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An Analysis of German New Issuing 1910-13
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Introduction

Between the start of 1910 and the closure of bourses on the outbreak of the First World War about 1650 new securities were admitted for trading on formal German bourses, and between the start of 1925 and the closure of the stock markets in September 1931 about 2500. This paper presents the results of the aggregation of the lists of these new admissions as reproduced in the contemporary periodical, Die Bank.¹ These are shown in Appendix 3, pp. 21ff, and are summarised in Table 1a col.1 (p.13).² The paper compares these aggregates to the more systematic new issue statistics of the German State Statistical Office, and offers a preliminary comparative analysis of the admissions in the two four-year periods, 1910-13 (1430 new securities) and 1926-9 (1750 new securities). Both periods included a mixture of boom and recession, and the later period excludes the immediate post-stabilisation era of 1924-5, but rather starts from the year in which contemporary German comment said that the stock market normalised again.

Each of about twenty German bourses separately admitted stocks for trading conditional on their satisfying certain formal criteria.³ Such stocks had already been issued, always by recognised banks on behalf of the issuer, and offered for subscription by a variety of methods. Most stock was admitted for a definite amount, which, except for mortgage bonds, would generally be that offered for subscription, or the amount by which the equity of an existing joint-stock company was to be enlarged. Mortgage bonds were generally sold on an “on tap” basis. A few admissions, especially the mortgage bonds of the Landschaften, were for an “undefined amount,” and therefore the aggregates of Appendix 3 do not include these. It follows from the above that the month of admission was usually between one and three months later than the month of issue. Die Bank published lists of the new admissions each month in each of the bourses, usually during the following month. Many issues were admitted to more than one Bourse; my analysis had to try to spot these duplications.

The question arises as to the value of these lists and their aggregation. Die Bank was highly sceptical of the value of aggregating the sums in these lists.⁴ New stocks varied greatly as to “business event” that underlay their creation. As well being vehicles for the raising of fresh finance, bonds (Anleihen, Schuldverschreibungen) might have been conversions of other debt to new interest rates or longer maturity, or their proceeds might have been used to repurchase existing stock. A new equity (common stock, Aktien) issue, may have been the result of a merger, or may represent the conversion of a personally owned company into a joint-stock company (Aktiengesellschaft), wherein the counterpart of the equity issued is the real assets brought into the company, not cash. On the other hand it may represent the attempt to enlarge

* The research for the post-1924 period was undertaken in connection with a conference of the Institut für bankhistorische Forschung on company startups in German history, held in Frankfurt / Main in May 2006. My thanks are due to the Institut for its permission to publish it here. A version is also intended for the published conference proceedings.

¹ Excepting some issues in 1926-7 identified in footnote 9; and some inadvertently omitted for January 1929.

² All text tables are in Appendix 1, pp. 13ff.

³ See art. “Emissionsgeschäft,” with the signature “Meitzel,” in the Handwörterbuch der Staatswissenschaften,

⁴ 4^{te} Auflage, Band III (1926), pp.715-25.

⁴ E.g. Die Bank, 1910, p. 81.

the own-financial basis of the company by offering further equity for cash, though usually on preferential terms to existing equity owners.⁵

Where new issues were intended to raise fresh finance, the amounts specified in the application for admission reflect what the issuer hoped to obtain, not the amount actually placed. For “tap” issues they probably represent the upper end of a range of what the issuer thought might be bought in a period. This was the case for mortgage bonds:⁶ demand for these was subject to unpredictable lurches. There is therefore no direct relationship between new German security admissions to German stock markets and increase in the net stock of securities (Umlauf), or net governmental and company financing, or the macro-economic savings rate. Moreover, foreign new applications for admission to German stock markets before 1914 were sometimes granted for amounts that obviously refer to the amount issued globally – mainly in London - rather than the actual tranches expected to be taken up by the German market. They therefore do not directly reflect German foreign investment. Despite all these ambiguities in the significance of the “new bourse admissions” the Kaiserliches Statistisches Amt and its post-war successor, the Statistisches Reichsamt (German State Statistical Office) itself published new bourse-admissions aggregates from the year from 1909 to 1927 (cp. Table 1a, col.2).

To obviate these ambiguities, artificial aggregates of new issues were compiled, at first by commercial newspapers, subsequently by the State Statistical Office (Table 2). These on the one hand captured a wider class of securities, including some not officially admitted to bourse trading, by surveying prospectuses issued by the issuing banks, the commercial press, as well as the new admissions lists. In particular they could more completely capture the bond issues of the Reich and the States, which were automatically admitted to bourse trading, and therefore only appear somewhat haphazardly in the new admissions lists. On the other hand they endeavoured to cleanse the raw security admissions data of those specimens or amounts which did not represent additions to the actual value of the stock of securities issued.

The official new admissions’ aggregates in Table 1a, col.2 cannot be broken down much further than shown.⁷ But by re-compiling the data from the original lists, more detail can be extracted, especially on the average size of issues, number of issuers, and the relative importance of public-sector and private-sector issuing can be more exactly gauged. Beyond that, consideration of the reason for the differences between the “gross admissions” and “net new issues” statistics can yield information about the state of the new-issue market. This paper arises out of interest in the Weimar period, when the prior performance of the stock market was an important ingredient in the catastrophic financial crisis of 1931. Apart from the rather detailed security-price indexes produced in this era by the Statistisches Reichsamt, the ebb and flow of new issuing, and its composition, are important indicators of the condition of the stock markets. In addition, since the existing stock of security issues was wiped out by the hyperinflation, and only partially re-instated by the security-revaluation laws of 1925, the sequence of new issuing from 1924 to 1929 largely constituted the stock of German securities held by German individuals, banks, and companies at the outbreak of the financial crisis, and helps us to estimate, and understand, their degree of exposure to untoward events at that point.

⁵ Such equity enlargements were termed junge Aktien. However the admissions lists are not exact in this: what is palpably the same stock may be termed junge Aktien in its admission to one bourse, but simply Aktien in another.

⁶ Deutsche Bundesbank, p.287.

⁷ The original distinguishes between the equity and bond issues of banks, railways and other non-governmental issuers, and between the mortgage-bond issuers connected to agricultural credit and the rest.

But the distributions and analyses that can be made for this era gain more significance if compared with the benchmark of a more stable time – 1910-13 having been selected for this purpose.

The paper will firstly consider the differences between three sets of aggregates: (i) my newly-constructed “gross admissions” aggregates; (ii) the “gross admissions” aggregates produced at the time by the State Statistical Office; and (iii) the “net new issues” statistics also produced by that office.⁸ Then it will consider differences between the “gross admission” aggregates in the two periods 1910-13 and 1926-9. Thirdly it will consider differences between the two periods for several particular classes of security. A final section will briefly consider the relation between new issuing in the post-1924 period and the 1931 financial crisis.

Reconciliations of aggregates

Aggregate new bourse admissions: official and calculated

Columns 1 and 4 of Table 1a give the aggregate of raw, gross sums stated in connection with the admissions of all new issues to German bourses in 1910-13 and 1926-9, as shown in the monthly lists in Die Bank.⁹ Column 2 of the same Table shows the aggregates corresponding to those in column 1, but as given in the Statistisches Jahrbuch für das Deutsche Reich. The third column of this table shows the Statistisches Jahrbuch aggregates as a percentage of those compiled by me. This shows that whereas the global totals are quite close (Col.3, lines 5, 14) this similarity is the net of greater divergences in the subtotals. Generally speaking my totals exceed those of the official statisticians, suggesting that I failed to spot all the duplications of the same issues. The question why my totals for foreign and domestic corporate bonds so much exceed the official calculation (cp. Table 1a, cols.1,2, lines 3,7) admits of no ready answer. On the other hand, the official statisticians of gross admissions found more governmental bond issues than I could. The main discrepancy arose in the aggregate of Reich and federal-state bonds admitted in 1912, when the official statisticians found 400 mill. m. or 63% more issuing than I could. This probably arises from the fact that such bonds did not have to be vetted by the bourse admissions committees.

In principle the difference in 1910-13 between German official statistics of equity admissions and mine (cp. Table 1a, cols. 1 & 2, line 4) should reflect the cases in which equity was issued in exchange for existing equity, mainly in connection with mergers and acquisitions. Such cases were eliminated by the official statisticians,¹⁰ whereas I lacked the information to do this. Measured by the differences, this amounted to 6% of all equity admissions. But this is a minimum figure. The share of equity admissions connected with M &A in 1925-7 can be

⁸ Another set of new issue statistics for the 1920s, those published in Die Wirtschaftskurve in conjunction with the Frankfurter Zeitung, diverges considerably from both the official and from mine. Since Die Wirtschaftskurve also published lists of actual bonds issued, their series could be compared with mine to identify the differences, but this has not yet been attempted. See e.g. Die Wirtschaftskurve, 1928, p. 149; 1929, p.23.

⁹ For 1926, the issues connected with the formation of I.G. Farben (1103 mill. rm.) also with Vereinigte Stahlwerke are excluded from Appendix 3 (though the latter is included in the official gross admissions' estimates, perhaps because the new company was owned by its founding firms, so that the equity of the founders was not extinguished in the merger). For 1927, the Deutsche Luxemburgische Bergbau und Hüttenwerke issue of 91 mill rm. and the Gelsenkirchener Bergbau issue of 118.4 mill. rm. were also excluded. On these last two see Vierteljahrshefte zur Statistik des Deutschen Reiches, 1928, I.110.

¹⁰ However the official “gross admissions” aggregates for 1926 do include the 800 mill. rm. equity issue of Vereinigte Stahlwerke. This issue is included in Table 1a but excluded from Table 1c.

measured, on the basis of the issues excluded,⁹ at 70% of the value of all equity admissions in these three years. But this, too, is a minimum estimate.

A closer comparison of the aggregates produced by my calculations with the official aggregates could be made for 1927 on a monthly basis. The annual totals are presented in Table 1b. Whereas my totals are quite close to the official in the case of government bonds and bonds of mortgage-bond institutions, they are considerably in excess of the official for commercial and railway bonds (as also in the 1910-13 period) and for equity. The difference in the case of equity is that calculated after excluding the four issues listed in footnote 9; but must represent other similar cases undetected by me. The causes of the excess of my aggregate for “commercial and railway bond” issues over the official are hard to guess. If a substantial number of such issues were conversion issues, then such would be excluded from the official statistics, but since commercial inland bond-issuing had been so slight in 1924-6, (and issues before that were subject to the revaluation legislation) this is unlikely.

“Gross admissions” and “net new issues”

The first and fourth columns of Table 2 give roughly similarly defined official aggregates of net new issuing on German bourses in the same period, for which the officials relied on the information described in the first section of the paper. These statistics include only such equities issues as were for cash sale (Bareinzahlungen).¹¹ Thus, not only equities issues against other equities in connection with mergers and acquisitions, but also equities issued to original owners in connection with the conversion of a private company into a public company (Aktiengesellschaft) are omitted.¹²

Table 3 compares the “gross admissions” with the “net new issuing” in 1910-13 (col.5) and in 1926-9 (col.6). The 1910-13 comparison uses the official “gross admissions” aggregates as in Table 1a col.2, rather than my less perfect aggregates in Table 1a col.1; but since the official “gross admissions” aggregates ceased in 1927, the comparison in the later period has to be on the basis of my own aggregates for “gross admissions” (Table 1a col.4 = Table 3 col.2, except in the case of equity). Gross equity admissions, however, are differently valued in Table 3 than in Table 1a – on the “market value” basis by which the “net new issue” statistics value them, rather than on the “par value” basis on which they are displayed in the new admissions lists. This required the increasing of the “gross inland equity admissions” aggregates as per Table 1a cols 1 & 4 - for 1910-13 by 24%, and for 1926-9 by 7%.¹³ Table 1c col. 4, line 4 also excludes the Vereinigte Stahlwerke issue of 1926, unlike Table 1a col.4, line 4.

According to Table 3 col.5, lines 5 & 9, the net inland new issuing in 1910-13 was 84% in value of gross bourse admissions, whereas net foreign new issuing was only 36% of gross foreign admissions. The more severe reduction of the “foreign” reflects the already-mentioned fact that the sums for which foreign securities were admitted were often the entire sum issued globally, not the portion expected to be placed on German stock markets.

¹¹ Deutsche Bundesbank, p.289.

¹² Wirtschaft und Statistik, 1928, p.597.

¹³ The revaluation percentage for the 1910-13 period is derived from statistics of Neugründungen und Kapitalerhöhungen von Aktiengesellschaften in the Statistisches Jahrbuch für das Deutsche Reich, 1912 pp.387-8 & 1914 pp. 399ff; that for 1926-9 from corresponding statistics in the Vierteljahrshefte zur Statistik des Deutschen Reichs, 1927, p.I.168, etc. The smaller increase in the later period is connected to the fact that all equity had been revalued in 1924-5 in connection with the transition from mark to reichsmark balance sheet valuations.

However the reduction will also incorporate deductions made on account of refinancing issues – i.e. new issues in exchange for surrender of previous issues.

The fact that “net” issues of governmental stocks were only 76% of “gross” in 1910-13 and 75% in 1926-9 (Table 3, cols.5,6, line 1), seems to reflect the excision of issues that refunded previous debt such as short-term interest-bearing treasury paper (Schatzanweisungen). In 1926-9 the main discrepancy between the two series relates to local authority domestic new issuing in 1927. The “net new issue” aggregate is puzzling for this year. The Deutsche Bundesbank’s “net issue” aggregates for governmental debt bear a reasonably close relationship to its statistics of the net increase in the stock of the same if this stock receives one adjustment. But this shows the net increase in the local authority bond stock for 1927 of only 27 mill. rm. in 1927, in a year local authorities were issuing domestic bonds to the total of 435 mill. rm. by the gross admissions lists. The presumption must be that these bonds mainly funded short debt issued during the recession of 1925-6. For 1929, too, the “gross admissions” data on states’ and local authorities’ domestic bond issuing is considerably higher than the data on their “net issuing.” This must imply that much of this funded accumulating short debts.¹⁴

Thus the “gross admissions” series on governmental debt reflects the capacity of governments to issue longer-dated market debt, not the increase in government liabilities.

The fact that “net issue” aggregates for mortgage bonds in the 1910-13 period are only 52% of the gross admissions (Table 3, col.5, line 2) reflects the statisticians’ adjustment for the overstatement of the declared size of “tap” issues for reasons already referred to (p.3). Between 1903 and 1911 the proportion between gross admissions of mortgage bonds and the official statisticians’ estimate of net issues was roughly constant.¹⁵ But in 1912 and 1913 it collapsed so that in the latter year “net issues” were only about 20% of “gross admissions” despite an unprecedentedly small level of the latter.¹⁶ By contrast, in the mid-1920s frequent changes in the level of interest rates made it less certain that the institutions would wish or be able to sell very much of any particular issue. However, the same interest-rate instability meant that institutions made issues in rapid succession tailored to the mortgage rate, and repurchased higher-rate bonds with some of the proceeds of lower-rate. “Net” new issues bear much a smaller proportion to “gross” in 1927, when interest rates reached a post-stabilization minimum, than in any other year of the 1926-9 period, confirming the hypothesis.¹⁷

“Commercial and railway bonds” in Tables 1-3 include, as well as the bonds of trading companies whether owned by the private or public sector, all railway bonds (even government bonds so denominated), and the bonds of local-authority service-associations.¹⁸ For 1910-13

¹⁴ My data include short-term interest-bearing government paper (Schatzanweisungen), so far as admitted to bourse trading; it is not clear whether the Deutsche Bundesbank’s “net new issue” statistics do also.

¹⁵ See the tables in Die Bank, 1910, p.82 & 1911, p. 87.

¹⁶ Stating what the ratio is, is complicated by the absence of official gross admissions statistics before 1909 and the fact that the previous private estimates, such as those of the Frankfurter Zeitung as reproduced in Die Bank, 1910, p.82, 1911 p.87, are smaller than the Deutsche Bundesbank estimates of net mortgage-bond issues. Nevertheless the evidence of constancy in the proportion between the two justifies the statement in the text.

¹⁷ Also consistent with the hypothesis is the fact that the proportion was almost as low in the low-interest-rate year of 1930 (61%) as in 1927 (57%). However the lowish proportion in 1929 (73%) when interest rates were tending to rise is not consistent with it. Mortgage-bond issuing was small in this year (cp. Appendix 3).

¹⁸ Zweckverbände – associations of local authorities to jointly provide specific services such as water supply, sewerage and electricity distribution. The inclusion in this categorie conforms to that of the Deutsche Bundesbank series.

the differences between “gross admissions” of corporate bonds, as per the official aggregates, and “net issues” are slight as regards domestic issuers (Table 3, col. 5, line 3). The difference as regards 1926-9 is larger (Table 3, col.6, line 3), and largely arose in 1926-7. A major reason could be that much of the 1927 debt was related to mergers and takeovers.¹⁹

Table 3, col.5, line 4 shows that for equity in the 1910-13 period, uniquely, the ‘net’ new issuing exceeded the “gross” – by 11%! This is despite the fact that the “gross admissions” data has been revalued from the par values at which they were originally recorded to market price, as described above. An 11% excess of “net issues” over “gross admissions” survives this revaluation of the latter, despite the fact that the “net equity issues” in principle record only such equity issues as resulted in a cash gain by the issuer, and excludes issue against the tender of real assets. However the “net issues” will also include such as were not admitted to official bourse trading.²⁰ The importance of this is hard to judge. In 1926-9 549 new equity securities and increases in stocks of existing equities were admitted to official trading by the Bourse admissions offices.²¹ But the number of new Aktiengesellschaften formed in this period was 1268 and the number of capital increases (Kapitalerhöhungen) was 2756.²² Not all of these actions will have led to the issue of traded equity, and in calculating “net equity issues” the statisticians would only take into account cases where a prospectus had been issued. But it suggests the possibility of a sizeable over-the-counter-trade by banks in unlisted securities, and of trade in such equities on the floors and in the precincts of the bourses themselves. This will also have been true in 1910-13. For some undiscovered reason there appears to have been a great increase in the issue of such unlisted equities in 1912 and 1913, when the official net new equity issues exceeded the official gross admissions by 65% and 45% respectively.²³

This discussion shows that, especially in the case of equities, “gross admissions” and “net new issues” simply measure different things.

By contrast, according to Table 3 col.6, line 4, “net new issues” of equities were 95% of “gross admissions” in 1926-9. This seeming congruity conceals the fact that for 1927 “net issues” exceed the official calculation of “gross admissions” by 473 mill. rm. at market prices,²⁴ (or, as calculated by me, by 183 mill. rm). If all definitions are consistent this can only be due to the inclusion of sizeable amounts of non-listed securities in the “net” total.

Aggregates: comparisons 1910-13 and 1926-9

Having thus described the relationships between the data in Tables 1a and 2, it is now possible to compare gross admissions in the two periods.

¹⁹ There is a further puzzling difference in that the stock (Umlauf) of corporate bonds on 31.12.29 shown in Wirtschaft und Statistik, 1930, p. 386 (963 m. rm.) is only 58% of that shown in Deutsche Bundesbank, p. 291 (1660 m. rm.). This latter total is consistent with the Deutsche Bundesbank’s “net” new corporate bond-issuing statistics underlying Table 2 line 4, and also with the Statistisches Reichsamt’s own new issue data which is practically identical to the Deutsche Bundesbank’s.

²⁰ On trading in non-admitted securities, see W. Prion, ‘Börsenwesen,’ art. in Handwörterbuch der Staatswissenschaften, 4^{te} Auflage, 1924, Band II, pp. 1953 f („Der sog. Freie Verkehr.”) – who however gives no quantitative estimates.

²¹ Author’s calculations from the lists in Die Bank. For comparison: on 31.1.29 the total stock of equities so admitted to the Berlin bourse was 829 (Wirtschaft und Statistik, 1929, p. 236). Since all of them will be rm. equities, all will have been admitted since September 1924.

²² Vierteljahrshefte zur Statistik des Deutschen Reichs, 1927, p. I.164, etc.

²³ Cp. Deutsche Bundesbank, p.293 with Statistisches Jahrbuch für das Deutsche Reich, 1914, p. 296.

²⁴ Compare Wirtschaft und Statistik, 1928, p. 597 with Deutsche Bundesbank, p. 293.

This comparison raises the question whether to use the official aggregates or my own for 1910-13? Given that only my own aggregates are available for the 1926-9 period, and that I will probably have made similar errors in both, it seemed sensible to compare them rather than compare corrected aggregates for 1910-13 with uncorrected for 1926-9. However three corrections were made: (i) in both periods the gross admissions aggregates for equities are converted to market values as described on p.5 in relation to Table 3; (ii) for 1910-13, I substituted the official gross admissions data for my own in the case of Reich and federal-state (but not local authority) bonds since mine palpably missed some of issues; (iii) foreign issues were reduced by 50% as rough allowance for the above-described overstatement of the issue sums. The results are in Table 1c.

On this basis the gross admissions aggregate suggest a 8% fall in real bourse admissions from inland issuers in 1926-9 as compared with 1910-13. The net new issues data suggests a near constancy (Table 1c, col.7, line 5; Table 2, col.7, line 5). But since the net new issues series for mortgage and government bonds is more closely allied to net change in outstanding stocks of these papers than to actual securities issued, the gross admissions data give the sounder picture of actual issuing.²⁵ Total new issuing – i.e. by both inland and foreign issuers - on German bourses fell by both “gross” and “net” measures, because of the virtual disappearance of foreign issues after the early stages of the inflation.

Government-bond issuing on German bourses in 1926-9 was, in real terms, only 43% of what it had been in 1910-13; bond liabilities of the mortgage-bond houses were 75% greater (Table 1c, col. 7, lines 1 & 2). Constrained by the activities of the Advisory Council for Foreign Credits, states and local-authority foreign issuing was about 40% of their domestic issuing:²⁶ thus in total, German governmental direct issuing was less in real terms in this period than in 1910-13. This evidence has to be modified by consideration of the increase in local authority bank bonds, however: see p.10 below.

Table 1c, col. 7, lines 3 & 4 show real commercial and railway bond issuing on German bourses to be about 34% lower in 1926-9 than in 1910-13, but real equity issuing (net of the great merger issues described in note 9) to be about 9% higher. However, at the end of 1929 the outstanding stock of bonds issued abroad by German public-sector and private-sector firms was just over three times the outstanding stock issued in Germany since the stabilisation, and the net issuing of foreign bonds by such corporate issuers in 1926-9 was about four-fold their domestic “net” bond issuing in the same period.²⁷ German corporations could issue virtually no equity abroad. The data therefore suggest that in the later period net new corporate financing through bond issuing at home and abroad was much higher relative to that through share issuing than in the earlier. Companies were not indifferent as between the two modes; in circumstances in which corporate debt had been nearly annihilated by the inflation,²⁸ those with access to foreign capital markets eagerly re-accumulated it at home and abroad despite the higher interest rates they had to pay in both issue markets.²⁹ But smaller firms without international name-recognition were constrained in their bond issuing.

²⁵ The 8% fall is not the result of mortgage-bond institutions having overstated their issues more in the earlier than the later period: substituting the net issues aggregates from Table 2 into Table 1c merely reduces the fall to 7%.

²⁶ Balderston, *Origins*, pp.257ff; 454-5.

²⁷ *Wirtschaft und Statistik*, 1930, pp. 386, 388.

²⁸ The real rate of revaluation of pre-1924 corporate mark debt was less than 20%: *Wirtschaft und Statistik*, 1926, p. 637.

²⁹ Actual price inflation in Germany in both 1910-13 and 1926-9 was about 1.5% p.a.: Hoffmann, p.601.

Whereas corporate issuers in 1910-13 tended to issue 4½% bonds, even in the USA in 1926-9 the average for

The composition of the new inland issues by type of issues can be compared in summary in Tables 1c & 2, columns 3 and 5. These show the vastly reduced importance of governmental bond issues in the later period, counterbalanced by the considerably increased relative importance of mortgage-bond issues. The relative importance of gross admissions of equity was greater in the later period than the earlier, even after making the deductions noted in footnote 9, whereas that of net issues of equity for cash purchase was the same. This is partly because of the unexplained excess of net issues over gross admission in 1912 and 1913 referred to above. The share of inland admissions of inland commercial and railway bonds in aggregate admissions was small in both periods, though slightly smaller in the second than the first.

Table 4 resolves this information about the composition of new issues in the two periods into the division between fixed-interest and equity. The “gross admissions” data, but not the “net issue” data, suggest a relative decline in the former and increase in the latter. Ernst Wolfgang, though working from the gross data, concluded that the composition of the security stock was similar in this respect in both periods.³⁰

Finally, the composition of the aggregate sums issued as between public-sector and private-sector issuers is given in Table 5. The “gross admissions” statistics in this case are my compilations from the admissions list (cp. Appendix 3), for which I endeavoured to identify the sector into which every issuer of mortgage bonds, local authority bank bonds, and commercial and railway bonds fell.³¹ The Deutsche Bundesbank’s “net” series only had the detail for the 1926-9 period to attempt this division; and it had to be assumed that the net mortgage- and local-authority bank bond issues of the mortgage-bond institutions also split 9:1 in favour of the private sector as I had ascertained for the gross issues. The result was for the 1926-9 period was, as regards “gross admissions” that 29% were public-sector, 71% private. This was a dramatic reduction of the importance of the public sector in new issuing compared with 1910-13. The “net issues” data show an even larger shift.

I now proceed to some more detailed comments on some of the sectors.

Government and local authority bonds

Table 6, col. 4, lines 10 & 11 show that the reduction of governmental and local-authority domestic bond-issuing by more than half as compared with 1910-13 was relieved to a limited extent by bond-issuing abroad. In this period such foreign issuing was only done by federal states and local authorities, but this hides the fact of the German International Loan (the Dawes Loan) of October 1924, to the sum of c. 850 m. rm. Almost all federal-state and local-authority bond issuing after the stabilisation was done in the 1926-9 period.

The Table also shows that, even without taking the international loan into account,³² the Reich’s real bond issuing in 1926-9 was on a level with that of 1910-13.³³ It was the other two

German bonds was just over 6% (Wirtschaft und Statistik, 1930, p. 386); higher in the case of corporate reichsmark bonds. What anticipated reichsmark inflation was, is another question.

³⁰ Wolfgang, “Der Neuaufbau,” Die Wirtschaftskurve, 1928 (?).p. 84.

³¹ The present paper has misallocated certain small public-sector banks, but the effect of this on the aggregate division will be slight.

³² Cp. Wirtschaft und Statistik, 1930, p. 247. It was largely applied to the payment of reparations during the first year of the Dawes Plan.

³³ It comprised the 500 m. 5% (subsequently 6%) issue of February 1927 and the 300 m. 7% issue (with tax advantages) of May 1929. Neither were conspicuous successes, but neither was the Reich’s bond-issuing before

levels of government whose borrowing bore the brunt of the narrow market for government debt after the stabilisation. The fact that real bond issuing by the states fell more than real borrowing by the local authorities reflects the reduced economic function of the states in the more centralised Weimar republic, though also their relatively more favourable treatment than the local authorities under the provisional fiscal settlement that governed the remittance of the revenues from the now-centralised direct taxes to lower levels of government.

Table 6, col. 3 line 11 shows that direct inland bond-issuing by local authorities in their known name ran in 1926-9 at only two-thirds of 1910-13. However they could also access the stock markets indirectly by means of local authority bank bonds (Kommunalobligationen) which were issued on the credit of the mortgage-bond institutions to finance loans these made to local authorities chiefly for infrastructural purposes. The share of these in aggregate new admissions rose from about 2% in 1910-13 to about 7% in 1926-9. The share of the direct and indirect bond issues by local authorities in new admissions to German bourses therefore fell only from about 16% in 1910-13 to about 14% in 1926-9 (see Appendix 3). Moreover the local authorities in aggregate issued about as much bond debt abroad in the latter period as at home.³⁴ Thus, local authorities found ways of circumnavigating the constraints on their direct capacity to raise credit on post-inflation German capital market.

190 local authority bonds, issued in their own name by 92 different cities, were admitted to German stock markets in 1910-13, and, in 1926-9, 103 bonds by only 52 cities and one district (Kreis). And the average real sum issued in the later period was only 50% of that in the earlier (Table 7). However, those cities which did not issue on German bourses in the second period, though they had in the first, were not noticeably the larger cities, so the hypothesis, that new inland issuing by local authorities fell simply because of the preference of larger cities in 1926-9 for issuing abroad, is not sustained. Indeed, many of the largest German cities – Berlin, Düsseldorf, Frankfurt, Leipzig, Ludwigshafen, Mannheim, Munich, Stettin, Stuttgart – did issue on German stock markets as well as many of these also issuing abroad. Thus, comparison of the profiles of the German new issue market for city bonds in the two periods confirms the view that it was the unreceptiveness of the German market for their bonds that limited their domestic issuing in this period. Cities without ‘name recognition’ abroad were more dependent on the local authority bank bonds and on collective loans issued on their behalf by the Deutsche Girozentrale of the savings-banks.

Mortgage bonds

Mortgage bonds (Pfandbriefe) are securitisations of the mortgage assets of various types of mortgage-lending banks. Outside south Germany urban mortgage lending was the business of specialist institutions; in south Germany mixed banks plied both general banking business and mortgage lending. The issuing of mortgage bonds in relation to agricultural mortgages was undertaken by Landschaften, that were effectively landowners’ credit unions, and by various public-sector institutions.³⁵ The mortgage bonds of 62 institutions were admitted to bourse trading in 1910-13, and of 98 in 1926-9, of which 45 also issued in 1910-13. The increase in mortgage bonds’ share of gross admissions from 25% in 1910-13 to 44% in 1926-9 (Table 1c

1914. The Reich also issued 254 mill. rm. of interest-bearing treasury certificates in 1928-9 which are included in Appendix 3 and the relevant Tables.

³⁴ Balderston, Origins, pp. 256.

³⁵ On this see F. Schutte’s articles “Hypothekenbanken” in Handwörterbuch der Staatswissenschaften, 4^{te} Auflage, 1923, Band V, pp.328ff; and „Landeskredikassen und Landesbanken“ in ibid., vol. VI (1925), pp. 134ff; and, in the same vol., the art. „Landschaften“ by W. von Altrock, pp.148.

cols. 3 & 5, line 2; cp. Table 2, cols. 3 & 5, line 2) reflects on the one hand the diminished appetite for governmental bonds, and on the other the perceived credit-worthiness of mortgagees in an era when the pre-1924 mortgage-claims on property had been reduced by at least 75% through the revaluation legislation of 1925.³⁶ This confidence proved itself: the mortgage-bond institutions were more stable than other credit institutions in the financial crisis of 1931. But the average real size of new mortgage-bonds issued in this period was only 40% of that of 1910-13 (Table 7), for the reasons given on pp.3,5.

The issue of local authority bank bonds (Kommunalobligationen), i.e. bonds financing loans to local authorities for capital projects, increased from about one-twelfth of the total issuing of the mortgage-bond institutions in 1910-13 to about one-sixth in 1926-9. As already stated, this reflects the advantage to local authorities of interposing the good credit of the mortgage banks between themselves and the stock market.

Equity issuing

782 new inland equity issues, plus 57 foreign, were admitted to German bourses in 1910-13 as against 557 in 1926-9. At market value, the average size of issue in the later period was 60% greater than in the earlier (Table 7). Thus the profile of equity admissions seems to confirm the idea of the increasing scale of business organisation. Apart from the four equity admissions excluded from my statistics (those of footnote 9) plus the two Reichsbahn preference-share issues of 150 mill. rm. in 1926 and 225 mill. rm., in 1928, there were six other admissions in excess of 100 m. rm. in 1926-9, whereas in 1910-13 there were no equity admissions in excess of 70 m. rm. In 1910-13 equities had been (on average) much the smallest type of security traded on the bourses. In 1926-9 this difference was no longer so pronounced (Table 7).

Commercial and railway bond issuing

The column of Appendix 3 so denominated comprises all bonds admitted from inland issuers, other than governmental bonds and bonds of mortgage-bond institutions. Such bonds formed a slightly smaller proportion of all issuing in 1926-9 (11%) than in 1910-3 (13%). This reflects the already-stated fact that in 1926-9 much the larger proportion of bonds of companies and public utilities was issued abroad. In the earlier period the bonds of private issuers in this class, other than public utilities, were on average significantly smaller (5.2 mill. m.) than those of public enterprises and private-sector public utilities (8 mill.m.). In 1926-9 this disparity persisted to a lesser degree, once one excludes the huge 250 mill. rm. I.G.Farben bond admission in July 1928. In both periods, but more prominently in the earlier, private-sector bond issues of this class were on average larger than equity issues (cp. Table 7, col.6).

Few inland railway bonds were issued in either period. In 1910-3, apart from two issues by the state of Bavaria, all issues were very small and by local operators, mainly of either streetcar or narrow-gauge systems. The only railway-bond issuers in the later period were of this type; the Deutsche Reichsbahn, converted into a (mainly) Reich-owned Aktiengesellschaft in 1924 to comply with the Dawes Plan, made the afore-mentioned two large preference-share issues.

³⁶ Holtfrerich, Deutsche Inflation, pp.315ff.

Foreign Issuers

German “foreign lending” is often a nebulous concept; to give it some definiteness Appendix 2 lists the names of all non-inland issuers of securities on German bourses, firstly for 1910-13 and secondly for 1926-9. The sums issued are not given because, especially for the earlier period, they frequently refer to the sum issued globally, and not to the tranche expected to be placed in Germany. The names of states and cities have been anglicised; but the names of other issuers are as they appeared in the lists of Die Bank. The predominance of central and Eastern European and Baltic issuers is obvious, both in the governmental and ‘other’ parts of the lists; and the Germanic names of many of the companies issuing indicates the importance of German-founded companies among foreign issuers.³⁷ German colonies play a subordinate part, but German influence in China and the Ottoman empire finds its reflection. The main truly global issuers are North and Central American railroads.

Foreign-issuing on German bourses in 1926-9 was trivial. The twenty names shown at the bottom of Appendix 2 illustrate the residual influence of German finance in central Europe (specifically, Austria and Hungary), the Baltic, and adjacent states, though some of these companies probably appear because of their commercial interests in Germany – notably the Algemeene Kunstzidye Unie. Six of the issuers operated in territories that before 1918 were German.

Conclusion

The most salient contribution to knowledge from this analysis is the lower share of public-sector issuing in 1926-9 than in 1910-13 (Table 5). In fact even the commercial bonds of public-sector companies were only 5% of inland issuing, compared with 6% in 1910-13.³⁸ This contrasts with the popular conception of creeping “socialisation” in Weimar Germany. Secondly the evidence regarding the average sums involved in the various types of issue shows that, as regards equity, the overwhelming bulk of issues were for quite small sums, even if somewhat larger in the later period – conflicting with the ideas of rationalisation and “giantism” (Table 7). More predictably, the analysis confirms that the rate of new issuing in aggregate was more stable in the earlier period (Table 1d), even if this stability conceals divergent movements among its components. The instability of the stock markets lessened the liquidity and stability of the banks.

In the 1920s mortgage bonds replaced state bonds as the anchor of the securities market, and the determinant of the long-term rate of interest (Landeszinsfuß). But the holdings of these bonds were uneven. Credit banks held little of them; and, perhaps significantly, both “pure” and “mixed” mortgage banks were among the most stable in the 1931 crisis. Knowledge of their portfolios may have limited contagion effects. Recent events have shown that a history of real estate prices is an urgent desideratum of financial history.

Bibliography [See end of Appendix 3, p.25.]

³⁷ This point goes wider than Germanic names: the Banca Commerciale Italiana had been founded by the Deutsche Bank. : Lothar Gall *et. al.* (Munich, 1995), p.15. On the other side, the word Eisenbahn may be a translation of the actual word used for ‘railway’ in the company-name in some cases.

³⁸ Sources to Appendix 3.

Appendix 1: Text Tables

Table 1a. Gross aggregates of new bourse admissions 1910-13 & 1926-9
Mill. m. / rm. or %

Type of security and Issuer	1910-13:	1910-13:	Ratio	1926-29: author's estimates
	author's estimates 1	official estimates 2	col 2: col. 1 (%) 3	
Inland issuers				
1 Bonds, national, state and local governments,	4228	4746	112	3124
2 Mortgage bonds, local authority bonds of mortgage- bond institutions	2886	3009	104	7560
3 Corporate bonds, public- and private sector, railways	1951	1164	60	1929
4 Shares	2458	2321	94	5403
5 TOTALS (Inland Issuers)	11523	11240	98	18016
Foreign issuers				
6 Bonds, national, state and local governments	2965	3537	119	
7 Corporate bonds, public- and private sector, railways	1949	1202	62	
8 Shares	928	855	92	
9 TOTALS (Foreign Issuers)	5842	5594	96	
Inland and foreign issuers				
10 Bonds, national, state and local governments,	7193	8283	115	
11 Mortgage bonds, local authority bonds of mortgage- bond institutions	2886	3077	107	
12 Corporate bonds, public- and private sector, railways	3901	2298	59	
13 Shares	3386	3176	94	
14 TOTALS (All Issuers)	17365	16834	97	

* Excluding the small number of issues "for undefined amounts," mostly by Landschaften.
Sources, Cols. 1,3: Appendix 3. Col. 2: Statistisches Jahrbuch für das Deutsche Reich, 1914, p.296.

Table 1b Comparing Stock-Exchange Admissions Aggregates for 1927# Mill. rm.

	Bonds of Governmental Bodies*	Bonds of Real- Estate Credit Institutions, public and private ^c	Commercial and Railway Bonds [¶]	Equity §	Total
Official	1038	3122	291	877	5328
Author's Calculations	1155	3158	462	1139	5914
Difference	117	36	172	262	586

Excl. bond liabilities arising out of the revaluation legislation

* Öffentliche Körperschaften, here taken to exclude öffentliche Zweckverbände.

^c Schuldverschreibungen von Hypothekenbanken, Landschaften und sonstige öffentl.-rechtl. Kreditanstalten d. Grundbesitzes.

[¶] Schuldverschreibungen von gewerblichen Unternehmungen; here take to include öffentliche Zweckverbände.

§ Aktien

Sources - Official: Wirtschaft und Statistik, 1928, p. 597; Author: Appendix 3.

Table 1c. Gross aggregates of new admissions to German stock exchanges 1910-13 and 1926-9* Composite and adjusted estimates. Mill m. / rm. or %.

Type of security and Issuer	1910-13 1	% Distrib ution: all issues	2	% Distrib ution: inland issues	3	1926-29 4	% Distri butio n	5	1926-9 deflated to 1913 prices#	6	Ratio of 1926-9 deflated to 1910- 13 = 100	7
Inland issuers												
1 Bonds, national, state and local governments,	4800			38		3124		18	2083		43	
2 Mortgage bonds, local authority bonds of mortgage-bond institutions	2886			23		7560		43	5040		175	
3 Corporate bonds, public- and private sector, railways	1951			15		1929		11	1286		66	
4 Shares	3048			24		4972		28	3315		109	
5 TOTALS (Inland Issuers)	12685			100		17585		100	11724		92	
Foreign issuers[¶]												
6 Bonds, national, state and local governments	1483											
7 Corporate bonds, public- and private sector, railways	975											
8 Shares	464											
9 TOTALS (Foreign Issuers)	2921											
Inland and foreign issuers												
10 Bonds, national, state and local governments,	6283		40			3124			2083		33	
11 Mortgage bonds, local authority bonds of mortgage-bond institutions	2886		18			7560			5040		175	
12 Corporate bonds, public- and private sector, railways	2926		19			1929			1286		44	
13 Shares	3512		23			4972			3315		94	
14 TOTALS (All Issuers)	15607		100			17585			11724		75	

[#] Deflation of 1926-9 nominal totals by 1.5, approximately the difference between the NNP deflators in 1910-13 & 1926-9: Hoffmann, p.601. * Shares up-valued by 24% (1910-13) and 7% (1926-9) to convert from par to market values. See p.5. Sources – 1910-13: as for Table 1a col 2, except line 3 (Table 1a col.1). Line 4: equity adjusted to market value by multiplying source by 1.24. [¶] Foreign issues halved compared with Table 1a: see text. Sources – 1926-9: Table 1a. Line 4: equity excluding the Vereinigte Stahlwerke issue of autumn 1926, and adjusted to market value by multiplying source by 1.07.

Table 1d. Aggregate Gross admissions for Inland Issuers Mill. m. / rm.

1910	3001	1926	4378
1911	3039	1927	5939
1912	3034	1928	4066
1913	2448	1929	3634
1914*	2671	1930	4269
		1931 [#]	1906

*Jan.-July only. # Jan.-Sept only.
Source: Appendix 3.

Table 2: Net New Issues, 1910-13 & 1926-9: Official Statistics

	1910-13	% Dis- tribut ion (all iss- ues)	% Dis- tributi on (inlan d)	1926-9	% Dis- trib- ution	1926-9 deflated to 1913 prices#	1926-9 (defla- ted) as % of 1910- 13
	1	2	3	4	5	6	7
Inland issuers							
1	Bonds, national, state and local governments	3606	38	2328	16	1552	43
2	Mortgage bonds, local authority bank bonds of mortgage-bond institutions	1563	17	5826	40	3884	248
3	Commercial and railway bonds	1058	11	1538	11	1025	97
4	Equity	3181	34	4744	33	3163	99
5	TOTAL (Inland Issuers)	9408	100	14436	100	9624	102
Foreign Issuers							
6	Bonds, national, state and local governments	1138					
7	Commercial and railway bonds	597					
8	Equity	269					
9	TOTAL (Foreign issuers)	2004					
All Issuers on German bourses							
10	Bonds, national, state and local governments,	4744	42	2328		1552	33
11	Mortgage bonds, local authority bank bonds of mortgage-bond institutions	1563	14	5826		3884	248
12	Commercial and railway bonds	1655	15	1538		1025	62
13	Equity	3450	30	4744		3163	92
14	TOTAL (All issuers)	11412	100	14436		9624	84

For deflation factor, see Table 1c note #.

Source: Deutsche Bundesbank, p.293.

Table 3 Ratios net: gross in new issue statistics 1910-13 and 1926-9.
Mill. m. / rm. or %.

Type of security and Issuer	Gross Aggregates		Net Aggregates		Ratios: Net:Gross	
	1910-13	1926-29	1910-13	1926-29	1910-13	1926-29
	1	2	3	4	5	6
Inland issuers						
1 Bonds, national, state and local governments, state railways	4746	3124	3606	2328	0.76	0.75
2 Mortgage bonds, local authority bonds of mortgage-bond institutions	3009	7560	1563	5826	0.52	0.77
3 Corporate bonds of public- and private sector firms	1164	1929	1058	1538	0.91	0.80
4 Shares [#]	2878	4972	3181	4744	1.11	0.95
5 TOTALS (Inland Issuers)	11240	17585	9408	14436	0.84	0.82
Foreign issuers						
6 Bonds, national, state and local governments, state railways	3537		1138		0.32	
7 Corporate bonds of public- and private sector firms	1202		597		0.50	
8 Shares	855		269		0.31	
9 TOTALS (Foreign Issuers)	5594		2004		0.36	
Inland and foreign issuers						
10 Bonds, national, state and local governments, state railways	8283	2380	4744	2328	0.57	0.98
11 Mortgage bonds, local authority bonds of mortgage-bond institutions	3009	7453	1563	5826	0.52	0.78
12 Corporate bonds of public- and private sector firms	2366	2080	1655	1538	0.70	0.74
13 Shares	3733	7055	3450	4744	0.92	0.67
14 TOTALS (All Issuers)	16834	18969	11412	14436	0.68	0.76

*For deflator see table 1c note #.

Source: Tables 1a, 1c and; explanations in text.

1926-9 gross equity admissions also deducting 800 mill rm. for the Vereinigte Stahlwerke admission of 1926: see footnote 9 in text. Gross equity admissions also up-valued by 24% (1910-13) and 7% (1926-9) – see Table 1c, note *.

Table 4. Percentage distribution between fixed-interest and equity issues 1910-13 & 1926-9 (%)

	Net	Net	Net	Net	Gross	Gross	Gross	Gross
	All fixed interest (inland and foreign issuers)	All equity issues (inland and foreign issuers)	All fixed interest (inland issuers)	All equity issues (inland issuers)	All fixed interest (inland and foreign issuers)	All share issues (inland and foreign issuers)	All fixed interest (inland issuers)	All share issues (inland issuers)
1910-13	66	34	70	30	76	24	76	24
1926-29			67	33			72	28

Sources: Tables 1c & 2.

Table 5. Percentage distribution between public- and private-sector issuing 1910-13 & 1926-9

	Public sector	Private sector
1910-13 all issues (gross)	46	54
1910-13 inland issues (gross)	42	58
1926-9 (gross admissions)	29	71
1926-9 (net issues)	25	75

Calculated from sources to Tables 1c & 2; see explanation in text. "Gross equity admissions" revalued to market prices: see Table 1c, note *.

Table 6. Government bourse issues* 1910-13 & 1926-9 Mill. m. / rm. and (%)

	Reich	Federal state	Local authority	Total
Aggregates at current prices	1	2	3	4
1 1910-13 (Inland)	1224	1843	1734	4800
2 1926-29 (Inland)	1035	864	1226	3124
3 1926-9 (issued abroad)	0	502	523	1025
4 1926-9 (all issues)	1035	1366	1749	4149
Percentage composition of total				
5 1910-13 (Inland)	25	38	36	100
6 1926-29 (Inland)	33	28	39	100
7 1926-9 (all issues)	25	33	42	100
Percentage change in real issuing				
8 1926-9 (Inland, 1913 prices)	533	576	817	1927
9 1926-9 (all issues, 1913 prices)	533	911	1166	2610
10 1926-9 (Inland, 1913 prices) as % 1910-13	44	31	47	40
1926-9 (all issues, 1913 prices) as %				
11 1910-13	44	49	67	54

*Incl short-term interest-bearing treasury paper (Schatzanweisungen). # For deflator see Table 1a, note #.

Sources: lines 1,2 - As for Table 1c; line 3: the stock of foreign-issued securities as of 31.12.29 per Deutsche Bundesbank, Table 1.04, p.292 and omitting the entry for the Reich (i.e. the Dawes Loan of 1924).

Table 7 Average size of new issues 1910-3 & 1926-9. Mill. m. / rm.

	Mortgage bonds	Local authority bank bonds	Reich and State Bonds	Local authority bonds	Commercial and railway bonds	Equity issues*
	1	2	3	4	5	6
1 1910-13	17.7	12.4	86.0	9.1	6.4	4.4
2 1926-9	10.5	10.2	75.9	11.9	10.2	10.5
3 1926-9 deflated	7.0	6.8	50.6	7.9	6.8	7.0

Ratio,

4 line 3: line 1.	0.4	0.5	0.6	0.9	1.1	1.6
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* Values in Appendix 3 increased by 24% (1910-13) and 7% (1926-9) to convert from par to market valuations; see Table 1c, note *.

Source: Appendix 3.

Appendix 2 New Issuing on German Bourses by Foreign Issuers

1) 1910-13

Issuer	Admissions in
<i>National Governments</i>	
Austria	May 1910; April 1911; March 1912; April 1913
Bulgaria	Nov.1911
Chile	July.1911; June 1912
China	July. 1913
Cuba	March. 1910
Dänemark	June.1912
Hungary	April 1910;Jan.1911; Jan., April & Oct, 1913
Japan	April.1910
Morocco	June.1910
Ottoman Empire	March.1911
Rumania	March.1910; March & Nov. 1913
Serbia	Feb.1910
<i>Cities / Provinces</i>	
Abo	July.1911
Copenhagen	May 1910; March 1911
Moskow	June. 1912
Sao Paolo	June.1013
Stockholm	Dec. 1913
Teplitz-Schönau	June.1913
Vienna	Dec.1913
<i>Other</i>	
A.G. für Plantagenbetrieb in Zentral-Amerika	Nov. 1912
A.E.G. (Russische Ges.)	Dec 1911 (equity and bond); July 1913
Anatolische Eisenbahn-Ges.	Sept.1912
Asow-Don-Commerzbank	Nov.1910
Aussig-Teplitzer Eisenbahnges.	Jan.1910
Azow-Don Commerzbank	July.1911
Banca Commerciale Italiana	June.1912
Banca Generala Romana	July 1910 & July 1913
Bank für Elektrische Unternehmungen,	Oct. 1910; Oct.1913
Brasil Bk. F. Dtlid	March.1913
Brown Boverie & Co	Jan.1911
Budapester Strassen-Eisenb.-Ges.	Sept.1912
Caja de Credito Hipotecario	June.1912
Canadian Pacific-Eisenbahn Ges.	Dec.1910; Feb.1911; Jan.1913
Casa Grande Zuckerplantagen AG	Nov.1910
Commerzbank in Warschau	June.1911
Comp. Barcelonese d Electricidad	Sept.1910
Compañia Rural Bremen	Jan.1910
Dänische Landmannsbank	July.1912
Denver & Rio Grande Rlrd	May.1910
Deutsch-Überseeische Bank	May. 1912
Deutsche Handels- und Plantagenges der Südseeinseln	Jan.1911
Deutsche Palästina-Bank	April.1910; June.1910
Deutsch-Ueberseeische Elektrizitäts-Ges	June. 1910;March 1911 (equity & bond); March 1913

Deutsch-Südamerikanische Telegraphenges.	April.1911 (equity and bond); April & Oct.1912.
Issuer	Admissions in
Ferrocarriles Nacionales de Mexico	May.1910
Ferrocarriles Unidos de Yucatán	Jan.1911
Finnländische Stadt-Hypothekenkasse	May 1910; April 1911
Ges. für Elektrische Beleuchtung v.J.1886 in St Petersburg	Sept.1910; July.1912
Gesellschaft 'Südkamerun'	May 1910; June 1910
Handelsbank in Lodz	June.1912
Helsingfors	June. 1911
Hruschauer Tonwarenfabr.	Dec.1913
Kaiserliche Chinesische Hukuan Staats-Eisenbahn	Sept.1911
Kaiserliche Ottomanische Bagdadbahn	June.1910
Kaiserliche ChinesischeTientsin-Pakow Staats-Eisenbahn	Jan.1911
Kopenhagen. Telephon.-A.G.	Dec.1913
Moskau--Kasan-Eisenbahnges.	July.1911
Moskau-Kiew-Woronesch Eisenbahnges.	June.1910
Nagykikinda-Arader-Lokal-Eisenbahnen AG	Feb.1910
Naphtha-Produktionsges. Gebrüder Nobel	April.1912
Nordische Aktien-Bank. für Handel u. Industrie, Helsingfors	June.1911
Österreichische Credit-Anstalt für Handel und Gewerbe	Sept.1911
Österreichische Länderbank	April.1910
Otavi Minen- und Eisenbahnges.	Aug.1913
Plantagenges. Conception, Hamburg	Feb.1910
Podolische Eisenbahnges.	July.1911
Provinz Buenos Aires	Feb.1911
Rigaer Commerzbank	Nov.1910
Rock Island Arkansas & Louisiana Rlrd	May.1910
Russische Bank für Auswärtige Handel	Sept. 1910; Aug.1911
Russische Ges, für Röhrenfabrikation	May.1913
Schantungs-Eisenbahn-Ges	Nov.1910; Dec.1913
Schweizerische Bundesbahnen	Jan.1912
Sibirische Handelsbank	Sept.1910; Oct.1912
Southern Pacific Comp	Sept. & Dec.1910; Jan.& May 1911
St Louis & San Fransisco Railroad Co	Jan.1911
St Petersburg Diskontobank	June.1911; July.1913
St Petersburg Internationale Handelsbank	March.1910; July 1911; June 1913
Steaua Romana A.-G. für Petroleumindustrie	Sep-12
Ungarische Allgemeine Creditbank	May.1911
Union-Bank in Wien	June & July 1911
Victoria Falls and Transvaal Power Co.	March 1910; June 1911
Warschauer Discontobank	May 1910; Dec. 1912
Wladikawkas Eisenbahnges.	May 1912; June 1913

* Ges. = Gesellschaft

Source: [Die Bank](#).

2) 1926-9

Issuer

Admissions in

Cities

Danzig

Sept. 1926

Other

A.G. für Zellstoff und Papierfabrikation (Lithuania)

Oct. 1926

Algemeene Kunstzidye Unie (Aku)

Oct. 1929

Arbed 5¼% Anl 9.45 m dollars

Aug. 1927; June 1928

Bank von Danzig

April. 1926

Comp. Hisp. Americana de Electricidad

April 1928; Jan. 1929

Continental Linoleum-Union (Zurich)

July & Oct. 1929

Danziger Hypothekenbank

March, July & Dec. 1926; Sept. 1927 (twice);

Deutsche-Asiatische Bank

July. 1929

Hohenlohe-Werke (Poland)

Jan. 1928

Kreuger und Toll

Aug. 1929

Montecatini S.G.

Nov. 1928

Oesterreichische Eisenbahn-Verkehrsanstalt

Jan. 1927

Oesterreichische Creditanstalt

Aug. 1927; June 1928

Schlesische A.G. für Bergbau (Poland)

March & Dec. 1928

Svenska Taendsticks A.B

Aug. 1928

Ungarische Escompte- und Wechsler- Bank

June. 1929

Ungarische Allg Kreditbank

Aug. 1927

Vereinigte Böhler Stahlwerke (Austria)

June. 1927

Wiener Bankverein

June & July. 1927

Appendix 3 Gross Admissions of Stocks of Inland Issuers to German Bourses 1910-14, 1925-31

Mill. m. / rm.

Notes on the columns.

“Mortgage bonds” (Pfandbriefe) were the securitisations of the mortgage assets of broadly three types of institution. (i) The Landschaften, which were, in effect, credit unions many dating from the 18th century, of landowners in a province or district (the earliest dating from the 18th century) who thereby borrowed on their joint credit. Often their issues, particularly before the War, were for undefined amounts, so could not be included in the totals below. There were five such admissions for undefined amounts in 1910, seven in 1911, four in 1912, three in 1913 and one in January-July 1914. (ii) The joint-stock mortgage banks, the first of which were founded in the 1850s, which mainly lent on urban property. (iii) A variety of public-sector banks, for which the Landesbanken of the Prussian provinces provided the general model, whose original object was often to ease the supply of credit to agriculture. By the years just before 1914 versions designed to ease the supply of mortgages for mass housing also appeared. Between the wars these diversified into other loans, often to other public banks. “Local authority bank bonds” (Kommunalobligationen) were issued by mortgage banks under their own name but to finance loans to local authorities, chiefly to finance infrastructural projects.

“Reich and state bonds” exclude the bonds they issued (pre-war) specifically for railway finance.

“Local authority bonds” are those issued directly by local authorities in their own name.

“Commercial and railway bonds” comprise all other non-mortgage, non-governmental bonds issued by inland public-sector or private-sector bodies, except that they also include railway bonds issued by governments for this purpose, and bonds of local-authority associations (Zweckverbände) formed to provide infra-structural and public-utility services. Those issued by private- and public-sector business enterprises had much the largest share.

“Equity issues” were cleansed of the four issues in 1926 & 7 noted in footnote 9. They are shown at par values.

“Other securities” mainly comprise, for the pre-war period, the Kuxe, or participations issued by such mining enterprises as were organised as Gewerkschaften. These were recorded by number issued, not their value. For the post-war period the category mainly comprises bonds issued in connection under the revaluation legislation of 1925 concerning pre-stabilisation debts.

Some issues in January 1929 have been omitted through oversight.

* Kuxe: see explanation above.

		Mortgage bonds	Local authority bank bonds	Reich and State Bonds	Local authority bonds	Commer- cial and railway bonds	Equity issues	Other securit- ies
1910	Jan	115	0	0	12	26	10	0
	Feb	75	0	480	2	5	37	0
	Mar	187	20	0	56	83	65	0
	April	45	20	0	59	11	77	0
	May	1	0	30	40	77	94	0
	June	82	0	33	70	54	136	0
	July	17	0	0	17	22	64	0
	Aug	40	0	0	5	6	21	0
	Sept	10	12	0	5	17	31	0
	Oct	112	0	0	49	8	53	0
	Nov	56	9	0	2	18	97	0
	Dec	215	17	0	23	45	29	0
	Jan-Dec	955	78	543	339	371	715	0

		Mortgage bonds	Local authority bank bonds	Reich and State Bonds	Local authority bonds	Commer- cial and railway bonds	Equity issues	Other securit- ies
1911	Jan	105	0	30	13	56	18	0
	Feb	0	0	50	110	20	33	0
	Mar	121	0	0	10	52	41	0
	April	40	0	0	106	13	50	0
	May	52	0	0	67	87	108	0
	June	125	0	0	10	56	57	0
	July	0	8	38	26	52	84	0
	Aug	30	0	0	18	71	16	1000*
	Sept	25	0	250	12	36	81	1000*
	Oct	0	10	0	37	17	25	0
	Nov	54	10	86	13	20	35	0
	Dec	232	30	75	37	134	48	0
	Jan-Dec	784	58	529	459	614	596	2000*
1912	Jan	65	0	25	44	30	21	3000*
	Feb	55	5	517	36	81	17	0
	Mar	120	0	0	53	26	19	0
	April	10	0	30	44	82	84	4000*
	May	59	0	10	70	38	104	0
	June	40	0	20	66	73	90	0
	July	67	0	0	46	94	74	360*
	Aug	25	0	0	26	19	56	0
	Sept	33	0	0	37	51	67	0
	Oct	42	0	0	66	11	30	0
	Nov	85	0	0	5	58	59	0
	Dec	10	5	0	45	17	74	0
	Jan-Dec	611	10	602	539	578	695	7360*
1913	Jan	20	0	0	6	34	67	0
	Feb	25	2	0	79	5	8	0
	Mar	5	24	550	36	37	17	0
	April	10	60	2	18	92	47	0
	May	17	0	30	87	23	53	0
	June	25	0	225	38	81	52	0
	July	44	0	13	23	10	52	0
	Aug	33	0	0	12	37	23	0
	Sept	30	0	0	20	15	19	0
	Oct	0	0	0	58	2	33	0
	Nov	80	0	0	17	26	30	0
	Dec	10	5	0	5	27	52	0
	Jan-Dec	299	91	820	397	389	452	0

		Mortgage bonds	Local authority bank bonds	Reich and State Bonds	Local authority bonds	Commer- cial and railway bonds	Equity issues	Other securit- ies
1914	Jan	10	0	60	12	57	11	0
	Feb	9	0	600	205	45	18	0
	Mar	71	20	48	49	2	74	0
	April	24	0	12	63	82	72	0
	May	64	5	43	66	33	104	0
	June	20	0	86	56	120	142	0
	July	23	10	80	35	179	63	2290*
	Jan-July	221	35	929	486	517	483	2290*
1925	Jan	40	0	0	0	0	60	
	Feb	168	20	0	0	0	228	0
	Mar	55	0	0	0	48	627	0
	April	57	0	0	1	20	282	0
	May	172	9	0	0	5	48	0
	June	72	15	0	0	10	231	0
	July	46	0	0	1	11	92	0
	Aug	47	1	0	20	21	312	0
	Sept	37	0	0	0	5	401	0
	Oct	74	0	0	0	20	45	0
	Nov	53	0	0	0	13	208	0
	Dec	88	0	0	0	0	32	0
	Jan-Dec	909	45	0	22	153	2565	0
1926	Jan	51	0	0	0	8	11	0
	Feb	86	18	0	0	2	10	0
	Mar	136	0	30	5	16	21	0
	April	111	20	59	0	45	27	0
	May	102	36	37	23	13	25	0
	June	161	11	60	10	74	19	0
	July	91	33	0	21	31	11	0
	Aug	127	5	5	17	31	32	0
	Sept	150	0	40	44	236	1037	2
	Oct	55	20	0	0	113	93	0
	Nov	195	40	8	70	44	54	72
	Dec	265	118	0	16	58	96	0
	Jan-Dec	1528	300	239	205	669	1436	74
1927	Jan	306	90	0	57	90	31	144
	Feb	451	210	0	133	86	80	222
	Mar	493	65	0	57	57	7	136
	April	167	20	525	21	58	78	79
	May	135	0	41	43	66	154	283
	June	160	40	75	47	83	358	130

		Mortgage bonds	Local authority bank bonds	Reich and State Bonds	Local authority bonds	Commer- cial and railway bonds	Equity issues	Other securit- ies
1927	July	292	20	60	24	39	74	8
	Aug	92	5	10	0	36	105	145
	Sept	45	0	0	2	31	89	137
	Oct	74	25	40	0	27	43	15
	Nov	151	11	0	0	19	55	44
	Dec	113	20	0	53	41	64	92
	Jan-Dec	2478	506	750	436	631	1139	1436
1928	Jan	126	0	0	2	27	35	176
	Feb	213	54	0	11	14	13	221
	Mar	110	43	0	0	22	36	102
	April	70	25	0	4	14	66	50
	May	73	3	10	0	51	55	34
	June	53	20	0	43	17	622	52
	July	130	110	24	20	267	124	27
	Aug	167	35	0	12	41	173	205
	Sept	112	2	0	0	23	54	0
	Oct	56	25	0	25	33	36	0
	Nov	47	18	115	20	29	140	87
	Dec	127	4	77	30	16	145	31
	Jan-Dec	1284	338	227	167	554	1500	985
1929	Jan	135	20	0	0	0	30	97
	Feb	121	27	0	12	4	5	109
	Mar	113	10	25	15	14	92	3
	April	153	10	0	75	19	51	16
	May	81	8	0	36	1	109	55
	June	115	20	145	6	10	313	149
	July	104	10	346	18	6	54	26
	Aug	45	20	0	98	0	153	32
	Sept	19	5	86	76	5	47	21
	Oct	29	0	10	27	10	29	9
	Nov & Dec	81	0	71	58	10	444	6
	Jan-Dec	995	130	683	420	78	1328	524
	1930	Jan	59	3	0	25	0	307
Feb		80	5	8	0	0	7	0
Mar		116	5	0	0	0	83	54
April		153	5	0	3	0	25	43
May		227	50	0	50	30	76	4
June		316	30	10	14	23	34	0

		Mortgage bonds	Local authority bank bonds	Reich and State Bonds	Local authority bonds	Commer- cial and railway bonds	Equity issues	Other securit- ies	
1930	July	210	65	0	10	37	89	5	
	Aug	441	115	0	54	97	136	5	
	Sept	111	0	115	30	13	2	0	
	Oct	76	15	0	0	160	2	0	
	Nov	137	5	36	0	10	120	0	
	Dec	104	0	0	132	150	55	17	
	Jan-Dec	2029	298	169	318	520	935	136	
1931	Jan	49	5	30	5	0	668	11	
	Feb	45	10	0	0	10	0	7	
	Mar	76	0	0	0	0	75	0	
	April	114	16	0	20	25	4	2	
	May	52	10	5	0	8	9	15	
	June	142	140	0	60	150	117	11	
	July	12	8	0	0	0	0	0	
	Aug								
	Sept	31	6	0	0	3	1	109	
	Oct								
	Nov								
	Dec								
	Jan-Dec	521	195	35	85	196	874	154	

Source: Calculated from bourse admissions lists in Die Bank; except for Reich issues in 1928-9: Statistisches Jahrbuch für das Deutsche Reich, 1930, p. 517, including interest-bearing treasury certificates, and entering the Reich bond issue of May at 300 mill. rm. (the issue sum), not 183 mill. rm. (the sum placed).

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