Although international finance and banking has been the subject of research and writing, the economic impact of banks on industrial structures and the relations between banking and industry in the twentieth century has remained a relatively unexplored area. This volume examines and interprets the economic effect of the financing of industry by banks and of the banks’ credit intermediation in industrialized economies. Particular attention is given to the interplay of economics and politics, to the connections between bankers and industrialists, and to the significance of interlocking directorships. A special section is devoted to a hitherto wholly neglected problem in economic history: the vital influence of universal banking in small but highly industrialized countries in Central Europe and Scandinavia.
The role of banks in the interwar economy
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The role of banks in the interwar economy

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Preface

The editors present this volume as a contribution to the Tenth International Economic History Congress which was held in Leuven, Belgium, in August 1990. The articles contained in it were devoted to Session C44 on 'The Role of Banks in the Interwar Economy'.

From the very start of our preparations of the Session, which began in 1987, our main objective has been to focus attention on a largely neglected field of research in economic and business history of the interwar period, that of mutual ties between banking, industry and the state in different countries in the context of the broader relationships between economics and politics. It has further been our aim to draw upon empirical work and, wherever source material allowed, to apply comparative and quantitative methods. We are happy that these objectives could be met satisfactorily, in general, because the authors agreed to produce papers emanating from their research and, in particular, that the contributions dealing with the Central European and Scandinavian countries offer certain findings of a research project in progress, conducted within the framework of an international research programme launched by Alice Teichova in 1986 on 'Bank–Industry Relations in Interwar Europe: Austria, Hungary and Sweden'. The Swedish part of the project is conducted by the Bank-projekt directed by Håkan Lindgren and Ragnhild Lundström.

The topics of the essays in the volume are divided into three problem areas: in the introductory chapters, authors discuss the developments of financial systems in the crisis-prone interwar world, examine the interactions of banking and politics, and compare and assess the complex aspects of universal or mixed banking in small but relatively...
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industrially advanced countries of Central and North-west Europe. Further topics elucidate and interpret questions of monetary and banking policies in individual countries (USA, Canada and Japan), while the problem of capital scarcity is investigated with special emphasis on Germany. Finally, a considerable number of the contributions deal with the relations between banking, industry and the state in economies where universal or mixed banking predominated (Austria, Belgium, Greece, Hungary, Italy, Sweden and The Netherlands).

The editors wish to acknowledge that this volume is the product of many hands, and a large number of papers could not have been written without the generous support of institutions which funded the research work of the authors. We are happy to have this opportunity of expressing our sincere thanks to the British Academy, the Leverhulme Foundation and the Economic and Social Research Council of Britain as well as to the Bank of Sweden Tercentenary Foundation, the Jan Wallander Foundation and the Institute of Banking Research at the Stockholm School of Economics. Last but not least we should like to thank all authors, rapporteurs and commentators who took part in the preparation of the meeting at the Leuven Congress.

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