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German Banks and their concentration in connection with the economical development of Germany. For the author, who during several years has been manager of one of the leading Berlin banks, and who is now ordinary Honorary Professor at the Berlin University, and the President of the Hansa Bund (an institution which has been created to defend the interests of trade and industry), shows, with great competence, what has been done by the principal banks to develop Germany's trade and industry before and after the foundation (in 1870) of the German Empire, how German banks have been created abroad, etc. Especially the particulars given by him concerning the efforts made by the German banks to extend their business in countries beyond the sea, and the way they proceed to issue National and foreign loans, constitute syndicates, and work in the interest of trade and industry, are worth reading.

In the second part of his book, Justizrath Riesser treats the great movement of concentration of the banks which has taken place since 1870, and which still continues, so to say, without interruption. He explains also the reasons which are in favour of such concentration, showing, however, how this concentration has led to the constant augmentation of capital and present powerful position of the leading German banks, which have at present a capital of 1,204 million marks, viz.:—

		Sterling millions
The Deutsche Bank	200 million marks	10
Dresdner Bank	200 " "	10 "
Disconto Gesellschaft	170 " "	8·5 "
Bank für Handel und Industry	160 " "	8 "
Schaaffhausenscher Bankverein	145 " "	7·25 "
Berliner Handelsgesellschaft	110 " "	5·5 "
Commerz und Discontobank	85 " "	4·25 "
Nationalbank für Deutschland	80 " "	4 "
Mitteldeutsche Creditbank.....	54 " "	2·7 "
	1,204	60·20

C. ROZENRAAD

Die Einfluss der Bank und Geldverfassung auf die Discontopolitik im Deutschen Reich, in England, Frankreich, Osterreich-Ungarn, Belgien und den Niederlander. Von GEORG SCHMIDT. (Leipzig: Duncker and Humblot. Pp. 120.)

THIS book gives full particulars concerning the banking and currency systems of six of the leading commercial nations of the world, and compares the discount and gold policy of the issue banks in those countries. In comparing, however, the different

banking systems, the author has not explained as fully as would have been necessary, that England has a more developed banking and cheque system than any other country, and above all, that the Bank of England is the clearing house of all nations, liquidating not only the liabilities of Great Britain, but also those of Europe with other continents, and that London is the banking centre of the world.

But Mr. Georg Schmidt's book is full of interesting facts concerning the fiduciary circulation, gold and discount policy of the above issue banks, and he has rendered a great service to the banking community by putting these facts together and showing the influence of the different banking and currency systems on the discount policy of the banks. What he says of their transactions in foreign bills, gold, etc., is worth reading.

With great clearness he explains also the modifications which have taken place in the new German Bank Act of June 1st, 1909, which partially came already into force on January 1st, 1910, and which will be applied in full on January 1st, 1911. With great warmth the author pleads against the stipulation contained in the new Bank Act, that the legal maximum, free of tax, for the issue of banknotes by the Imperial Bank of Germany, originally fixed at 250 millions, will be raised from January 1st, 1911, from 450 to 550 million marks, and at the end of every trimester to 750 million marks. It is indeed a fallacy to fix a limit for the issue of banknotes, for experience has shown that it is not in the interest of trade and industry to limit the fiduciary circulation of a country to a certain maximum, which it becomes necessary to increase continually. At times, when trade is active, more notes are required than when business is slack, and it is then in the interest of trade and industry that the first institution of the country in charge of the fiduciary circulation should not be hampered to meet the wants of the people by a legal maximum, above which no notes may be issued unless a heavy tax is paid. It is much better that no legal prescriptions should be given as to the maximum above which no notes may be issued, but to stipulate, as is the case in Holland, that the issue bank may issue as many notes as are required, provided that the amount of its fiduciary circulation *together with the amount of its account currents*, is always covered to the extent of at least 40 per cent. by a reserve of gold, or in countries having a gold and silver standard, by a reserve of gold and silver.

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