

Renewal of Reichsbank Charter

flurries and do not overestimate their importance. Aside from this, it is a delicate task to determine a new limit. After passing through a period of unprecedented activity we are now in the midst of an era of stagnation, and nobody can say whether the lowest level has been reached and what the normal level will be in future. It remains to be seen what will be the effect of the Reichsbank's new policy of cutting down certain credits and of the increased use of currency-saving methods, although it must be admitted that progress in this direction is slow on account of a too timid fiscal policy which, to mention one instance only, stands very much in the way of the newly created postal checks. On the other hand the economic fluctuations during the last decades have never touched again the low records of former declines. We are rapidly and steadily progressing, and this causes a corresponding strain on the Reichsbank. It is to be hoped that the limit of the tax-free note issue will not be raised too quickly, since it might thus be rendered useless as our financial barometer in normal times. Nobody can expect that the contingent will be raised above 600,000,000 marks (\$142,850,000). The opinion seems to prevail among well-informed men that a limit of 500,000,000 marks (\$119,040,000) would be best. It is doubtful whether the shareholders of the Reichsbank will benefit from such a change in the contingent. The need for uncovered notes remains always uncertain, and if the last amendment of the bank act had fixed the legal maximum at 600,000,000 marks instead of 450,000,000 marks it would have meant to the