

Gál, Z.: The Golden Age of Local Banking. The Hungarian Banking Network in the Early 20th Century. Gondolat Kiadó, 2010. Budapest, 199 p

Though this book was issued in 2010, the review is being published only in the end of 2011. This delay, however, does not lessen the actuality of the book. On the contrary, this way Viktor ORBÁN, the prime minister of Hungary and Jean-Claude TRICHET, the president of the European Central Bank can also contribute to the review. If you would like to know, please read the review.

In our age economic strength responsible for social, urban and regional development is expressed in the condition of all services, referred to as the third (tertiary) sector of economy. The stronger the tertiary is the more powerful the economy stands. And the cream of the tertiary services is the banking that yields the greatest profit with the least investment. The American Historical Geography School found that the features of the urban network are in strong correlation with the spatial structure of the banking system.

Zoltán GÁL examines in this book the impact of the Hungarian banking system on regional and urban development in the early 20th century, when local banks were already important territorial elements of the financial space developing close links to regional economic structures. Why can a Hungarian topic be interesting to others than Hungarians?

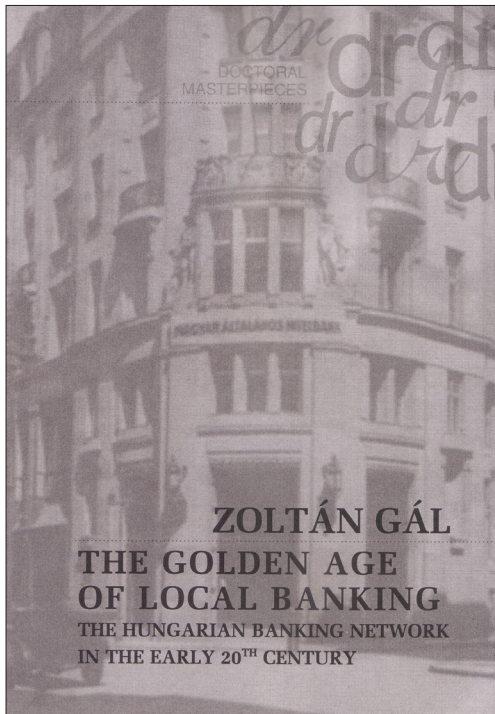
First, this book opens a window on the past of Central European provincial banks. We are reminded to the fascinating world of the provincial elites we have forgotten. By combining quantitative analysis of financial stocks and flows with original insights into the relationships between financial development and urban development, we witness a

creative marriage of financial geography and financial history.

The book's theme resonates with particular significance in the context of the ongoing financial crisis, which has demonstrated what happens when banks indulge indiscriminately in globalization and innovation, neglecting local knowledge, local responsibilities and local innovations.

Second, the author has found new and original methods to exploit the data, which remained after the provincial banks disappeared. He offers a set of highly innovative approaches to important issues regarding the economic history of a Central European country, in fact including the present Slovakia, parts of Romania, Serbia and Ukraine, including the role of financial intermediaries in urban development, the hierarchy of financial centers and economic disparities within this Euro Region.

Jean-Claude TRICHET, the president of the European Central Bank stated on 4th October 2011 that our ongoing



financial crisis resembles to the global financial breakdown of 1929 in many aspects, though governments intervene more successfully than at that time. What can be the reason for it? They must be using the support of local expertise of a long history. This is what this book concentrates on: finding the roots of local banking expertise.

Viktor ORBÁN, the prime minister of Hungary said during his visit in Saudi Arabia on 4th October that one of the ways leading out of the worldwide banking crisis is hidden in the sleeping economic potentials of the Central European countries. These economic potentials must include the top ranking branch of the tertiary sector i.e. finance on the local and not global level.

The nature, the root and the history of local banking of the Central European region are important to know once financial, economic and regional reshaping is demanded and called for. Now, a large part of the Central European land used to belong to the historical Hungarian state, the territory of which is examined in the book of Zoltán GÁL.

These are the reasons which make his book an interesting, timely and topical issue in our days for not only Hungarian geographers and economists, but for everyone being interested in the financial and economic reconstruction of the Central European region, what is more in overcoming the global financial crisis. Thus the laziness of the reviewer is rewarded by the increasing actuality and timeliness of this volume that has been published in the doctoral masterpieces series.

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