

## World of Finance

### U. S. LOAN TO CZECHS.

The Czecho-Slovak republic last week received a credit from the treasury of the U. S. of \$5,000,000, making a total of \$55,330,000 advanced to the new Government. Advances to the Allies have reached a total of \$9,459,525,981, out of a total of \$10,000,000,000 authorized by Congress.

### NEW LOW FOR STERLING.

A new low record was established in Sterling at New York last week. Demand bills were quoted 4.49, which compares with the previous low of 4.50 registered in September, 1915. Swiss cables were 5.53, peseta cables 19.55, Stockholm cables 25.25 and Vienna cables 4 1/4. Sterling cables 4.50; francs, demand, 6.73, cables 6.71.

### UNITED STATES WAR BILL.

The war cost the United States \$30,177,000,000 up to June 20, 1919.

Secretary Glass made this statement last week in submitting to the congressional appropriations committees the preliminary statements of the Treasury on the condition of the nation's finances. He arrived at the estimate by subtracting the average peace-time expenses for the same length of time, at the rate of \$1,000,000,000 annually from the total expenditures, \$32,427,000,000, during the war.

Taxes and other revenues than borrowed money took care of \$9,384,000,000, or about 29 per cent. of the war costs. The remainder came from Liberty Bonds and Victory Note issues and saving stamps.

Further issues of bonds, Mr. Glass said, will not be necessary "before the maturity or redemption of the Victory Notes," which have four years to run. While it is impossible to estimate the expenses to be incurred during the present year, the Secretary is confident that treasury certificates, supplemented by short term notes, will provide the necessary funds to pay the Government's debts.

### CANADA ARRANGES TO MEET OBLIGATION.

On the first of August next the Dominion of Canada has an obligation of about \$75,000,000 to meet in New York. This is a balance outstanding of an issue of \$100,000,000 par value of two year five per cent. notes issued in 1917.

To provide funds for this maturity, arrangements have been made for the flotation in the United States States through Messrs. J. P. Morgan and Company, and their associates of an issue of \$75,000 par value of securities bearing interest at the rate of 5 1/2 per cent. per annum payable half-yearly. These securities will consist partly of two years notes and partly of ten year bonds. The respective amounts will be determined having regard to the applications received for the two classes of securities. The issue price to the public will be at 99 1/4 for the two year notes, and 97 for the ten year bonds.

The bonds and notes will be exempt from taxation imposed by the Government of the Dominion of Canada. This exemption will not apply to the securities when beneficially owned by any person residing or ordinarily resident in the Dominion. In other words Canadian holders will be subject to Dominion taxation in respect to their holdings.

It is expected that the issue will be made immediately in New York and the proceeds received in sufficient time to meet the requirements of the Dominion on the 1st of August.

### NEW CAPITAL ISSUES.

"The Economist" reports that new capital issues in Great Britain for the three months ending June 30 aggregated £93,879,000, of which £61,499,000 was government borrowing, exclusive of treasury bills or temporary advances. For the half year the total is £385,780,000, of which £324,135,000 was government borrowing.

### LOAN SUBSCRIBED IN THREE HOURS.

The popularity of Canadian issues was again shown in Wall Street last Wednesday when the announcement was made at one o'clock by the firm of J. P. Morgan & Co., on behalf of J. P. Morgan & Co., Brown Bros. & Co., and Harris, Forbes & Co., that the offering of \$75,000,000 Dominion of Canada loan has been over-subscribed. The books were opened at ten o'clock to-day and were closed at one o'clock, owing to the over-subscription.

### BID BONDS WITH TENDERS.

At the regular monthly meeting of the board of directors of the Association of Montreal Building and Construction Industries, held on Wednesday at their headquarters in the Drummond Building, the secretary reported that he had urged various public works departments to arrange that when calling for tenders bid bonds would be accepted rather than cheques, pointing out that any works department adopting this suggestion would be able to satisfy itself at once that the contracting firm to whom had been awarded the contract was one not only of solid financial standing, but also of skill, honesty and responsibility, as an insurance company must be well and thoroughly satisfied of the standing, honesty and capability of those in whose favor it issues bonds. For the competing contracting firm the advantage lies in the fact that its credit is not impaired at the bank with which it deals; that the capital thus released can be usefully employed in securing building materials on more advantageous terms (than if long credit were necessary) and it enables the contracting firm to submit prices on several different jobs and undertake their erection and completion should it so desire.

### FINANCING EXPORTS.

Oversight and direction of export financing has passed from the hands of the Government to that of private interests, by whom it must be carried forward, the U. S. Federal Reserve Board says in its review of the month just made public. It characterizes the matter as an investment rather than a banking problem, saying:

"With the determination on the part of the Government that it will not continue the large participation in export trade financing undertaken during the war, but will leave this field to be developed by private enterprise, our export operations will henceforward call for the assumption of full responsibility on the part of financiers and business men who must recognize that the war period in our foreign business has ended. The war period in exportation comes to a close when Government support of foreign trade is removed and when business is left to maintain itself upon its own basis. That such should be the course of development from now on has for some time past been the view of the financial authorities of the Government, a view in which the Federal Reserve Board freely concurs, as indicated by the decision reached at the conferences held during the past month. The view of the Board is that the matter of providing long-term advances for Europe presents an investment rather than a banking problem; that the necessary funds must therefore come from the investment market. The question how to obtain these funds through an appeal to investors is, therefore, the immediate and practical problem of the moment in connection with the financing of the business."

## Scissors and Paste

### EXCESS PROFITS TAX.

The duty should not be so high as to allow of exorbitant profits. But it sometimes happens that excessive profits are made owing to some turn of fortune even under a moderate tariff. Let us then couple up with our tariff the excess profits tax and maintain it, as a means of automatically directing to the public treasury the excess derived from protection.—Toronto Star.

### A GOOD IRISHMAN'S TESTIMONY.

Probably nobody would deny that George Russell is as good an Irishman as Ryan or Dunne or Walsh. And Russell said it all two or three years ago in this paragraph:

"Custom and the common sense of nations always will be behind the British Government in refusing to allow Ireland to set herself up as an independent and hostile country. No nation, no matter how high a political morality it professes, could blame England for refusing Ireland self-government until she could be certain that, when once this was granted, Ireland would be friendly to her."—Chicago Tribune.

### LABOR COLLEGE.

The college started in Boston by the central labor union opened its doors with more than 150 enrolled students. The purpose of the college is to provide higher education for the workers. The students include both sexes and all ages. In one instance a father and daughter sat together. Among the first lessons are: "How to Write English," "Shop Committees and Collective Bargaining," "Masterpieces of Literature," and "The Distribution of Wealth."—The Public (New York.)

### THE MASK OF PEACE.

The Treaty of Versailles has been signed, but there is no feeling of peace in the air. On the surface of things the war is over, but in the hearts of the nations there is still distrust and conflict. Such differences as may exist between the Allied powers with respect to terms of settlement may very readily be adjusted, but the menace to the safety of the world in the form of Prussian militarism is not yet crushed, nor do the German people show any indication of repentance, or even recognition of defeat.—The Standard, St. John.

### GREECE AND THE PEACE TREATY.

"The world commences to breathe. The strongest of our enemies recognizes his complete defeat and accepts the heavy but just conditions of the Allies. The signing of this peace will be followed rapidly by the submission of our more direct enemies. Bulgaria and Turkey, and this latter action will restore liberty to many thousands of our brothers in the Greek irredenta as well as to the peoples living there; and will enable Greece again to become a rich state."—Christian Science Monitor.

### THE PRINCE'S COMMERCIAL CAREER.

A story is told of Prince Edward's early days at Osborne which seems to prove that he is not without commercial instincts. He had written home to his mother for extra pocket money, which she refused to send, and so he wrote a long letter to his grandmother begging her to help him out. Queen Alexandra wrote a long letter reproving him for his extravagances.

To her surprise Prince Edward, who disliked letter writing like most boys, immediately answered her letter and asked many questions. She answered them, only to receive another letter from her grandson. At last the truth came out that the Prince was selling autograph letters to his school-mates for money to spend at the tuckshop.—The Moncton Transcript.