

Banques locales et banques régionales en Europe au XXe siècle [Local and regional banks in Europe in the twentieth century]. *Edited by Michel Lescure and Alain Plessis*. Paris: Albin Michel, 2004. 430 pp. Tables, figures, notes, index. Paper, €25.00. ISBN: 2-226-14249-5.

Reviewed by Martin Horn

Retrospectively the history of twentieth-century European banking can be seen as the triumph of size and concentration over a more pluralistic, less centralized model. In this light, examining the role of local and regional banks is a difficult proposition. Their numbers and importance diminished across the century, reducing their interest to historians. While acknowledging this state of affairs, Alain Plessis and Michel Lescure, the coeditors of this collection of essays, aim to bring the study of local and regional banks back into the historiographical mainstream. Their objectives are twin: first, to define, delineate, and explain the varying fortunes of local and regional banks; and second, to probe the relationship between local and regional banks and economic development.

To do so, the editors have assembled a collection of fourteen essays distributed into three sections. In Section One there are five surveys, covering Germany (Gerd Hardach), England (Francesca Carnevali), Belgium (Ginette Kurgan-Van Hentenryk and Samuel Tilman), Italy (Giuseppe Conti and Giovanni Ferri), and Switzerland (Philippe Marguerat). The editors do not disclose why these particular countries were chosen. Certainly by 1920 in England, as Carnevali points out, five banks controlled 80 percent of English banking deposits, making a discussion of local and regional banking in the twentieth century an uphill task. The remaining nine papers in Sections Two and Three deal with France. Section Two is billed (somewhat misleadingly) as general developments in local and regional banking. Of the five essays, four (Balaji Ambigapathy on the rivalry between deposit banks and provincial banks from 1918 to 1930, Michel Lescure on the banking crisis of the 1930s, André Straus on regional banks and their response to the challenges of the interwar period, and Alain Plessis on local and popular banks during the

interwar years) do not venture beyond the period *entre deux guerres*, while the fifth essay by Michel Margairaz, which addresses the ties between the monetary authorities and local and regional banks, covers the 1940s. This concentration on the interwar years extends into Section Three, where two out of the four contributions, by Hervé Joly on local banks and Lyon business and by Christophe Lastécouères on Aquitaine banks, are wholly or mainly concerned with the interwar years. The reader might assume from the foregoing that French banking was cast into its subsequent mold during the interwar period, though this conclusion is denied sensibly by Lescure in his closing remarks. Case studies constitute Section Three, with contributions by Sabine Effosse on the Crédit du Nord and Hubert Bonin on the regional Alsatian bank Sogenal joining the papers by Joly and Lastécouères. Effosse's essay furnishes a welcome foray into the post-1945 world, while Bonin's paper is the only one on France to adopt a broad chronological sweep, tracing Sogenal's fortunes from 1881 to 2001.

Explaining the varying fortunes of local and regional banks is not a straightforward task. Thus Hardach notes that in Germany, while the nonexpert tends to think of German banking as dominated by the so-called D banks, the reality is that German banking, then and now, is split between a limited number of large, powerful banks, which have displaced regional rivals, and saving banks and cooperatives, which continue to exist in the thousands, catering to local needs much as they have since the turn of the century. What has altered is the form of the institutions serving the local market, as private banks have largely disappeared and are replaced by public or quasi-public institutions. Likewise in Italy, Conti and Ferri observe that the fundamentals of the Italian banking system have not changed appreciably across the century, as local and regional banks continue to be an integral part of the banking system. The French case, as various essays make clear, is again distinct in that the interwar years witness a significant reduction in the numbers of local and regional banks. Even here, however, as Lescure notes in his contribution, it was specialist Parisian banking houses, rather than local and regional banks, that suffered most grievously from failures. Some local and regional banks survived by specialization, others by the strength of their community

roots and reputation. It is evident that choices made by local and regional banks in terms of strategy and direction were critical in their survival, for, as several of the papers show, there was not necessarily a link between the economic prosperity of a given region and the survival or failure of its banks.

This point gives rise to a long-standing issue in economic history—to what degree does the relationship between banks and industry shape economic development? Here, given the current state of knowledge, an appropriately cautious verdict is rendered. In some countries or regions, the disappearance or weakening of local institutions may have lessened the pace of growth, even in certain cases promoting deindustrialization, as occurred in England. The unwillingness or inability of big banks to foster a supportive relationship with small and medium-sized enterprises partially explains this outcome. However, the parochialism of the local bank could in and of itself act as a brake on growth, as Marguerat comments in observing the slow response of the Swiss watch-making industry to American and Japanese competition. What we are left with is the necessity of situating judgments carefully in the context of locality, region, circumstance, and time, rather than attempting a blanket assessment.

This approach is a valuable one for historians to assimilate and perhaps should have been stressed more by Plessis and Lescure in their brief general introduction and conclusion. The reader is left wishing that more of an effort had been made to bring the strands together. How useful this collection will be for historians depends on their needs—those expecting a concise, evenhanded treatment of European developments will have to look elsewhere. Those whose interest focuses on France are best served, though even here some readers might find the emphasis on the interwar years overdone. In fairness, it is too much to expect that one set of collected essays could traverse such a yawning gap as presently exists in the history of European local and regional banking. To their credit, the editors and the contributors understand this and have made a welcome start on bridging it.

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