

of the Braunschweigische Staatsbank, which to-day must be regarded as a State bank in the literal sense of the word, is extraordinarily large. Amongst other national-credit institutions there are to be chiefly mentioned the Landeskreditanstalt, in Hanover, which was created by the Government of Hanover in 1840, as well as the Landeskreditkasse Cassel, founded in 1832. The long-time municipal land-credit business is also conducted in Prussia by the provincial Landesbanken (national banks).

The majority of these national banks have originated from the provincial Hilfskassen (auxiliary banks), which originally were to a less degree credit institutions than places of administration for special provincial funds. With the Prussian provinces receiving autonomy in the "seventies," a number of these provincial auxiliary banks gradually developed into Landesbanken (national banks). Thus in 1888 the Landesbank der Rheinprovinz developed from the Rheinische Provinzialhilfskasse, as well as in 1890 the Landesbank der Provinz Westfalen from the Provinzialhilfskasse in Munster. In 1916 the Landesbank der Provinz Hanover was founded, which is limited to giving credits to municipalities and municipal house-property owners, as well as in 1919 the Landesbank der Provinz Ostpreussen. The Nassauische Landesbank in Wiesbaden, which was founded in 1840, also plays an important part. The Landesbanken (national banks) maintain close relations with the savings-banks of their respective districts, and in some cases act as central offices of municipal savings-banks. Thus the Landesbank der Rheinprovinz and of the Provinz Westfalen, as well as the Nassauische Landesbank in Wiesbaden, are simultaneously the clearing centres for their districts.

THE GERMAN CENTRAL BANK FOR AGRICULTURE (RENTENBANK-KREDITANSTALT).

Events which led to its creation: As with the Dawes scheme coming into force the provisional German currency institution, the German Rentenbank, ceased to act as a currency bank, and a start was made of winding up credits given by the Rentenbank, the problem arose as to how, with the agricultural distress prevailing at that time, the repayment of Rentenmark credits granted through the intermediary of the German Reichsbank could be effected. It became evident that the agricultural credits, which originally had been given on short time, had become locked up to such an extent that a constant renewal of due three-months bills had to be conceded. With regard to the agricultural Rentenmark credits the time of settlement therefore had to be postponed. On such considerations at last the plan arose of converting the German Rentenbank into an agricultural institution, which was to procure long-time credits for agricultural purposes on the basis of the charges resting on landed property in favour of the Rentenbank. The abandonment of this plan was chiefly attributable to the fact that, with a view to the position of the German currency, the greatest importance had to be attached to unifying the German legal tender in circulation and calling in the Rentenmark notes as quickly as possible. The final date on which Rentenmark credits must be repaid has been fixed as the 1st December, 1927. For agriculture this implied payment on the 1st December, 1925, of 190,000,000 Rentenmarks, and on the 1st December, 1926 and 1927, amounts of 290,000,000 Rentenmarks each. In order to enable agriculture to effect these repayments, a credit institution was to be created which could replace the credits of the Rentenbank. Thus with the law of 1924 regarding the liquidation of the Rentenbank notes in circulation the foundation was already laid of the German Central Bank for Agriculture, which was finally established on the 18th July, 1925. This law provides that for the retirement of the Rentenmark credit of 1,200,000,000 Rentenmarks given to the German Reich, a sinking fund is to be created at the Reichsbank, into which are to be paid until further notice—(1) The share of the Reich, which is fixed by law, in the profits of the Reichsbank; (2) annually, 60,000,000 Reichsmarks out of the Reich's own funds; (3) the annual income of the German Rentenbank from mortgages on land entered in its favour (at present there are mortgages on agricultural land entered in favour of the Rentenbank amounting to 2 billions, with interest at the rate of 5 per cent. The payments herefrom into the sinking fund therefore amount to annually 100,000,000 Reichsmarks.

The law concerning the liquidation of the Rentenbank notes provided for the establishment of a special agricultural-credit institution, inasmuch as of the annual payment by the Deutsche Rentenbank (mentioned above under paragraph 3), only up to 60,000,000 Reichsmarks are to be paid annually into the sinking fund of the Reichsbank, whilst 25,000,000 Reichsmarks of the remainder are to be annually held at the disposal of an agricultural-credit institution. In addition the Rentenbank was also authorized to transfer all funds in its possession to a new agricultural-credit institution with the approval of the Government. This provision created the financial basis for the foundation of the German Central Bank for Agriculture. Particularly the capital available to this institution was satisfactorily secured thereby. On its foundation the German Central Bank for Agriculture received from the German Rentenbank an amount of about 170,000,000 Reichsmarks. Considering that besides the above-mentioned annual contribution of 25,000,000 Reichsmarks there are also the receipts of the German Rentenbank from agricultural bill debts, as well as the receipts of the Central Bank for Agriculture from its own profits of interest, one can follow that a speedy increase in the capital of the Central Bank for Agriculture can be reckoned with, although the capital has been limited to a maximum of 500,000,000 Reichsmarks.

In accordance with the law regarding the foundation of the Central Bank for Agriculture of 1925, the newly formed agricultural-credit institution is a juridical person under common law, which bears the title of Deutsche Rentenbank-Kreditanstalt (Landwirtschaftliche Zentralbank), Berlin (German Central Bank for Agriculture).

The task of this institution consists in obtaining and granting credits to German agriculture in all its branches, including the cultivation of land and the erection of agricultural settlements. For the purpose of supplying real credits to agriculture it can grant credits to real-credit institutions under public law, or such institutions under State control which conduct business in agricultural real credits, as well as to central and head offices of savings-banks which conduct the same business.