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Les Agences régionales du Crédit Lyonnais, années 1870-1914, by
Jacques Dagneau

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noteworthy for his accounts of the success of a Paris-instigated cartel to fix output quotas, sales territories, and prices between 1884 and 1902, and of the luck and skill required for successful speculating and hedging in the Paris-dominated futures market for raw sugar.

Perhaps two broad themes emerge from the welter of detail: the port refineries' struggle for survival against their advantaged Paris rivals; and the survivors' gradual evolution from firms handicapped by artisanal techniques and family structures into modern big businesses. The first theme is not fully developed; indeed, a book about the port refineries with only passing reference to the Paris firms risks being *Hamlet* without the Prince. Nor does Fierain make a serious attempt to fit his findings into our rapidly changing picture of French industrialization as a whole. And he fails to tell us much about the place of the refineries in the overall development of the port cities. No doubt these limitations merely demonstrate again that model dissertations do not necessarily make model books. We should be grateful to the Arno Press and the series editors for making such significant research available to more scholars.

REED GEIGER, *University of Delaware*

Les Agences régionales du Crédit Lyonnais, années 1870-1914. By Jacques Dagneau. Dissertations in European Economic History. New York: Arno Press, 1977. Pp. xx, 485; appendices. \$45.00.

In 1961 Professor Jean Bouvier published the definitive study of the formative years of the Crédit Lyonnais, France's largest deposit bank. Jacques Dagneau's work—a *thèse du troisième cycle* presented at the Université de Paris VIII in 1975—serves as a sequel to Bouvier's in that it addresses the bank's development from 1882, where Bouvier stopped, up to World War I. It is, however, a somewhat narrower work than Bouvier's. Eschewing any attempt to provide a comprehensive history of the firm in the late nineteenth and early twentieth centuries, it seeks instead to describe the operations of the network of branch offices which the Crédit Lyonnais launched in the 1870s. (Actually there were two networks: the *réseau régional* in the southeast, directed from Lyon, and the *réseau départemental* which answered to Paris; Dagneau deals with branches in both networks under the rubric *agences régionales*.)

The first part of Dagneau's work discusses the creation of the branch system and analyzes its revenues, expenses, and profits. The second part focuses on the *masse des affaires* which includes the securities trade along with "ordinary" bank business. The third part considers various facets of internal management (maintenance of liquidity, security, transfer of funds, and so on) as well as the personnel and personnel policies of the system.

Like many unrevised doctoral dissertations, Dagneau's study does little to tie its various parts together, nor does it sufficiently relate them to a broader context. This necessarily limits its appeal and usefulness for the general scholarly reader. Specialists in banking history, however, will welcome the mass of detailed information on the policies and practices of the Crédit Lyonnais at the turn of the century. Moreover, they will benefit from Dagneau's revisions of the prevailing wisdom on certain aspects of French financial history. One of these concerns the notion that French banks encouraged capital export and, in doing so, deprived domestic commerce and industry of needed funds between 1870 and 1914. Earlier, Bouvier had reinforced this view by showing that the Crédit Lyonnais first set up branch offices not to tap the meager profits offered by local banking, but rather to drain idle capital from the provinces for investment in *grosses affaires* organized at Paris, including foreign bond issues. Bouvier further showed that, in line with this strategy, the predominant flow of capital within the Crédit Lyonnais system was from the provinces to Paris and through Paris to foreign borrowers in the 1870s and 1880s. Dagneau, however, shows equally well that this pattern did not continue in the 1890s and 1900s, despite the continuing taste of French investors for foreign paper (particularly Russian bonds). Rather, because of Henri Germain's preoccupation with liquidity after the bank crisis of

1882, the great bulk of the bank's deposits were invested domestically in the short-term money market at the turn of the century. As a result, the direction of capital flow was reversed with funds collected in Paris increasingly going to the periphery. Dagneau also shows that, as part of this trend, involvement with domestic industry—long shunned by the bank after the fiascos of the 1860s and 1870s—was again on the rise before World War I as seen in the *Crédit Lyonnais'* participation in a major stock issue by the Schneiders in 1913 (p. 243). If the experience of the *Crédit Lyonnais* is at all typical, one must conclude from Dagneau's evidence that the export of capital played a relatively minor role in the financial life of France in the *fin de siècle*, and that the French banking system was much more responsive to the needs of the French economy in this period than is usually thought.

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La Politique des grands travaux en France, 1929–1939: Grands travaux et investissements publics des années trente dans la tradition administrative française. By Pierre Saly. *Dissertations in European Economic History.* New York: Arno Press, 1977. Pp. 601. \$27.00.

The subtitle of this book is more revealing of its contents than the main title, and the allusion to the "French administrative tradition" particularly instructive. Saly's study could very well be classed as institutional history with a dynamic dimension. Not only has he identified and ordered the various bodies—parliamentary, administrative, fiscal, and other—which participated in defining and executing French public investment policy between the two wars, but more importantly, and more subtly, he has identified and charted the actual flows of funds involved. This enabled him to compare rhetoric and appearances with fiscal reality, and led to some interesting, not to say disabused conclusions.

Saly raised the question as to whether Keynes' full employment theory had any effect on French practice in the 1930s, only to answer, artfully but conclusively, by demonstrating the immense continuity of the French tradition of state-subsidized "works" to absorb unemployment and to improve the country's economic infrastructure. If Keynes had any impact on French fiscal or budget planning policy, whether at the unconscious level of policy assumptions or the official level of public rhetoric, it was later, and certainly after World War II. The origins of French public investment between the two World Wars were different, and threefold: traditional spending to counter unemployment, reconstruction of the regions devastated during World War I, and "modernization."

The French administrative tradition of coping with unemployment through public spending goes back to the Old Regime and its "ateliers de charité." But it was not until the *Constituante* (1791) that providing work for the unemployed was subordinated to the definition and execution of a coherent plan of national public works. The nineteenth century was subsequently marked by a series of great "plans." The Second Empire had its railroads and its great public buildings. The beginnings of the Third Republic were marked by the "Freycinet Plan," which substantially completed France's railroad network. At the turn of the century, a new preoccupation arose, that of combating unemployment resulting from movements in the business cycle with specifically countercyclical investment outlays. In addition to the problem of dealing with the business cycle, there was a growing realization in the economy, the administration, and wider circles of public opinion that the country's infrastructure (transportation, electrification, communications) was not keeping pace with that of its rivals, in particular those symbols of industrialism and modernism, Germany and the United States.

These considerations, at first interrupted by the First World War, were then supplanted for a time by the urgency of postwar reconstruction. Yet, as Saly points out, the management and application of reconstruction funds, in particular reparation payments, were in fact largely governed by the objectives of maintaining employment and modernizing the country. For Saly, indeed, the origins of the Tardieu program (1929) are to be found in the