

Buying Marks a Very Long Pull

Even Britain Does Not Apparently Expect To Resume Specie Payments for Years, and Other Belligerents Will be Much Slower

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From the many letters that reach us, as well as from what we learn otherwise, we have come to believe that a great many people have bought or are considering the purchase of marks, francs, lire or sterling as a speculation.

These transactions, when made or contemplated, involve chiefly the purchase of marks, probably because they are selling at a greater discount from the nominal gold parity than any other foreign currency in which it is practicable to deal. The question of whether marks are cheap because they are low involves, however, a consideration of the same question in relation to the other depreciated monies of Europe and an adequate answer to your inquiry necessitates a review of the financial situation abroad in its entirety.

First of all we may say that as far as we know none of the internal debts of any of the lately belligerent nations are specifically payable in gold. The internal bonds of Germany are payable in marks, those of France in francs, those of Italy in lire, and those of England in pounds sterling. Before the war, when all the nations named were theoretically on a gold basis, there may have been a presumption that their debts when due would be paid in gold, but no such presumption is now tenable, for as we pointed out in "Commerce and Finance," the gold now held in all Europe is less than 2 per cent of the outstanding currency and debt. This statement includes the large metallic reserves of the neutral powers that are still on a gold basis.

We are therefore of the opinion that it will be many years before the lately belligerent nations can pay off any portion of their debts or currency in gold.

The British bonds recently sold in the United States were offered on terms which included what

was practically a ten years' option or "call" on sterling exchange at \$4.30 to the pound and this would seem to indicate that those who are presumably best informed with regard to the financial future of England do not expect that the present discount on sterling will disappear in the immediate future.

It is, however, reasonable to expect an earlier resumption of specie payments in Great Britain than in any of the other European nations recently at war. The trade of England embraces the world and her currency has been less inflated than that of France, Italy or Germany. Her recovery will therefore be quicker and if we were speculating in foreign money, which we are not, we would rather buy sterling than marks, francs or lire, even at the low prices at which the last three sorts of money are selling.

This we say because it does not appear that Germany, France, or Italy have as yet been able to impose any limit upon the amount of paper currency issued and it seems rather futile to hope that their obligations can advance in value while the printing process continues to turn them out.

It is admitted that the Bank of France has increased its note issue by seven billion francs since the armistice and no one knows how many marks have been printed in Germany or how many lire have been issued in Italy in the same period.

If we could be sure that the emission of paper money in continental Europe would be stopped forthwith then we might expect a gradual advance in its value as the production of the issuing countries increased and they had a surplus that could be bought with their own currency, but failing any such restriction those who are investing good American dollars in European paper are, we fear, trying to mop up the ocean with a broom.

the older districts of the United States and Canada, and intelligent farmers throughout the country as a whole have realized it, and are shaping their operations accordingly.

Richest Soil in the World.

No portions of the Prairie Provinces are more ideal for mixed farming than the Lloyd-minster and Battleford districts of Central Alberta and Saskatchewan, where these last big blocks of reserved farm lands are located. The soil is amongst the richest in the world. Nature in her younger days was most kind to Western Canada, inasmuch as the glacial lakes which covered the plains deposited the silt or sediment which now forms the rich heavy loam on clay subsoil, giving it wonderful fertility—potash, lime, nitrogen and phosphoric acid—the chemical properties most desirable in every way. Properly farmed, these districts have rendered extraordinary returns to the farmers—returns which have made many of them independent and prosperous. In the Lloyd-minster district, the prize for the best oats in the world was won by J. C. Hill & Sons for three years in succession, and the trophy is now the property of the exhibitors; in Saskatchewan, Seager Wheeler, known to every farmer throughout the length and breadth of the continent, has for six times captured the sweepstakes at as many International Soil Products Shows for "Marquis" wheat. He holds, for Saskatchewan, the record wheat production of 82 bushels to the acre.

Big Demand for Sovereigns.

While the British pound sterling has sunk to a record low exchange value of \$4.00, there exists in the United States a minor market for British currency, quite unrelated to exchange fluctuations, in which sometimes a quite opposite trend prevails. This comprises the limited dealings in the actual gold British sovereigns, with their inherent gold value.

These, in a little sphere by themselves, vary in price according to an interesting play of supply and demand. In recent months the supply has been relatively scarce, in consequence of most of the gold in England being impounded in bank reserves and replaced in circulation by paper, and also as a result of restrictions on export of gold in any form. It has at times been difficult to scrape together in New York or Boston a few hundred dollars in sovereigns or half-sovereigns.

Meanwhile with revival of emigration there has been a fairly brisk inquiry from those who normally supply the most of the demand. These are Armenians, Greeks, Portuguese and other aliens who insist on taking home only British sovereigns. No other gold coins will satisfy them. Apart from their familiarity with and faith in the sovereign, they declare they can obtain a better exchange for sovereigns in their native countries.

As a result, the price of the sovereign varies chiefly according to the needs of such emigrants and the visible supply of sovereigns at the moment. Just now the sovereign is quoted around \$4.97. Last June it was traded in as high as \$5.15.

Advance in Land Price a Boon to Canada

The advance in land prices and the rapidly increasing demand for agricultural land on this continent means more than is generally supposed for the prosperity of the Canadian West. Attention was called at a meeting of the Farm Mortgage Bankers Association at Chicago to the recent advance in land prices in the United States. For the whole country the advance was stated to be from 15 to 30 per cent and for the Middle West from 50 to 100 per cent, thousands of acres, constituting hundreds of farms, in the Middle West being sold last summer for from \$250 to \$600 per acre. By contrast, the average value of the improved farm land in Western Canada is from \$25 to \$30 per acre.

As this Canadian land is every bit as good as that to the south of the Border, this contrast cannot long remain. The price of Canadian farm lands is bound to go up sooner or later, not because of mere inflation, but because of settlement. As it is, thousands of American farmers have sold their farms in the Western States at fancy figures, and made a good bargain by taking up cheap land in the Canadian West. For British and other settlers the attraction is inevitable, and the cheapness of the land will mean all the greater prosperity for those who take it up.

Last C.P.R. Lands Now Offered.

Since 1881, the Canadian Pacific Railway has been colonizing its Western lands, and so rapid and successful has that settlement been that the announcement of the placing on sale of the last big block of the company's service farm lands indicates the beginning of the end.

The centre of the great wheat-raising belt of the North American Continent has moved steadily westward and northward, until to-day it is generally acknowledged that the legitimate centre of that movement is in Western Canada. The Prairie Provinces have long been known as "The Granary of the World," and hackneyed as the title may be, nevertheless it is a true one; their records indicate that it has been well merited. It is a hopeful sign of the times, however, that the day of straight grain growing or grain mining is passing, and in its place saner methods of agriculture, mixed farming—the production of grain on a small scale together with the breeding of cattle, horses, sheep and general livestock—has come. This class of farming, destined to take the most important place in the future agricultural development of Western Canada, especially with the high prices of livestock and farm products now prevailing, has proved to be the very backbone of

