

where the bacillus of socialism is finding lodgement.

While the advocates of a central bank for the United States point to the Reichsbank and its currency system as a model to be followed, German bankers are free to confess that their country has serious imperfections in its monetary customs if not in its formal system. The inadequate use of cheques, and the greater concentration of payments at the end of each quarter than is usual in other countries, are conditions necessitating an excessive displacement of currency.

There is one circumstance much commented upon with regard to the wave of speculation which, until the recent turn of the tide, swept over the country. It is that the attempt to outlaw speculation on the Berlin Boerse tended to force those speculatively inclined into more hazardous channels abroad. The effect of the paternalistic law against short selling is at times to overload bankers with collateral they cannot easily market, and so forces Germany to sell what it holds abroad in order to protect what it cannot realize on at home. All things considered, however, the Berlin stock exchange weathered the storm and stress days of the New York crisis in a way that spoke well for the cool-headedness of those who bore the brunt of the blows. The drain of gold destined for America continued even after the fixing of the Reichsbank rate at $7\frac{1}{2}$ p.c.; though the raising of the rate had the effect of attracting considerable sums from inland points.

As to the probable effects of present conditions upon German trade and industry, this much may with some assurance be said: that developments there are likely to parallel closely those in the United States. That will be due not alone to direct influence of the one country upon the other, but to the fact that exceedingly similar conditions may be expected to bring about not dissimilar results. A Paris despatch of three weeks ago confirmed strongly the view that, apart from direct trans-Atlantic influences, Germany's position was very similar to that of the United States. It was to the effect that the Paris market tended to grow impatient over the seeming idea, on the part of New York, that the United States not only had the right to claim the financial help of Paris, but that it was the only market with such a claim, thus completely ignoring Germany. Within the preceding week German Treasury notes had been "lodged" (*placés en pension*) in Paris in large quantities at as high a rate as $6\frac{1}{4}$ p.c. This was done to lessen if possible the very unfavourable exchange rates. Indeed, there was talk at that time of the Bank of France taking measures—on account of the embarrassments of the Berlin market—to refuse German paper.

The American market has become increasingly important to Germany since the recent establishment of freer customs regulations. Fully one-tenth of Germany's exports find their way to the United States, and naturally any setback to prosperity on this side of the Atlantic will seriously affect Germany in this respect. Already it is announced that American buyers generally have sent in smaller orders during the past summer than usual. A Berlin correspondent of the New York Evening Post says that this will undoubtedly give impetus to the downward movement that has been observed

in German trade and industry for several months. In nearly all lines there is now a taking in of sail. "Consumers of goods of all kinds are giving smaller orders, buying from hand to mouth, in the hope of supplying themselves later at lower prices. Capital demands, too, are being restricted. The new capital applications in October were only one-third as great as in October, 1906."

Some weeks ago, The Economist of London had the following to say regarding the German situation:

"If American problems were not so absorbing, the state of a nearer neighbour would excite eager and anxious attention. The deepening financial gloom, and the increasing indications of the approach of a serious crisis all over Germany, of which our Hamburg correspondent writes in his report of the sugar market, are depressing factors in the city. Failures are spreading from timber and tobacco merchants in the Baltic ports inland to textile firms, and it can hardly be expected that all the speculative banks will come through the fire unscathed." In a subsequent issue the same journal remarked upon the disagreeable fact that the banks should be reported as heavily involved in all the big failures that have been happening in the German coast towns. Another such failure was reported this week—that of a large Bremen export and import firm.

The Reichsbank statement of a week ago was none too satisfactory, showing a loss of 28,000,000 marks in cash and a heavy increase in loans. This week's statement, however, shows some improvement—cash in hand having increased 3,240,000 marks; while treasury notes and notes in circulation have decreased 1,620,000 marks and 42,320,000 marks respectively.

MONEY AND INVESTMENTS.*

Montgomery Rollins, whose various reference works are well known both in Europe and America, has prepared a book on Money and Investments which he has "dedicated to those of small fortunes and who are dependent upon the wise investment thereof." The foreword contains the justifiable remark that there has not hitherto been any book of especial value in aiding one to an understanding of the many intricate expressions and terms of the financial world. Most previous attempts in this line have been by writers who apparently presupposed the reader to already be fairly conversant with matters and expressions financial. The author of this work has endeavoured—and succeeded in a marked degree—to work out his belief that a book could and should be written to assist mere beginners in the handling of money and the grasp of primary investment principles. As might be expected, a conservative attitude is adopted throughout the book. "No attempt to lay down fixed rules to lead the investor to certain success finds its way into these pages," the author frankly says, "rather, it is the desire to make clear certain dangers which the investor should avoid, and establish principles which should prove helpful in reaching a fair idea as to the value of securities."

*Money and Investments, by Montgomery Rollins. A reference book for the use of those desiring information in the handling of money or the investment thereof.—Boston: Dana Estes & Co.