REICHSBANK GETS
$25,000,000 CREDIT

Fifteen or Twenty Banks Here
Ready to Supply Funds for
German Institution.

ARRANGEMENT FOR A YEAR

Transaction Said to Be Only
Precedent—Followed—

By Rise in Mark.

DEAL MADE BY DR. SCHACHT

Financier Now on His Way to

Berlin—Chase and National City

Banks Head Group.

A credit of at least $25,000,000 for the German Reicbskasse was
arranged by a New York banking group headed by the U. S. Reicb
Acceptance Bank, Inc., as a result of the recent visit to New York of
Dr. Hjalmar Schacht, President of the Reicbskasse, who conferred with
commercial banks here, as well as at attending the discussions of the
executives of the Chase and National City banks of New York and the

Officers of the International Ac-
ceptance Bank were extremely in-
communicative regarding the terms of
the transaction, but other banks participating in the Reicbskasse agree
that it may be for as much as $50,-
000,000, and in excess of $100,000,000 which was originally discussed.
The money will be placed at the disposal of the Reicbskasse for its use when
wanted. It is to be a long-time
lending transaction, such as has been ar-
anged in the past by the Chase and National City banks for the
purposes of the world. In many cases the credit has been used before,
but have been held here as a pre-
caution.

Banking Group Large.

From fifteen to twenty New York banks are participating in the credit,
among them are some of the largest institutions in the city. The group
was formed after discussions had been held by Dr. Schacht and the In-
teernational Acceptance Bank. The bulk of the credit, it is understood,
is being held by the American banks and the rest is distributed among
the Chase and National City and the Chase National.

When word of the credit was received the banks were busy making
arrangements for its disposal by the banks was regarded as one of the
important events of the year for the recent strength in the German
reicbmark’s fluctuations in the New York foreign exchange market. The
reicbmark’s this week advanced to 23.76 as against 23.25 as of the ear-
lier day, if it was since the closing of the banks in New York. The breadth
of the advance was the result of a new high in the Federal Reserve rate, reached since the establishment of the new German currency rate in 1926.

Germany Willing to Borrow.

It is not known whether Dr. Schacht in his conversations with commercial banks made any mention of American
loans for private organizations in Germany, but it is considered likely
that he did so. Of course, which for a time sought to avoid borrow-
ing in the American market, has been recepive to external loans in the last months and various outside sources once have been found, headed by a $60,000,000 bond issue to American Bank for Agriculture of Germany, released by a foreign bank. A new loan of this sort is being considered by the foreign banks. The foreign banks have recently also contributed to the new German currency, by selling a large amount of the new currency to Berlin.

Dr. Schacht arrived in New York early in July and participated in con-
ferences on which were attended by the Gov-
ernor of the Federal Reserve Bank, Mr. Charles H. Mather, Governor of the Bank of England, Lord C. F. C. Talfourd, Lord Mayor of the City of London, W. H. Metzler, Minister of the Federal Reserve System and the Treasury Department. It was said at the time that the conferences dealt only with the promotion of inter-
national economic intercourse and that no definite action was taken. Schacht sailed for home last week.