

## ELUSIVE EXCHANGE.

### Germany's Problem. MARKS IN MILLIONS.

#### Ex-Glen Innesites' Experience

Mr. Stanley Kipman, who is well known in the north and north-west as a piano tuner, has just returned from an extended tour throughout Europe, and his experiences, especially in Germany, make bright reading.

One of the most interesting phases, at the present time, is the manner of working the money market in Germany and the vagaries of the rate of exchange.

Mr. Kipman has good grounds for complaint in this direction, as on many occasions he was greatly inconvenienced by the methods adopted to keep up with the ever-rising exchange rate, and the indignities one is called upon to suffer thereby.

As an instance, when he decided to leave Hamburg, on the return trip to England, en route to Australia, he approached the Hamburg-America line, and inquired the cost of a passage to England, asking to be told the amount in English money. After a good deal of calculating on the part of the booking clerk, he was told that the price in English pounds would be eight. He considered this a little too much, and asked if German marks were accepted. On being told that they were, he asked what the number would be. To give the correct answer was practically an impossibility, owing to the exchange rate, but it ran into millions. Naturally, Mr. Kipman did not possess such a large number at the time, as it would require a much larger receptacle than the average pocket to transport that amount of money about, and he was in a quandary, as to what he should do. He did not like to be taken down, in paying over eight pounds, English sterling, so he decided to try and "work the oracle," which succeeded.

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He asked the booking clerk if he would accept the equivalent of £8 English sterling in marks that afternoon. The booking clerk, not sure himself, said he would ask the manager, who replied that they would and to make certain, Mr. Kipman asked that the number be calculated then (the time being 10 o'clock) and that he be given a written statement that the company would accept that number, in the afternoon. This done, Mr. Kipman sought out a friend who was a member of the exchange, and asked him if he could obtain marks in exchange for English sterling, and the friend, only too ready to oblige, stated he could. Mr. Kipman explained to his friend what he wanted, and was told to wait outside the exchange at 2 o'clock. The tourist, at the hour appointed, was on the steps of the exchange and, on his friend coming out, was delighted to learn that the value of the pound sterling had increased 100 per cent. since morning. He immediately produced some English pounds, which were soon converted into marks, and armed with his milliards and the signed statement of the shipping company, once more approached the booking clerk, and tendered the number as stated previously in the morning. He received his ticket to London, and, had many marks to spare, with which he purchased other articles that he could not otherwise have obtained if he had paid the company in the morning. Owing to the rise in the exchange, the ticket only cost him £4 instead of £8, as first asked, so he bought one of the best financial coups of his career. In the short space of four hours, he had doubled his money and considered that horse racing was not in it with the German rate of exchange.

The production of marks cannot come anywhere near the demand. Printing offices are working three shifts, to turn out marks, but still the demand grows for marks and still more marks. In many cases, to get over this difficulty, marks of lower denomination, are simply stamped across the face with a rubber stamp. Thus one might have a thousand

Thus one might have a thousand mark note with a stamp across it showing it was a million mark note, or may be, a billion mark. In face of all this according to Mr. Kipman chaos reigns supreme in the money market. Although the notes are printed as stated, their value disappears after a few days, not only on account of the rising exchange, but also because their life is only a few days, the term being printed on the note. Hence in many places marks are being used for many purposes other than legal tender. Again each town has its own supply

of money, and this is only legal in that town. Money printed in Hamburg, is not legal tender in Berlin, or vice versa. But that is not the only length to which the Germans have allowed their currency to drift. Most of the big stores are also allowed to print their own money, as the Government cannot keep them supplied, and this money is legal tender only at that store. The mark thus becomes no more and no less, than "a chit," similar to that used in many clubs. But what happens if the visitor finds that he has not a small enough denomination in English money to purchase his requirements? It is simply useless changing a £5 note, for to-morrow the pound would be worth double the amount of to-day. As an example, if the traveller changed £1 to-day, and kept the marks received, to-morrow those marks would only represent 10/-, the next day 5/-, and so on until they become valueless.

Again, what happens if you change your money in the morning, and decide that so much will do you for the day? By the time night comes you have run out of money, and there is no possibility of obtaining any, so you must go hungry and perhaps without a bed, unless you care to risk changing your good English money at one of the various restaurants, for a less amount than you would get next morning. But there is also the proviso, that may be there is not enough marks on hand to enable you to receive the change.

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Mr. Kipman mentioned one instance where he found himself in a very awkward predicament. Previous to starting on a railway journey, he changed some English money into marks, not being aware that they would not be legal tender in the next town, as the marks he received were not Government notes, but those issued by the city corporation. On arrival at the next town, and feeling hungry he entered a restaurant, and ordered his meal. Then he asked the waiter for the bill, and presented his marks in payment, which were promptly refused, and an argument started. There was nothing for it but to produce English money, and to his horror he found that the lowest he had was a £5 note. The manager was brought and the £5 tendered but, as the banks were shut, it was quite impossible to get together such a huge number of German marks as the five represented, and Mr. Kipman had to submit to the indignity of having his name and address taken by the police to ensure that he would not "clear out" before the bill was paid next day.

With this experience indelibly imprinted on his mind, Mr. Kipman decided in future never to change more than he actually required, so that if he wanted a railway ticket, he would get enough money for the ticket and no more. If he wanted a pair of boots, he would get the requisite number of marks and so on.