

In the World of Finance

BELGIAN CREDIT WELL SUBSCRIBED.

The \$50,000,000 credit arranged in New York by the Guaranty Trust Company for the benefit of a group of Belgian commercial and financial institutions has met with a very enthusiastic reception among the American banks invited to participate in the arrangement, according to reports current in the financial district. It was said that the credit had been considerably over-subscribed and it was hinted that this might result in the establishment of additional Belgian credits in the very near future.

AUSTRIA'S "DEBT" TO ITALY

A special despatch to the London Daily News says that the war indemnity claimed by Italy from Austria has been approximately calculated at £600,000,000 (\$3,000,000,000). As it is extremely doubtful whether its payment can be enforced, the Italian Government will possibly resort to a practical remedy for compensation, consisting in specially favorable concessions over the natural resources of the country. It is proposed that about a third of the war indemnity claimed by Italy should be paid by Austria in kind, as it were, by ceding to Italy 8,000,000,000 cubic metres (282,512,000 cubic feet) of timber, to be exported during a period of five years.

RESPECTING INVESTMENTS.

To the Average Man—Some one is bound to get your spare dollars, to say nothing of your spare 25-cent pieces. The question is—who will it be? Will it be some one with a "gold brick," or will it be the Government which, in return, will pay you good interest? That's the question.

You know that in the making of investments you have made bad mistakes. You have put hard earned money into things that never will and never could give you a return. More than this, you have lost your principal. You can't afford to do this any longer.

You had better let the Government have your spare dollars; it will even accept 25 cents from you. In buying War Savings Stamps you let it have the use of your money for five years, for which it pays 4½ per cent compounded half-yearly.

HUGE JUMP IN SAVINGS DEPOSITS.

An increase of 31 million dollars in savings deposits, after a recovery of 19 millions the previous month, features the January statement of the chartered banks of Canada. The increase goes a long way to prove that unemployment is not so extensive in the country as has been advertised. When the war loan was placed in the market last year, first payments brought savings deposits down sharply, and the rapid recovery towards the end of the year, the turning in December of a 137 million decrease to a 19 million increase went a long way to corroborate the popular impression that payments on the loan had been mainly made at the time of subscription, and that future payments would be practically nil. The further increase of 31 millions in the January statement apparently proves the contention correct. The decrease in current loans in December was changed to an increase of 4 millions in January, and circulation registered another important decrease. Call loans both abroad and at home showed decreases and both total assets and total liabilities continued on the down grade, although in both cases they are more than 300 millions above January figures for last year.

FRANCE'S COMPUTED WAR DAMAGES

The Budget Committee of the French Chamber of Deputies has drawn up a report fixing the damages caused by the war in France, the total reaching 119,801,000,000 francs. Of this amount 96,559,000,000 is entailed by direct damages, and 23,242,000,000 by indirect damage through loss of income or the impossibility of carrying on work. The largest item of direct losses embraces damages to houses and public buildings of 34,600,000,000 francs. Agricultural losses are computed at 19,221,000,000 francs, those of mines at 11,138,000,000 francs and those to textile concerns, 3,266,000,000 francs.

GERMANY PAYS SOLDIERS OF OCCUPATION.

Major Beard, Chief United States Disbursing Officer in Germany, says that 35,000,000 francs (normally \$7,000,000) is paid monthly to United States officers and men there. A large part of it is changed into marks. Considerable sums are sent home to the United States. The francs are brought in trucks from Paris in consignments of 35,000,000. The Germans in payment of the expenses of the American Army of Occupation have now sent 109,000,000 marks (normally \$27,250,000). These sums are sent by rail to Ehrenbreitstein. There are large sums owing.

U. S. FISCAL REQUIREMENTS HUGE.

The Chairman of the U. S. Ways and Means Committee estimates that the expenditures for the fiscal year will reach \$19,000,000,000. Of this amount \$14,000,000,000 has been raised or will be raised as follows: From the fourth Liberty Loan, \$7,000,000,000; from the War Savings Certificates, \$1,000,000,000; from the new Revenue Law, \$6,000,000,000. The balance of \$5,000,000,000 is to be raised by short term notes authorized by a bill now being introduced by the Committee mentioned above; which bill also makes provision for the extension of credits to foreign Governments now in war with the United States to the amount of \$1,500,000,000.

GOVERNMENT BONUS FOR CANADIAN GOLD.

The full significance of the fact that the Hollinger Consolidated gold mines of Porcupine has arranged to sell its gold to the Ottawa Mint instead of in New York, as formerly, is just beginning to be realized, writes a northern Ontario correspondent of the Globe. It is stated that in order that the Hollinger may continue to benefit by being paid in New York funds, which is equivalent to a premium of about two per cent over the valuation of the Canadian dollar, the Ottawa Mint has arranged to pay for Hollinger gold in New York funds. This is interpreted as signifying the willingness of the Canadian Government to pay at least a bonus of 2 per cent on Canadian mined gold. Also the precedent having been set in the case of the Hollinger, it is interpreted as meaning that any gold-producing mine in the Dominion can dispose of its gold in Ottawa, receiving a bonus equal to the amount of the premium on United States currency in Canada. Therefore, although special commissions in Great Britain as well as in the United States have declared themselves as believing it quite unnecessary to take steps to promote gold production, believing that the industry would soon adjust itself, the fact remains that Ottawa is to-day virtually paying a bonus on Canadian-mined gold.

PROTECTING LIBERTY BONDHOLDERS.

Mr. William Fellowes Morgan, President of The Merchants' Association, New York, has accepted appointment on a Committee which was named by Mr. H. G. S. Noble, President of the New York Stock Exchange, to consider ways and means for checking or stopping the nefarious and dangerous practices now prevalent in the disposal of Liberty Bonds. Repeated warnings have been issued against the traffic in bonds by which many innocent holders have been victimized.

HEAVY GOVERNMENT WITHDRAWALS.

At the close of December deposits by the public in the chartered banks of Canada amounted to \$63,800,000 more than at the end of the previous month, according to the monthly commercial letter of the Canadian Bank of Commerce, while those of the Dominion Government declined by \$134,000,000. The large amount withdrawn by the Dominion Government was apparently partly utilized to retire short term obligations, as the item of Government securities showed a contraction of \$71,000,000. Municipal loans declined \$10,000,000, or to \$30,684,000, a more normal sum than for some time past, due partly to better tax collections and partly to the active demand for municipal bonds. The note circulation stood at \$224,500,000, a decline of \$10,500,000 during the month, but \$31,000,000 in excess of the figures of January 1st, 1918.

FIFTH U. S. LOAN OUTLOOK GOOD.

Further study of the plans for financing the fifth Liberty loan has shown an increasingly favorable outlook. Bankers have particularly pronounced their approval of the statement made by Secretary Glass that he would not commit himself to any definite announcement as to rates of interest, etc., until the time came for the flotation of the bonds. The issue of blanket authority to the Secretary of the Treasury as to the issue of the loan has met with much approval among bankers and financiers throughout the country, as any attempt at arranging details so far ahead as the present is looked upon as dangerous in that it would result in an attempt to anticipate conditions which cannot be known.

NEW BRITISH BANKING ENTERPRISE.

The following banks are combining to furnish capital for a new banking institution called the Overseas Bank, whose special object will be to facilitate and finance foreign trade: Anglo South American, Glyn, Mills and Currie, Northern, Union of Scotland and Williams, Deacon. The Overseas Bank will be subject to British treasury sanction. It will begin business within the next few months.

The London Times announces that it understands that the new bank's capital will amount to about \$10,000,000 and be divided into ordinary and preference shares, the former being subscribed by the banks participating in the new venture and the latter by the general public. The preference shares, besides ranking preferentially with regard to capital and dividend of six per cent, will participate in the surplus profits.

The scheme, the Times points out, represents an entirely new development of British banking enterprise. It will aim at providing additional facilities for the British import and export trade and developing closer working arrangements between the constituent banks each of which covers a different territory. The new institution will establish branches abroad and thus save the participating banks from each having to open separate branches abroad in order to cater for business outside the territory in which they now operate.