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Amelie Lanier. *Das Kreditwesen Ungarns im VormÖ¤rz.* Frankfurt am Main and New York: Peter Lang, 1995. 273 p. $20.00 (cloth), ISBN 978-3-631-47163-0.

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Financial Credit in Reform-Era Hungary

This study of Hungarian credit relations in the Vormaerz begins with a promising introduction on the economic purpose of credit and the recommendations of Hungarian commentators for solving the severe shortage of money and credit in the period between the Napoleonic wars and the 1848-49 revolution. Amelie Lanier sees the era as one of transition from a feudal credit system to a capitalist one, which she defines as a system in which credit is tied to the needs of production. Capitalist entrepreueurs use credit to maintain liquidity throughout the cycle of production, to invest in additional productive capacity, and to survive any temporary weakening of the market for their goods. Feudal credit, on the other hand, is used primarily to finance consumption, whether among peasants or among the highest nobility. During the transition era, Hungary experienced a credit crisis that was characterized by the growing indebtedness of the nobility, competition between urban and rural debtors for the available funds, attempts to establish financial institutions (which were founded on extremely fragile financial bases), and policies of the Austrian government designed to keep Hungary economically dependent.

Lanier demonstrates that Hungarian noble debtors during the Vormaerz were generally unable to repay their debts because the size and terms of the loans bore no relationship to the economic potential of their estates. She defines usury as credit to persons who cannot increase their income through investment but who use credit to pay for consumption, and suggests that usury was an ever-present condition of the Hungarian credit market. Although usury laws limited interest to 6 percent, actual rates of interest were much higher. Virtually every noble was in debt, and very few could hope to repay their debts. Lanier suggests that the social status of the nobility (particularly the magnates) and the high rate of return encouraged creditors to undertake these risky loans, which they may have viewed as a form of *Rente* rather than a productive investment whose capital would be repaid. Hungarian commentators from Szechenyi and Kossuth to Bernard von Wachtler and Johann von Csaplovits assigned the blame for the credit crisis variously to the legal environment, the lackadaisical attitude of the nobility toward their credit obligations, the "national character" of the Hungarians, and deliberate oppression of Austrian economic policies. The author then proceeds to examine the legal environment of credit relations, Hungary's economic development prior to 1848, credit in the feudal and urban societies of Vormaerz Hungary, early financial institutions, and (more briefly) some specific credit needs of towns.

The book is marked by both strengths and weaknesses. Among its strengths are a detailed analysis of the laws regulating private credit transactions and an exemplary description of the precise forms of credit available in the Vormaerz. Lanier also discusses in rich detail the loan transactions and bankruptcy proceedings of several firms and individuals (most notably the case of Count Antal Grassalkovich). These case studies give the book texture and help to illustrate the complexities of credit transactions in Hungary. Lanier uses archival sources from Budapest, Bratislava, and Vienna, as well as a wide range of secondary sources and works published in the early nineteenth century.

The book's weaknesses are, unfortunately, glaring. Extremely poor layout and physical presentation detract from the often useful information and analysis presented by the author. Background information on Hungarian economic and political development during the period is related only superficially to the topic of the book. A more thorough and systematic analysis of the social and cultural conditions of Hungarian credit relations would be welcome. Data are presented inconsistently and anecdotally, rather than systematically. Much of the information, such as Lanier's assessment of the overall level of debt in the counties examined, could be presented more effectively in tabular form. And the individual case studies need to be placed within a stronger analytical framework, with more attention to drawing generalizations and comparisons with other countries. The later chapters of the book read more like notes cobbled together and interspersed with quotations and documents than like a carefully crafted narrative.

Despite these caveats, the book is recommended for scholars interested in the Hungarian economy during the period.

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