

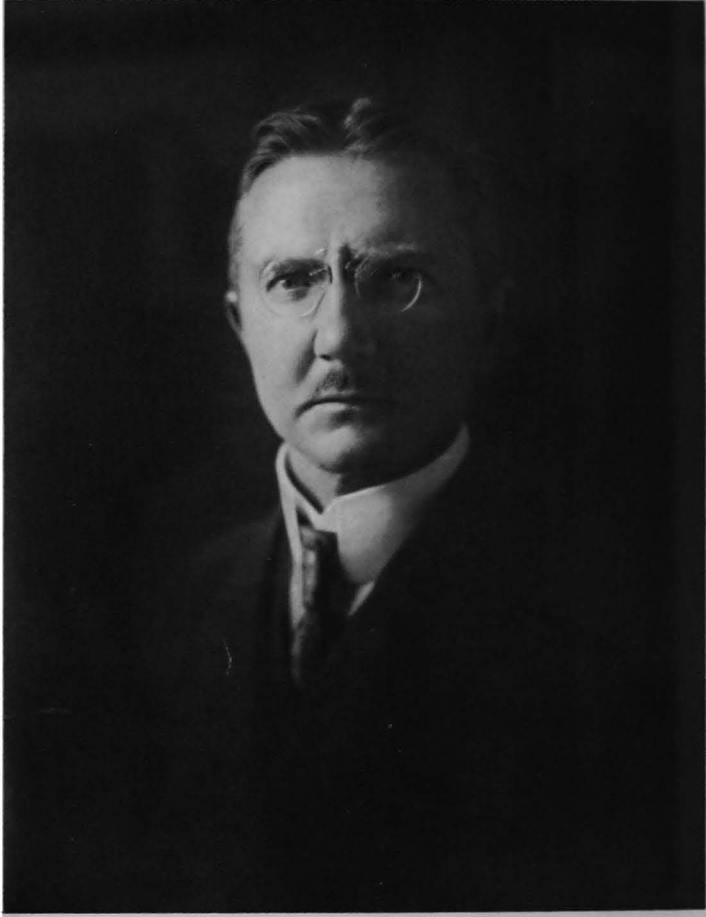
5893

Dhanamayarao Gadgil Library



GIPE PUNE-005893

THE STABILIZATION OF THE MARK



Abraham Schacht

5893

THE STABILIZATION
OF THE MARK

BY

DR. HJALMAR SCHACHT

LONDON
GEORGE ALLEN & UNWIN LTD.
MUSEUM STREET

First published in 1927
(All rights reserved)

X61,55:746

F7

5893

Printed in Great Britain by
Unwin Brothers, Ltd., Woking

PREFACE

THE following pages are concerned with a chapter of modern German history which has aroused the greatest interest in the whole world. Its several phases have been the subject of much controversy, political and economic. It has seemed right, accordingly, in my treatment of the subject-matter to give to it a form which at many points assumes the character of a narrative of personal experiences and an expression of personal views. It was not my intention to write a scientific work. I believe, however, that almost all the essential problems which have arisen in connection with the events are discussed or touched upon in the book. The fact that I was in a position on many points to rely on material which has not hitherto been published will help to render intelligible the mass of phenomena as a connected whole, and will make it possible to check many passing judgments which have been current up till now. May the book as a whole contribute to strengthen confidence in the will and power of the German people in all quarters, and in particular may it contribute to strengthen the growth of mutual confidence between nations, and of the determination in future to avoid political catastrophes by the establishment of a community of intellectual and economic interests and reciprocal good will.

For the collection of material and for much other help I am deeply indebted to the Director of the Statistical Department of the Reichsbank, Dr. Nordhoff, and to his collaborators.

DR. HJALMAR SCHACHT.

BERLIN,
December 1926.

FOREWORD TO THE ENGLISH EDITION

THIS is a book written by a German after a war which brought defeat to his country and a great civilized people to a condition of dependence and subordination; and it is natural, therefore, that it should contain sharp criticisms in many places where the events of the last decade are reviewed. Any reasonable foreigner will, however, understand that a German must view the events and problems of the period differently from a member of any other nation, and will at the same time realize that the book has its inspiration in the sincere desire for understanding between the nations. It was not my intention to criticize individuals, and in so far as critical remarks in regard to individuals are contained in the book, readers are asked to be good enough to bear in mind that for a German—and even perhaps for the general reader—certain happenings are inevitably bound up with the names of certain persons. In any case, the German Inflation can only be understood as part of the general history of the time. May we all learn from the past and emerge from the destructive era of reciprocal hostility into a new constructive period of international well-being.

I would like to express here my especial gratitude to Mr. Ralph Butler, who has, with his intimate knowledge of German conditions and generous sympathy, undertaken the English translation of the book.

CONTENTS

	PAGE
PREFACE	5
FOREWORD TO THE ENGLISH EDITION	7
CHAPTER	
I. THE INFLATION OF THE WAR PERIOD	11
II. FROM THE ARMISTICE TO THE INVASION OF THE RUHR	35
III. FROM THE INVASION OF THE RUHR TO THE STABILIZATION OF THE MARK	61
IV. THE STABILIZATION OF THE MARK	90
V. FROM RENTENBANK TO GOLDDISKONTBANK	121
VI. FROM CURRENCY CRISIS TO ECONOMIC CRISIS	151
VII. THE DAWES PLAN	166
VIII. THE RECONSTRUCTION OF THE GERMAN MONEY AND CAPITAL MARKETS	189
IX. FOREIGN CREDITS	215
X. INTERNATIONAL CO-OPERATION	237