

Inflation and the German Mark

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"Now if any gentleman needs his quarter for a meal or a bed—"

The barker stood in a narrow alley opposite Osgoode Hall, Toronto. In front of him was a soap box with a few envelopes of foreign money.

In front of the soap box stood a crowd of out-of-workers, shifting from foot to foot in the mud, and listening dull-eyed to the spellbinder.

"As I say," went on the barker, moistening his lips under his grey mustache, "if a gentleman has an immediate need for his quarter, I don't want it. But if he is prepared to make an investment, I am offering him the chance to make himself rich for life.

"Only a quarter, gentlemen. Just one Canadian quarter, and Russia is bound to come back. A quarter buys this 250,000 Soviet ruble note. Who'll buy one?"

Nobody seemed on the point of buying. But they all listened to him perfectly seriously.

It was the Russian ruble, the Austrian kronen and German mark, not worth the paper they are printed on, making a last stand as serious money in Toronto's Ward.

"In normal times this note I hold here is worth about \$125,000. Suppose it goes up to where the ruble is worth only one cent. You will have \$2,500. You can walk right into a bank and get \$2,500 for this one note."

One man's eyes shone and he moistened his lips.

The barker lifted the little pink bit of worthless paper up and looked at it lovingly.

"And Russia is coming back, gentlemen. Every day her money gets more valuable. Don't let anyone tell you Russia isn't coming back. Once a country gets to be a republic she stays that way, gentlemen. Look at France. She's been a republic a long time."

A man in the front row in an old army coat nodded. Another man scratched his neck.

The barker drew out a big blue-green bill and laid it alongside the Russian ruble note.

No one explained to the listening men that the cheap looking Russian money had been printed in million-ruble denominations as fast as the presses could work in order to wipe out the value of the old imperial money and in consequence the money holding class. Now the Soviet has issued rubles backed by gold. None of these are in the hands of the barkers.

"To the first man that pays a quarter for this 250,000 ruble note I am going to give free this German mark note for 10,000 marks."

The barker held both notes up for inspection.

"Don't ever think that Germany is through. You saw in the paper this morning that Poincare is weakening. He's weakening, and the mark will come back, too."

He was Coue-izing the crowd. A man pulled out a quarter.

"Gimme one."

He took the two bills, folded them and put them in his inside coat pocket. He smiled as the spieler went on. He had a stake in Europe again.

The foreign news would never be dry to him now.

Four or five more men bought a half-million rubles for a quarter. The rubles are not even quoted on the exchange any more—yet they and the worthless German marks have been sold all over Canada as investments.

Then the money seller leaned over and picked up an envelope of thousand mark notes. They were the well printed pre-war

notes that were in common use in Germany until the exchange tumbled from 20,000 marks to the dollar this spring down the toboggan where you can almost name the number of billions you want for a dollar and get them. None of these marks are worth any more than any others. Except as pieces of paper for wall papering or soap wrappers.

"These are special," the money seller said. "I'm selling these at a dollar apiece. They used to be fifty cents. Now I've raised the price. Nobody has to buy them that doesn't want them. They're the real pre-war marks."

He fondled them. The real pre-war marks.

Worth 15 cents a trillion before the New York banks refused to quote them any more last week.

"What makes them any better than those marks you gave away?" asked a gaunt man leaning against the wall in the alley. He was one of those who had invested a quarter in Europe and was jealous of this new mark being sprung on him.

"They're all signed for in the treaty of Versailles," the barker said confidentially. "Every one of these is signed for in the peace treaty. Germany has thirty years to redeem them at par."

The men standing in front of the soap box looked respectfully at the marks that were signed for in the treaty. They were obviously out of reach of investors. But it was something to be near them.

On the wall of the one-storey shack that bounded the alley, the tall youth who smoked a pipe and stood in the background while the vendor of money talked had tacked a number of clippings and samples of foreign money.

The clippings were mostly about the economic comeback made by Soviet Russia and various other foreign dispatches of an optimistic tone.

With his forefinger the money vendor traced out the story of a dollar loan to some Austrian bank.

"Now, who wants to buy 10,000 Austrian kronen for a dollar?" he asked the crowd, holding up one of the big purple bills of the old Hapsburg currency.

In the banks to-day the Austrian crown is worth .0014 $\frac{1}{2}$ cents. In other words, about 14 cents for 10,000 kronen. At one dollar for 10,000, the men in the alley were invited to take a flyer in Austrian currency.

"Now, personally, I only keep enough Canadian money to pay the bills," the spellbinder went on. "You can't tell what is going to happen to Canadian money. Look at these different currencies to-day. A wise plan is to keep a little Russian money, a little German money, a little Austrian money, and a little British money."

Most of the men looked as though even the smallest amount of Canadian money would be exceedingly welcome. But they listened on, and every lot offered, after the spellbinder had talked long enough, found a quarter produced by somebody, and the hope of getting rich quick implanted in some man.

"Take these Austrian bills, for example," the money seller went on. "There's a bill I sold for \$2. Now I'm selling it for only a dollar. And I'll give a million-ruble Soviet note away with it."

At this announcement some of those who had bought the rubles for two bits a quarter-million looked sullen.

"Oh, these are a different ruble," the vendor assured them. "There are some of these rubles here I wouldn't take \$10 for. Let some gentleman offer me ten dollars and see if he can get them."

No gentleman offered.

"I won't deny I have rivals," the spieler proceeded. "They try and undersell me. They cut prices on me. But now I'm going to cut prices on them. My big rival asks 40 cents for a million-ruble note. I'm going to undercut him to the limit. He's started this competition. Let's see if he can stick in it. Gentlemen, I will give this million-ruble note away with an Austrian note for 10,000 crowns. All for \$1."

No one seemed to have a dollar. So the reporter bought.

"There's a gentleman that can size up an investment," the spieler said. "Now, you other gentlemen. You know Austria is

coming back. She's got to come back. Say the Austrian crown gets up to only half a cent in value. You have \$50 right off the bat."

But a dollar was out of the class of the investors present.

Reluctantly the soap box merchant went back to the more moderate amounts.

"Now if a man wants to invest a quarter," he commenced, and held up one of the pink paper quarter-million ruble notes.

Again his audience was with him. This was all right. There were still a few quarters to be invested. What was just one more meal in the face of a chance for a quarter-million dollars?