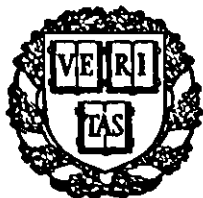


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**GERMAN FINANCIAL POLICIES**

**1932-1939**

**KENYON E. POOLE**



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Many observers have wondered why proletarian Germany has not suffered a financial collapse and how it has been able to meet the problems of unemployment and of rearmament during the years since 1932. In this volume a trained economist examines the whole financial structure of the Nazi state up to the spring of the present year. There are three broad divisions: events leading up to and the effects of the Papen plan of tax remission of September 1932; the financing of public works and rearmament under Hitler from 1933 to the present; and the relationships between public works expenditures and production and employment in key industries. The Papen plan is compared with that of public works, in the mode of financing, matters of timing, and other points of significance in determining the best way in which the state can interfere for the purpose of overcoming a depression. The greater part of the study is devoted to an examination of the problems of government finance when a nation must do something to alleviate unemployment even though lacking sufficient funds. The author is addressing primarily students of economics but he has been sufficiently nontechnical to satisfy the needs of all students of public questions.

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# German Financial Policies

## 1932-1939

BY

KENYON E. POOLE

ASSISTANT PROFESSOR OF ECONOMICS  
IN BROWN UNIVERSITY



CAMBRIDGE

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1939

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*To*  
**MY FATHER AND MOTHER**

## PREFACE

My interest in the financial problems of Germany dates from the academic year 1931-32, when I spent two semesters at the University of Munich. At that time an important part of economic discussions centered around the relative virtues of inflationary and deflationary measures as a means of attacking the unemployment problem. The subsequent thoroughgoing use of inflationary public works by the German government has received much publicity. It is hoped here to throw light on the mechanisms involved in achieving full employment through state spending, which have received less attention.

The distillate of Chapter I, which deals with the tax remission scheme of September 1932, appeared in the *Quarterly Journal of Economics* for February 1939.

I should like to express my gratitude to Professor S. E. Harris, who first encouraged me to undertake this study; and to Professors J. H. Williams, Alvin Hansen, and Gottfried Haberler for suggestions and advice at various stages of its development. Dr. R. V. Gilbert read the chapter on the financing of the upswing, and made many helpful suggestions.

K. E. P.

CAMBRIDGE, MASSACHUSETTS

August, 1939

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## ABBREVIATIONS

<i>D. V.</i>	. . . . .	<i>Der deutsche Volkswirt</i>
<i>Die Entwicklung</i>	. . .	Deutsche Bau- und Bodenbank und Öffa, <i>Die Entwicklung der deutschen Bau- wirtschaft</i>
<i>Ec. J.</i>	. . . . .	<i>Economic Journal</i>
<i>F. R. B.</i>	. . . . .	<i>Federal Reserve Bulletin</i>
<i>I. f. K., V.j.h.</i>	. . . . .	Institut für Konjunkturforschung, <i>Viertel- jahrshefte</i>
<i>I. f. K., W.b.</i>	. . . . .	Institut für Konjunkturforschung, <i>Wochen- bericht</i>
<i>I. L. R.</i>	. . . . .	<i>International Labor Review</i>
<i>Kon. Hdb.</i>	. . . . .	<i>Konjunkturstatistisches Handbuch</i>
<i>L. and C.</i>	. . . . .	<i>London and Cambridge Economic Service</i>
<i>L. E.</i>	. . . . .	<i>London Economist</i>
<i>N. Y. T.</i>	. . . . .	<i>New York Times</i>
<i>Rab.</i>	. . . . .	<i>Reichsarbeitsblatt</i>
<i>Rgb.</i>	. . . . .	<i>Reichsgesetzblatt</i>
<i>Soc. Res.</i>	. . . . .	<i>Social Research</i>
<i>Soz. Prax.</i>	. . . . .	<i>Soziale Praxis</i>
<i>Stat. d. d. R.</i>	. . . . .	<i>Statistik des deutschen Reichs</i>
<i>Stat. d. d. R., V.j.h.</i>	. . . . .	<i>Statistik des deutschen Reichs, Viertel- jahrshefte</i>
<i>Stat. Jahrb.</i>	. . . . .	<i>Statistisches Jahrbuch des deutschen Reichs</i>
<i>W. A.</i>	. . . . .	<i>Weltwirtschaftliches Archiv</i>
<i>Wk.</i>	. . . . .	<i>Wirtschaftskurve</i>
<i>W. u. S.</i>	. . . . .	<i>Wirtschaft und Statistik</i>

## **APPENDIX**



## APPENDIX

There were thirty-one central public credit institutions in Germany in 1935, divided by Geiler as follows:

### I. The Reichsbank and its Subsidiaries

1. Reichsbank
2. Deutsche Golddiskontbank
3. Reichsanleihe A. G.
4. Konversionskasse für deutsche Auslandsschulden
- 4a. Deutsche Verrechnungskasse

### II. Institutes Serving the Stock and Money Markets

5. Diskont-Kompagnie, A. G.
6. Liquidationskasse, A. G.
7. Bank des Berliner Kassenvereins
8. Berliner Lombardkasse A. G.
9. Akzeptbank A. G.

### III. Institutes for Public Works and Utilities

10. Reichs-Kredit-Gesellschaft
11. Deutsche Gesellschaft für Oeffentliche Arbeiten, A. G.
12. Deutsche Verkehrskreditbank
13. Preussische Staatsbank (Seehandlung)
14. Deutsche Girozentrale-Deutsche Kommunalbank
15. Deutsche Landesbankenzentrale

### IV. Institutes for Personal Credit

16. Deutsche Zentralgenossenschaftskasse
17. Genossenschafts-Abteilung der Dresdner Bank
18. Deutsche Pachtbank

### V. Institutes for Agricultural Credit

19. Deutsche Rentenbank
20. Deutsche Rentenbank Kreditanstalt
21. Centrallandschaft für die Preussischen Staaten

### Va. 22. Bank für Industrie-Obligationen

### VI. Institutes for Rural Settlement and Cultivation of the Soil

23. Deutsche Siedlungsbank
24. Preussische Landesrentenbank
25. Deutsche Bodenkultur A. G.
26. Zentrale für Bodenkulturkredit

**VII. Institutes for Urban Credit and Building**

- 27. Deutsche Bau- und Bodenbank
- 28. Preussische Landespfandbriefanstalt
- 29. Preussische Zentralstadtschaft
- 30. Lombardbank A. G.

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*Die Bank*

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*London and Cambridge Economic Service*  
*New York Times*  
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— *Germany's Economic Development*  
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*Social Research*  
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*Statistik des deutschen Reichs*  
*Statistisches Jahrbuch des deutschen Reichs*  
*Der Vierjahresplan*  
*Weltwirtschaftliches Archiv*  
*Wirtschaft und Statistik*  
*Wirtschaftsdienst*  
*Wirtschaftskurve*

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