

METHODS OF FINANCING THE REAL ECONOMY IN GERMANY. REICHSBANK'S MONETARY AND FOREIGN EXCHANGE POLICY IN THE PERIOD 1929–1939

Summary

The article analyzes the monetary and foreign exchange policy of the Reichsbank in the period 1929–1939 with particular attention given to the bank's dual role in this period: as a source of money used to finance the state treasury's needs and as the most effective actor affecting the money market and treasuries' market. The main task of the Reichsbank's monetary and exchange rate policy was to restore confidence in the German currency (the Reichsmark) to maintain its exchange rate at the level of parity. The main objective of such a policy was to gain and maintain the trust of foreign financial circles, since domestic ones did not play any role because of the devastation of capital caused by hyperinflation. Dewes' plan created the possibility of an inflow of foreign capital, which provided foreign exchange serving as legal collateral for the issuance of the Reichsbank's notes. On June 15, 1939, the Reich's Chancellor signed a new act on the Germany's Reichsbank. This act was an expression of changes that have taken place in the previous years in Germany concerning the views on the central bank's role.

Key words: Germany, Reichsbank, monetary policy, foreign creditors, economic condition.

JEL codes: E52, E58, F31, F 32, N14

Afiliacja: dr hab. Zbigniew Klimiuk
Instytut Pracy i Spraw Socjalnych w Warszawie
ul. Bellottiego 3B
01-022 Warszawa
e-mail: zbigklimiuk@yahoo.pl