

## Banks, Banking and Bankers

# Mark Holders Buy German Land

Expectations Based on German Stability of Character—Very Heavy Inflation of German Currency—Foreign Holders of Marks Recoup Losses by Buying Land

People advance the stability of the German character and their industriousness as reasons for believing that the heavy war burden will be speedily lightened. Then again the speculation in marks as compared with francs is helped by the argument that German soil was not ravaged by the invader as the great industrial North of France was. In all the foreign holdings of German marks are computed to be about 13 billion.

The value of the marks has lately suffered a severe blow by the announcement in connection with the Reichsbank reports that Germany is entering upon a new period of currency inflation which will seriously aggravate the republic's other financial difficulties.

The official explanation of the denewed inflation is that stocks are being realized on a large scale and the receipts hoarded. Under recent legislation against taxation evasion, and since the abandonment of Herr Erzberger's plan to stamp bank notes, hoarding of currency is the safest means of evasion. The Reichsbank report for the third week in November showed an increased paper (bank notes and Darlehnskassenscheine) circulation of 386,300,000 marks. The last bank report, for the fourth week of November shows an increase under these headings of 1,450,000,000 marks, a figure much exceeding even the 820,500,000 marks of the corresponding week of 1918, which was an avowed inflation period. This increase of paper circulation has taken place in spite of the fact that the Government has not yet realized the large credits which it has again been obliged to take up with the bank. The week's report is unfavorably commented on in the financial press as a presage of continuing inflation.

So many marks are held abroad that there are signs of a foreign buying interest in German values as the holders wish to protect themselves against a further possible fall in mark exchange. This protection can only be obtained by acquiring real German assets. The average price paid for the large number of marks held outside Germany is very much higher than the present rate but the mark's buying value in Germany is still above the average rate at which they were bought, so that losses can be recouped only by buying German land, securities and export goods; and formal steps have been taken towards this by the

organization of a buying corporation in Switzerland. Another syndicate for the same purpose has been formed in Holland.

It is declared that even if the demand for export goods from Germany does not immediately justify buying, it will pay the mark holders to keep the goods for a couple of years. The president of the Darmstaadter Banks, Dr. Calmon, who puts the foreign holdings at 20-25 milliards argues that Germany must take measures to get back the marks held abroad. This, he holds can be done by treaty and with the aid of the interested Entente.

In Montreal there has been considerable speculation in German marks. The other day a stenographer employed in the office of a fairly prominent business man displayed her holdings of German marks. There is little doubt that she was inspired to invest her savings in this way by transactions she saw in the office where she worked. A prominent banker of Montreal is also credited with a personal holding of German marks running above the hundred thousand. He does not believe however that any realization will be made on these for about twenty years.

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