

Introduction

When two journalists of *Bild*, Germany's best-selling tabloid, arrived in March 2012 at the European Central Bank (ECB) to interview its president, they brought with them a special gift. It was a *Pickelhaube*, or Prussian military helmet, dating from the time of the Franco-Prussian War.¹ The present, the journalists explained, was to remind Mario Draghi, an Italian, that the newspaper had deemed him back in 2011 as the 'most Germanic' of candidates in the race for the ECB's top position. According to *Bild*, the manner in which Draghi pursued his career demonstrated that he was imbued with what the tabloid saw as 'Prussian virtues'.² This fact overcame his problematic nationality – at least in the eyes of *Bild* – and made him the ideal man for the job.³

In the photograph published alongside the interview, Draghi appeared to be delighted with the gift. It signalled to him the approval of one of Germany's most powerful media outlets – and at a time when the euro-zone was reeling from an economic crisis. Commenting on the present, the central banker noted that 'the Prussian is a good symbol for the most important task of the ECB: maintaining price stability and protecting European savers'. Furthermore, Germany served as a 'model' for both Europe and its central bank. In part, this exemplary role stemmed from how the country took lessons from its troubled monetary past and applied them towards the goal of economic stability.⁴

¹ 'Interview mit EZB-Chef Mario Draghi zur Euro-Krise: "Deutschland ist ein Vorbild"', *Bild*, 22 Mar. 2012. See www.bild.de/politik/ausland/mario-draghi/deutschland-ist-ein-vorbild-23270668.bild.html. Last accessed on 20 December 2018.

² Quoted in 'Chancen für "Super-Mario" steigen', *Bild*, 11 May 2011. See www.bild.de/politik/ausland/mario-draghi/mario-draghi-neuer-ezb-chef-17844972.bild.html. Last accessed on 20 December 2018.

³ The tabloid's endorsement came only after Germany's candidate, the Bundesbank president Axel Weber, had let it be known that he was withdrawing from the race. Refer to 'So deutsch ist der neue EZB-Chef', *Bild*, 29 Apr. 2011. See www.bild.de/geld/wirtschaft/mario-draghi/ist-neuer-ezb-chef-17630794.bild.html. Last accessed on 20 December 2018.

⁴ 'Interview mit EZB-Chef Mario Draghi zur Euro-Krise', *Bild*, 22 Mar. 2012.

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‘The Germans had terrible experiences with inflation in the twentieth century’, Draghi said. ‘It does away with value and makes forecasting impossible. More still – inflation can downright destroy the society of a country.’⁵ To be dead set against inflation, to be for a strong currency, and above all, to be independent of politics – these were indeed ‘German virtues’, he observed, and they were virtues that every European central banker should strive towards.⁶

The symbolism of the encounter provokes interest. And indeed, some questions come to mind. Why did the journalists of a German newspaper deem it fitting to give an Italian central banker a Prussian military helmet, something that is usually associated with militarism? Why was such a gift taken as a compliment? Why is it important today that one appears ‘Germanic’ as a central banker? And why was Draghi himself keen to evoke the lessons of Germany’s experience with inflation?

These questions give rise to three brief points. First, to an extent at least, the ECB president’s comments demonstrated that he was quite aware of his target audience. By evoking German history, Draghi was appealing to the readership of the tabloid newspaper, explaining the ECB’s duties in terms an average German would understand. Second, though, and perhaps more indirectly, the central banker was paying tribute to the intellectual debt that the ECB owes the Deutsche Bundesbank, the central bank of West Germany, and later, a reunified Germany. Amid heated political debates surrounding the steps towards economic and monetary union during the 1980s and early 1990s, the structure and institutions of the Bundesbank emerged triumphant as providing the model for a European monetary authority.⁷

Yet it is perhaps the third point that is the most intriguing. Simply put, to be seen today in financial circles as a ‘Germanic’ central banker is treated as a very good thing indeed. We have reached the point where such an image has almost become a caricature in the media. The German central banker: conservative, independent and not a smile to be seen. If there was a punch bowl at a party, the German central banker would be the first to take it away. No doubt, today’s reputation stems in large part from the performance of the Bundesbank. West German central bankers were among the most successful in tackling inflation in the decades that

⁵ Ibid. ⁶ Ibid.

⁷ See, among others, John Singleton, *Central banking in the twentieth century* (Cambridge, 2011), pp. 262–4; David Marsh, *The euro: the battle for the new global currency* (Southampton, 2011), pp. 138–9; and Carl-Ludwig Holtfrerich, ‘Monetary policy in Germany since 1948: national tradition, international best practice or ideology?’, in Jean-Philippe Touffut (ed.), *Central banks as economic institutions* (Cheltenham, 2008), pp. 36–46.

followed the end of the Second World War.⁸ To be seen as a ‘Germanic’ central banker, then, is to be seen as being good at your job. No wonder Draghi took the compliment.

But is that all? The appearance of the *Pickelhaube* hints at an image that is more deeply rooted, an image that draws upon a past pre-dating the achievements hard won during the post-war era. Taking a step back, one can see the Prussian military helmet as something entwined with the story of the German nation, and its people, since the foundation of the Second Reich back in 1871.⁹ What story did the *Pickelhaube* tell, however?

Germany experienced two inflations in the first half of the twentieth century, both triggered by exorbitant government spending.¹⁰ The first episode was the hyperinflation of 1922–3, which occurred during the Weimar Republic.¹¹ Wheelbarrows filled to the brim with cash; little children standing on the pavement, building small castles with thick wads of banknotes. We have all seen these photographs. Indeed, the hyperinflation still commands interest to this day, with popular works emerging (and re-emerging) on bookshop shelves in recent years.¹²

⁸ Refer, for instance, to Andreas Beyer, Vitor Gaspar, Christina Gerberding and Otmar Issing, ‘Opting out of the Great Inflation: German monetary policy after the break down of Bretton Woods’, *European Central Bank: Working Paper Series*, No. 1020 (2009), pp. 6–8.

⁹ For more on the cultural considerations of the *Pickelhaube*, and its place in German history, see Jakob Vogel, ‘Die Pickelhaube’, in Etienne François and Hagen Schulze (eds.), *Deutsche Erinnerungsorte, Band II* (Munich, 2001), pp. 299–314.

¹⁰ Christoph Buchheim offers a succinct overview of Germany’s monetary history in the twentieth century. See Christoph Buchheim, ‘Von altem Geld zu neuem Geld. Währungsreformen im 20. Jahrhundert’, in Reinhard Spree (ed.), *Geschichte der deutschen Wirtschaft im 20. Jahrhundert* (Munich, 2001); see also Otto Pfeleiderer, ‘Die beiden großen Inflationen unseres Jahrhunderts und ihre Beendigung’, in Peter Hampe (ed.), *Währungsreform und Soziale Marktwirtschaft: Rückblicke und Ausblicke* (Munich, 1989).

¹¹ The best accounts of the German hyperinflation remain Constantino Bresciani-Turroni, *The economics of inflation: a study of currency depreciation in post-war Germany* (London, 1937), Gerald D. Feldman, *The great disorder: politics, economics, and society in the German inflation 1914–1924* (Oxford, 1996), and Carl-Ludwig Holtfrerich, *The German inflation, 1914–1923: causes and effects in international perspective* (Berlin, 1986). The classic references in the economics field are Thomas J. Sargent and Neil Wallace, ‘Expectations and the dynamics of hyperinflation’, *International Economic Review*, Vol. 14, No. 2 (1973); and Thomas J. Sargent, ‘The demand for money during hyperinflations under rational expectations: 1’, *International Economic Review*, Vol. 18, No. 1 (1977).

¹² See Frederick Taylor, *The downfall of money: Germany’s hyperinflation and the destruction of the middle class* (London, 2013). Adam Fergusson’s 1975 study, *When money dies*, was republished again in 2010. Refer to Adam Fergusson, *When money dies: the nightmare of the Weimar collapse* (London, 1975); and Adam Fergusson, *When money dies: the nightmare of deficit spending, devaluation, and hyperinflation in Weimar Germany* (New York, 2010).

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The lesser-known second inflation, however, was a more gradual one, occurring before and during the Second World War. It was a ‘repressed’ inflation, characterised by price controls, empty shelves and a flourishing black market.¹³ Though they were different creatures, both inflations ended with the same result: the currency had become worthless as a medium of exchange, unit of account and store of value.

The post-war lessons that emerged from these two monetary catastrophes were apparently clear – and indeed, Draghi had already outlined them in his interview with *Bild*: one should be dead set against inflation; one should be for a strong currency; and one should support the independence of the central bank – a central bank that would never again allow its printing presses to be abused by political interference. It is in this context, then, that we should view the *Pickelhaube*. With respect to money, the Prussian military helmet symbolises a cultural mindset: headstrong, independent and all too informed by the painful lessons of German history.

Of course, Draghi was not alone in expressing these remarks. The central banker was merely repeating a historical narrative that has persisted for decades in the media. Indeed, this narrative has experienced a revival since the outbreak of the eurozone crisis. In 2010, for example, *The Economist* argued that,

Germany’s interwar experience with hyperinflation famously created a political climate amenable to [the] rise of Adolph [*sic*] Hitler and generated sufficient national trauma that the German central bank (and its descendent, the ECB) has ever since focused first, second and last on keeping inflation well in check.¹⁴

In 2011, *Spiegel Online*, Germany’s leading online media outlet, widened this point to encompass the German population. ‘For the Bundesbank’, the news website observed, ‘it has always been taboo to finance the state by purchasing its sovereign bonds’. It continued:

¹³ Historians often disagree as to the timing and sequence of the second inflation. Some observers describe it as the ‘Hitler’ inflation, with its roots in the Third Reich and ending in 1945; while others define it as continuing into the post-war period – in other words, also occurring under the watch of the Allied military authorities. This book views the origins of the second inflation as dating back to 1936, noting the currency’s gradual and then absolute demise by 1945. After this year, the reichsmark was replaced by a barter exchange economy, in which the prices of goods largely remained stable. The historian Alan Kramer flatly rejects the notion of a ‘post-war’ inflation. See Alan Kramer, *The West German economy, 1945–1955* (Oxford, 1991), p. 2.

¹⁴ ‘Inflation hawks: once bitten, twice hawkish’, *The Economist*, 4 Mar. 2010. See www.economist.com/blogs/freexchange/2010/03/inflation_hawks. Last accessed on 20 December 2018.

Behind this belief was the terrifying example of its predecessor, the Reichsbank, which had printed money with abandon in the 1920s in order to support the budget of the Weimar Republic. The result was a hyperinflation that has become deeply entrenched in the collective memory of Germans.¹⁵

Such lines of argument are often found in the academic literature too – particularly with reference to the Bundesbank Law of 1957, a piece of legislation that enshrined the independence of the West German central bank. ‘Inflation destroyed the value of money in Germany twice during this century’, observed Ellen Kennedy at the turn of the millennium.

The national traumas associated with the great inflation of the 1920s and with the years immediately following Germany’s defeat in 1945 created a powerful political culture in favor of monetary stability that informed the spirit of the Bundesbank Act and can still function today as a reservoir of support for the Bank’s policies.¹⁶

Perhaps it is Otmar Issing, though, the former chief economist of the Bundesbank, and later chief economist of the ECB, who is most associated with this argument. The central bank’s task of safeguarding the currency ‘reflects twentieth century German experience of hyperinflation, which twice within a generation destroyed the value of the currency’, he notes. ‘The same experience motivated the institution of strict independence from government.’¹⁷

Inflation, ‘trauma’, and the ‘spirit’ of the Bundesbank Law. The four extracts cited above hint at the extent to which the post-war central bank’s independence is closely associated with the experiences of the inter-war era; the argument being that West Germans transformed the turbulent events prior to 1945 into edifying lessons for a post-war republic, ensuring that their central bankers would have the power to say ‘no’ to government demands for financing. The lessons stemming from Germany’s troubled inter-war era, as embodied in the Bundesbank Law, and as expressed by Draghi, seem obvious today. They are rarely challenged. But an air of inevitability hangs over such arguments – and they ignore some important points.

¹⁵ ‘Breaking taboos: concerns mount in Germany over ECB bond buys. Part 2: we cannot give way to panic’, *Spiegel Online*, 15 Aug. 2011. See www.spiegel.de/international/spiegel/breaking-taboos-concerns-mount-in-germany-over-ecb-bond-buys-a-780258-2.html. Last accessed on 20 December 2018.

¹⁶ Contrast this statement concerning the timing of the second inflation to the viewpoint of Kramer in footnote 13. See Ellen Kennedy, ‘The Bundesbank’, *German Issues*, Vol. 19 (1998), p. 2.

¹⁷ Otmar Issing, ‘Central bank independence and monetary stability’, *Institute of Economic Affairs Occasional Paper*, No. 89 (1993), p. 67.

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For starters, the Reichsbank was actually independent of government instruction during the hyperinflation.¹⁸ The central bank became independent in May 1922 at the behest of foreign pressure, and as part of a wider deal concerning the alleviation of German reparations payments that were imposed after the First World War. And following the hyperinflation, the Reichsbank, under its new president Hjalmar Schacht, became an overtly political actor, and a continual thorn in the side of various Weimar governments for the remainder of the 1920s.

The central bank was independent, too, during the twilight years of the Weimar Republic, when it embarked on deflationary measures amid efforts to stay on the gold standard – efforts that helped to accelerate Germany's descent into depression.¹⁹ Deflation aggravated mass unemployment in the economy, which in turn radicalised an electorate and propelled the Weimar Republic to its fateful end with Hitler's ascent to the chancellery.²⁰

Of course, this is not to suggest that the independent Reichsbank, by dint of its own decisions, *caused* the hyperinflation and deflation. Far from it, and indeed, to make such an argument would be both misleading and naively simplistic. The causes behind the events of 1922–3 can be lain squarely at the government's door, as well as the socio-economic consequences arising from the First World War. And with respect to the Great Depression, the factors sparking this global phenomenon are as complex as they are international in nature.²¹ It should also be noted that, during both the hyperinflation and deflation, the independent

¹⁸ This is a point repeatedly acknowledged in the literature. But it remains overlooked in the more popular accounts of the hyperinflation. The Reichsbank's policy during the hyperinflation is a 'classic counter-example' to the idea that an independent central bank is automatically stability orientated, as the historian Dieter Lindenlaub notes. For the emergence and evolution of the Reichsbank's independence during the Weimar Republic, see Simone Reinhardt, *Die Reichsbank in der Weimarer Republik. Eine Analyse der formalen und faktischen Unabhängigkeit* (Frankfurt am Main, 2000). See also Dieter Lindenlaub, 'Die Errichtung der Bank deutscher Länder und die Währungsreform von 1948: Die Begründung einer stabilitätsorientierten Geldpolitik', in Dieter Lindenlaub, Carsten Burhop and Joachim Scholtyssek (eds.), *Schlüsselergebnisse der deutschen Bankengeschichte* (Stuttgart, 2013), p. 310.

¹⁹ Harold James, 'The Reichsbank 1876–1945', in Deutsche Bundesbank (ed.), *Fifty years of the Deutsche Mark: central bank and the currency in Germany since 1948* (Oxford, 1999), pp. 29–31. See also Harold James, *The German slump: politics and economics 1924–1936* (Oxford, 1986).

²⁰ The topic of mass unemployment during the Weimar Republic has been left relatively unexamined. An exception, however is the volume edited by Richard J. Evans and Dick Geary. See Richard J. Evans and Dick Geary (eds.), *The German unemployed: experiences and consequences of mass unemployment from the Weimar Republic to the Third Reich* (London, 1987).

²¹ The standard account of the Great Depression remains Barry Eichengreen, *Golden fetters: the gold standard and the Great Depression* (Oxford, 1992). A more recent

Reichsbank was, by and large, co-operating with the general direction of government policy.

In 1949, however, the year in which the Federal Republic was established, West Germans could look back on three chaotic decades of monetary history. The population had endured two inflations and one deflation. And during much of this time, the Reichsbank was legally independent from government instruction. In 1949, then, the record of central bank independence *could* be interpreted as a mixed one.²² It could be challenged. And that is the key point to be made here; for as we will see, it *was* challenged.

Monetary Mythology

‘History is the realm of choice and contingency’, notes the historian Jeffrey Herf. ‘Writing history is a matter of reconstructing the openness of past moments before choices congealed into seemingly inevitable structures.’²³ Today, we often view central bank independence in West Germany as an almost inevitable lesson stemming from the inter-war period. But this was not the case back in 1949. Back then, central bank independence was not synonymous with economic stability. There was no West German consensus for central bank independence at the dawn of the new republic. Rather, the topic was a controversial one, sparking a fiery public debate that lasted for seven long years. Over the decades, however, one version of history has trampled over another, and we have forgotten that ‘openness of past moments’.

Why is this important? In short, the rise of this particular interpretation of history, one that stresses the lessons of the two inflations, has lent a sheen of historical legitimacy to the arguments of central bankers and politicians who advocate *Stabilitätspolitik* – that is, monetary and economic policies geared in support of price stability. And, as we have seen in *Bild*’s interview with Draghi, it is a version of history that has found an expression in the form of the ECB. The lessons of two inflations, once German, have now become European. But how did the dominance of these lessons come about in the first place? That is the guiding research question underlying the book at hand.

perspective is offered in Barry Eichengreen, *Hall of mirrors: the Great Depression, the Great Recession, and the uses – and misuses – of history* (New York, 2016).

²² For more on the mixed record of central bank independence during the inter-war era, see Herbert Giersch and Harmen Lehment, ‘Monetary policy: does independence make a difference? – the German experience’, *ORDO*, Vol. 32 (1981).

²³ Jeffrey Herf, *Divided memory: the Nazi past in the two Germanys* (Cambridge, MA, 1997), preface.

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This study examines the emergence and development of what I call ‘monetary mythology’, a carefully constructed historical narrative about the inter-war period of Germany that flourished in the West German public sphere following the Second World War.²⁴ It explores this myth-making by analysing how the lessons of Germany’s experience of inflation, namely the 1922–3 hyperinflation and 1936–45 inflation, became politicised in the post-war era and transformed into political weapons in support of central bank independence. In the debate surrounding the establishment of West Germany’s central bank, the country’s monetary history became a political football as central bankers, politicians, industrialists and trade unionists all vied for influence over the legal provisions grounding the future monetary authority. The debate centred on power. Who should control the lever of monetary policy in a country that suffered two inflations and one deflation within the span of a single generation? In 1949, this question provoked a variety of passionate answers.

This is not the first academic study to examine the West German central bank; nor is it the first to analyse the circumstances surrounding the emergence of its independence.²⁵ Historians such as Volker Hentschel, Christoph Buchheim and Dieter Lindenlaub, in addition to the economist Jörg Bibow, have all documented, with varying degrees of emphasis, the controversies during the early years of the West German monetary authority’s existence and the debates concerning the Bundesbank Law.²⁶ But this book is the first to stress the sheer extent to which

²⁴ This work is not the first to use the term ‘mythology’ in the sphere of central banking. For an unrelated case study on the Canadian central bank, analysed in terms of public policy, see Keith Acheson and John F. Chant, ‘Mythology and central banking’, *Kyklos*, Vol. 26, No. 2 (1973). See also Jeremy Leaman, *The Bundesbank myth: towards a critique of central bank independence* (London, 2001).

²⁵ The concept of central bank independence can be broken down into a number of smaller fields, too, from personnel independence, to functional independence, as well as financial independence. See Reinhardt, *Die Reichsbank in der Weimarer Republik*, pp. 23–9.

²⁶ Volker Hentschel, ‘Die Entstehung des Bundesbankgesetzes 1949–1957. Politische Kontroversen und Konflikte: Teil I’, *Bankhistorisches Archiv*, Vol. 14 (1988); and his second contribution, Volker Hentschel, ‘Die Entstehung des Bundesbankgesetzes 1949–1957. Politische Kontroversen und Konflikte: Teil II’, *Bankhistorisches Archiv*, Vol. 14 (1988); Christoph Buchheim, ‘The establishment of the Bank deutscher Länder and the West German currency reform’, in Deutsche Bundesbank (ed.), *Fifty years of the Deutsche Mark: central bank and the currency in Germany since 1948* (Oxford, 1999); and Christoph Buchheim, ‘Die Unabhängigkeit der Bundesbank. Folge eines amerikanischen Oktrois?’, *Vierteljahrshefte für Zeitgeschichte*, Vol. 49, No. 1 (2001); Jörg Bibow, ‘On the origin and rise of central bank independence in West Germany’, *European Journal of the History of Economic Thought*, Vol. 16, No. 1 (2009); and Jörg Bibow, ‘Zur (Re-)Etablierung zentralbankpolitischer Institutionen und Traditionen in Westdeutschland: Theoretische Grundlagen und politisches Kalkül (1946–1967)’, in

the disputed record of the Reichsbank formed the troubled background to such discussions.²⁷

The Bundesbank Law, a ‘foundational law of the social market economy’, to use the words of Hentschel, set the stage for this power struggle over the monetary authority.²⁸ According to the West German constitution, the Bundesbank Law was to establish a federal central bank, one that could ideally provide for a more prosperous and stable future. So why, then, were West German elites so fixated on the past? In short, the record of the inter-war Reichsbank constituted the overwhelming reference point for the public debate surrounding the Bundesbank Law. Of course, contemporary examples, such as the Federal Reserve System of America, were also important. But they made for a distant second place in terms of how frequently they were evoked during these discussions. Where did the Reichsbank go wrong? What did it get right?

References to the Reichsbank’s history, both positive and negative, grounded political arguments aimed at influencing both the institutions and structure of the future monetary authority. On the one hand, supporters of central bank independence pointed to the lessons of Germany’s two inflations. These suggested that the Bundesbank should retain a sizeable degree of independence from government influence. After all, could the Federal Republic really risk letting the state exert control over the central bank after two disastrous inflations? The somewhat inconvenient fact that the Reichsbank was independent during the hyperinflation was almost always overlooked.

Political opponents of monetary autonomy, on the other hand, fell back upon their own lessons of the inter-war era. They focused on the

Christian Scheer (ed.), *Die deutschsprachige Wirtschaftswissenschaft in den ersten Jahrzehnten nach 1945: Studien zur Entwicklung der Ökonomischen Theorie, Band XXV* (Berlin, 2010). For the works of Dieter Lindenlaub, see Dieter Lindenlaub, ‘Deutsches Stabilitätsbewußtsein: Wie kann man es fassen, Wie kann man es erklären, welche Bedeutung hat es für die Geldpolitik’, in Bernhard Löffler (ed.), *Die kulturelle Seite der Währung. Europäische Währungskulturen, Geldwerterfahrungen und Notenbanksysteme im 20. Jahrhundert* (Munich, 2010); and Lindenlaub, ‘Die Errichtung der Bank deutscher Länder und die Währungsreform von 1948’. Lindenlaub also wrote ‘Der Zentralbankrat vor fünfzig Jahren’, *Monatsbericht der Deutschen Bundesbank*, Mar. 1998.

²⁷ By focusing on the elements of continuity that remained in the post-war era, however, Theo Horstmann also touches on the legacy of the Reichsbank. See Theo Horstmann, ‘Kontinuität und Wandel im deutschen Notenbanksystem. Die Bank deutscher Länder als Ergebnis alliierter Besatzungspolitik nach dem Zweiten Weltkrieg’, in Theo Pirker (ed.), *Autonomie und Kontrolle. Beiträge zur Soziologie des Finanz- und Steuerstaats* (Berlin, 1989).

²⁸ Hentschel, ‘Die Entstehung des Bundesbankgesetzes 1949–1957. Politische Kontroversen und Konflikte: Teil I’, p. 5.

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record of the Reichsbank during the Great Depression, linking its deflationary policies to the emergence of mass unemployment and, consequently, the rise of National Socialism. Could the West German state once again allow unelected officials to control a powerful lever of economic policy? And was it not the case, too, that the independent Reichsbank had become a controversial political player under the leadership of Schacht in the 1920s? With these kinds of lessons in mind, economic stability was not just about safeguarding the currency, but about promoting policies of full employment too. Both supporters and opponents of central bank independence presented skewed historical arguments geared along the lines of political interest.

Similarly, West German elites approached the question of the future central bank's structure in historical terms. Should the Bundesbank be a decentralised institution, one that reflected the federalised structure of the young republic? Or should it adopt a more centralised form, akin to the inter-war Reichsbank?

The public debate surrounding the Bundesbank Law was complicated by the fact that West Germany already *had* a central bank in the form of the Bank deutscher Länder (BdL).²⁹ This monetary authority pre-dated the foundation of the West German state by well over a year, having been established in early 1948. The BdL, based in Frankfurt, was a by-product of its era. It was a creature of the occupation authorities – more specifically, the American and British ones. Indeed, this fact has led the literature concerning the early years of the post-war central bank to become somewhat lopsided in emphasis. Numerous studies have concentrated on the foreign origins of the West German central bank system, and in doing so, they underplay the subsequent, domestic discussions centring on the German monetary past, as well as their sizeable impact on the

²⁹ For more studies concerning the BdL, see Monika Dickhaus, *Die Bundesbank im westeuropäischen Wiederaufbau: die internationale Währungspolitik der Bundesrepublik Deutschland 1948 bis 1958* (Munich, 1996); Monika Dickhaus, 'The foster-mother of "The bank that rules Europe": the Bank deutscher Länder, the Bank of England and the Allied Banking Commission', in Alan Bance (ed.), *The cultural legacy of the British occupation in Germany* (Stuttgart, 1997); Helge Berger, *Konjunkturpolitik im Wirtschaftswunder: Handlungsspielräume und Verhaltensmuster von Bundesbank und Regierung in den 1950er Jahren* (Tübingen, 1997); Theo Horstmann, 'Die Entstehung der Bank deutscher Länder als geldpolitische Lenkungsinstanz in der Bundesrepublik Deutschland', in Hajo Riese and Heinz-Peter Spahn (eds.), *Geldpolitik und ökonomische Entwicklung. Ein Symposium* (Regensburg, 1990); and Deutsche Bundesbank (ed.), *Geheimrat Wilhelm Vocke, Hüter der Währung, Zum hundertsten Geburtstag am 9. Februar 1986* (Frankfurt am Main, 1986).