-read statistical tables and digital maps—with commentaries on the lives and words of individual actors that make the tumultuous history of this period come alive. Even though we know how the story ends, hearing the voices of the men and women who struggled with the growing escalation of regional tensions creates an intellectual excitement that any student of the period can appreciate. *Clash of Extremes* is a valuable contribution to the debates over the American Civil War. The only thing that puzzles me is the author’s steadfast insistence throughout the book that economics, not slavery, was the main cause of the war. Despite the revisionist tone of his arguments, the book’s narrative and analysis both seem to fit rather nicely with explanations offered by writers who stress that slavery was the primary issue that led to war.

In the vast literature on the Civil War, one can discern three grand themes which consistently appear as major explanatory factors to the events leading up to and through the breakup of the American Union: race, slavery, and the economy. No one seriously doubts that all three of these factors played an important role bringing about the war. The issue between various interpretations revolves around *which* of the causes was *most important*. Egnal and I can agree that race, while a powerful determinant of why Americans were willing to accept slavery as an institution, cannot satisfactorily explain why white Southern and white Northern Americans would fight a very bitter

war to eliminate black slavery. While I am sympathetic to Egnal's claims that "an emphasis on slavery as the cause of the Civil War is fraught with problems" (p. 7), I worry that in his eagerness to discard slavery and reestablish economics as the cause of the war, he has thrown out the baby with the bath water.

Egnal's treatment of the slavery controversy in the South illustrates the difficulty of trying to be too specific about what "caused" sectional conflict. He concedes that the infamous "states' rights" doctrine invoked by Southern politicians was nothing more than a thinly veiled defense of their "peculiar institution." He then goes to some length to examine the depth of economic and social divisions within the South. Yet, throughout his discussion it is hard to escape the persistent references to the multitude of ways that the effects of slavery entered the debates. I was reminded of William Cooper's observation that "any political party that hoped to flourish in the South had to convince Southerners that it could protect slavery" (*The South and the Politics of Slavery: 1826-1856*, Baton Rouge: Louisiana State University Press, 1978, p. 170). Simply put, the protection of the slave property right, which accounted for \$3 billion in 1860, trumped any other issues or actions in the Southern states. While protecting property might seem on the face of it to be an "economic" issue, the problem was how to deal with the institution of slavery.

The South is only half the answer; it takes two parties to have a war. I find Egnal's revision of Beards' argument that the evolution of the Northern economy was the main reason why North and South could not peaceably coexist to be a substantial improvement of the original. Egnal points out that before 1850 national politics were "the cement of the union." However, the Compromise of 1850 "was the last hurrah for the Second Party System, which had emerged in the 1820s" (p. 21). The rapid economic expansion of the area bordering the Great Lakes led to a powerful political and economic alliance between the industrial sections of the Northeast and the commercial agriculture of what Egnal calls "the Lakes Economy" the west. Looking at the politics of the North, it was this joining of political and economic interests, not the issue of slavery that led to the rise of the Republican Party—a powerful political force that would eventually play a pivotal role in the collapse of national political parties and the move towards secession. Slavery, notes Egnal, was a divisive issue that all of the political parties carefully avoided. As well they might; there seemed little profit in taking a strong stand on slavery in the mid-1850s. All that changed with the Kansas-Nebraska Bill and the Lincoln-Douglas Debates. Suddenly, the Republicans saw the opportunity to make the expansion of slavery once again a cutting issue. Reading the accounts of the Kansas crisis in *Clash of Extremes* strongly reinforced my belief that slavery was the one problem that simply defied resolution. It was a hugely divisive moral and economic issue in 1790, and it was still hugely divisive in 1860 in spite of numerous attempts to resolve the disputes.

There has always been an ample supply of "causes" for the Civil War. The question remains, why did people on both sides of the Ohio River in 1861 choose war as the only way to resolve the sectional differences? In the South, the answer appears to be that secession was seen as the only course of action that would safeguard slave assets which in 1860 amounted to roughly 50 percent of all assets in the cotton states, and 15 percent of all assets in the entire United States. For the North, the answer is less obvious, but one conjecture is that the huge rents associated with the slave property rights effectively blocked consideration any political program for ridding the country from slavery in the United States before 1861. Indeed, it was not until *after* the war began that Abraham Lincoln was able to finally convince the Northern electorate that emancipation was an important aim of the war. One of the great pities of the war was

that he did not live to see that dream realized when the Thirteenth Amendment was ratified after his assassination.

So what “caused” the Civil War? To paraphrase my father’s favorite saying about the importance of money: “slavery may not have been the only cause of the Civil War—but it was way, way, ahead of whatever was in second place.”

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The Big Ditch: How America Took, Built, Ran, and Ultimately Gave Away the Panama Canal. By Noel Maurer and Carlos Yu. Princeton, NJ: Princeton University Press, 2011. Pp. xiii, 420. \$35.00, cloth.
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Noel Maurer and Carlos Yu provide a rich and remarkably entertaining historical account of the United States role in the history of Panama and the Panama Canal. The substantive contribution of the book lies, however, in its thorough interpretation and analysis. A combination of counterfactual analysis *a la* Fogel, multifaceted data, and clever narrative intertwine in the book. The authors offer compelling and systematic analyses of the intended and unintended costs and benefits of the Panama Canal as an infrastructure project and as an exercise of imperialism by the United States. The latter was able to leverage its coercive and economic power to make imperialism pay in Panama.

They begin with a brief detour analyzing the pre-Panama Canal historical alternatives to the problem of interoceanic transport: the construction of a sixteenth-century road by the Spanish and of the mid-eighteenth century Panama Railroad under the auspices of New York investors. They thereby set the stage for the issues that replay themselves in the canal’s history. First, specific geopolitical events (e.g., the Mexican-American War) and political actors played a key role in the ongoing negotiation of foreign intervention. Second, maintaining a labor force in a tropical, disease-ridden region was a challenge. Last, technological changes (the transcontinental rail system, larger vessels) and economic turns led to the appearance of alternative routes and modes of transportation.

Chapters 3 and 4 focus on the painstaking processes of negotiating the terms of, and building, the canal. In Chapter 3, via a detailed narrative and comparison of the alternative proposals on the table before the final treaty was secured by the United States, the authors provide an original estimate of the quantitative effect of leveraging coercion into bargaining power: they estimate that “American coercive diplomacy under Theodore Roosevelt extracted as much as 1.6 times Panama’s estimated annual GDP” (p. 92). Chapter 4 recounts the American effort to build the Panama Canal that began in 1904, cost twice its initial estimate, and was finished a decade late.

Does imperialism pay? Maurer and Yu are at their best with their counterfactual analysis in Chapter 5. They provide estimates for the social savings and the regional and distributional effects to the world and the United States, and of the social rate of return during the canal’s first fifteen years of full operation. A fall in transportation costs generated the larger share of social savings, the majority of which was captured by the United States through its intercoastal traffic. The social savings justify the canal’s high cost, even accounting for defense costs. However, relative to other infrastructure projects, the Panama Canal was not transformative for the American or the global economy, but “merely very useful” (p. 315). Chapter 7 extends the analysis to the postwar period showing that the social savings generated dropped. Despite this loss, it