

DEAR READER,



The complex of the present Ministry for National Economy, seen from József nádor tér. The former headquarters of the Hungarian General Credit Bank were designed by Ignác Alpár, and built between 1909 and 1913.

Issue 3 of Economy & Finance in 2017 is a special issue published on the occasion of the 150th anniversary of the foundation of the Hungarian General Credit Bank, the most important commercial bank of its time. For many decades, the Bank's former headquarters has served as the central building of the Ministry for National Economy (previously the Ministry of Finance). We might thus say that this building has been the centre of Hungarian economic and financial life for 150 years.

To mark the occasion, the Ministry for National Economy and the Hungarian Banking Association organized a joint conference on 19 October 2017, and we now provide space in this special issue of our journal for the studies behind the lectures heard at this conference.

The Hungarian General Credit Bank was founded in 1867, in the year of the Austro-Hungarian Compromise, as the Hungarian bank of the Rothschild banking house, and played a defining role in the Hungarian financial sphere from the very beginning. In this issue, you can read interesting essays on the professional dedication of the Bank's leaders, the banking system before and after the two World Wars, the personal and international ties of economic leaders connected to the Bank, and last but not least the regrettable process of nationalization.

If we look at the dates alone, it is interesting to note that several anniversaries fall this year. Not only was the Hungarian General Credit Bank established 150 years ago, but

after 80 years of operation it was nationalized in 1947 (70 years ago), and merged into the National Bank of Hungary. Then, after 40 years of operation of an economy without one, the two-tier banking system was launched once again via separation from the National Bank of Hungary in 1987, and thus celebrates the 30th anniversary of its (renewed) existence this year.

Forty years of suspended animation of commercial banking may also have contributed to our tendency to forget that an advanced banking system functioned in Hungary prior to the two World Wars. If we read the story of our banking predecessors, we must recognize that things often repeat themselves. Hostility towards bankers has never been very far away from either European societies or populist politicians, but it was unable to fundamentally impact the successes of dedicated bank leaders and their banks, which kept the interests of the Hungarian economy and financial sector always in mind. Moreover, we can see good examples of how foreign owners and bank leaders with a stake in the successes of the Hungarian economy were able to cooperate very well with the Hungarian aristocracy and government alike.

To return to our own times, to mark the 30-year anniversary of the two-tier banking system, we publish extracts and a review from the Hungarian Banking Association's volume of interviews conducted with banking leaders, published under the title "Cycle-Changing Years, Parallel Biographies." The book can be accessed in its entirety on the Association's website.

Enjoy your reading!

To illustrate the articles, we have used photographs from József Eisenmann and the Kiscell Museum of the Budapest History Museum.

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