

THE STANDARD'S FINANCIAL SECTION

English Banking
Year of Reported
Most Satisfactory

Dividends Were Maintained
With One Exception
Rise in Security Prices Sustained Profits.

While most of the English joint-stock banks have declared their dividends for 1921, and have issued a preliminary statement of profits, most of the final balance sheets have not, at the time of writing, made their appearance. Dividends with one exception were at the same rate as in the previous year. This was quite in accordance with expectations. While money rates were above the average, the margin between bill rates and short loan rates was narrower than usual and although the rate allowed by the banks on customers' deposits was throughout the year 2 per cent, below the bank rate, the year was not regarded as particularly favorable from the earning point of view. Moreover, there did not seem to be any prospect of any substantial reduction in working expenses. In fact, a few of the banks have already published figures which show that while gross profits were a little higher, working expenditures were substantially heavier. Almost without exception lower net profits were shown. But the decline in net profits was not so marked as the decline in dividends would have led one to expect. It was based upon the recovery in the market value of gilt-edged securities which took place during the year. The depreciation in British Government securities during the last decade or more has been a heavy burden for the banks and enormous sums have had to be provided out of profits to meet the disparity between book and market values. But in 1921 for the first time in many years there was an appreciation on balance, in the market values of British Government stocks.

No Investment Depreciation Fund.
It was consequently assumed that no provision out of profits would be required on this account, and this proved to have been the case. At the end of 1921 the "big five" banks in the aggregate set aside no less than £5,200,000 out of profits to meet the decline in security values during that year. In addition to this, the banks set aside £2 million to general reserves, premiums and staff funds. For 1921 these five banks made to make no provision for investment depreciation, but placed £2.5 million to general reserves, premiums and staff funds. It thus is obvious that, but for the rise in the market value of gilt-edged securities, the shareholders in the joint stock banks would not have received such large dividends.

As already stated, only a few of the balance sheets have yet appeared. But from such as have been published it is possible to draw a few conclusions. It may confidently be anticipated that deposits will show little change in the aggregate in comparison with a year ago. It is considerably easier to make this prediction now than in previous years, for since January, 1921, the London Clearing Banks have published figures each month showing the average weekly totals of their balance sheets. These showed a steady decline in deposits in the early months of the year, followed by an increase to a point approximately the end of 1920 total, around which they have since hovered. But while deposits have not shown much variation there has been a marked decline in acceptances, always a trustworthy indicator as to trade conditions. On the assets side the most pronounced movement in the monthly figures, which will undoubtedly be repeated in the annual balance sheets, has been the large decline in loans and advances. This has been counterbalanced to a certain extent by an increase in the "other assets" which includes British Government treasury bills, while loans and advances and money at call fell by 5.1 per cent since June, and by 9.7 per cent by November last, discounts had risen 15.7 per cent by June and 43.9 per cent by November. In view of the extraordinary trade conditions taken for granted that the increase in bills discounted was entirely due to larger holdings by the banks of treasury bills, for the same of commercial paper must have diminished considerably. The cash item in the November figures is a little lower than it was at the end of 1920, but it is impossible to say how this item will figure in the balance sheets as of Dec. 31, 1921, for a certain amount of "window dressing" is known to have been indulged in. It is not likely, however, that the ratio of cash to deposit liabilities will show much alteration; it will probably remain around 14 per cent.

Banking statistics have frequently been used as a measure of the extent of credit inflation and deflation. In a paper read before the Royal Statistical Society a few days ago, Mr. W. Macrosty stated that after a very exhaustive analysis of banking statistics in this country, he had come to the definite conclusion that "taking to gether credit extended to commerce and credit extended to Government, the volume has increased; deflation of credit by the banks is not evident."

During 1921 currency was reduced by only some 18 per cent, but during the same period commodity prices dropped between 25 and 30 per cent. The responsibility of the Government for the inflation of currency and credit goes back to the war period, when it was found impossible to meet the demands of available funds. The expansion and contraction which have followed since the end of the war, or at least during the past two years, have been merely banking reactions of the boom and collapse of trade. So far as the banks themselves are concerned, their balance sheet position

High Prices Were
Registered In Stock
Transactions In N. Y.

Pronounced Strength Was Displayed
on Accumulation of
Buying Orders.

New York, Feb. 14.—Pronounced strength was displayed by today's stock market almost from the outset. Accumulation of buying orders, together with the double holiday, further settlement of short contracts and relaxed money rates were the prepotent factors.

Highest prices were registered in the final hour, that period being concurrent with the decline of call loans from 6 to 4 per cent. Dividend-paying rails and standard industrials of the steel, equipment, oil and miscellaneous divisions made net gains of 2 to 4 points. Sentiment among traders respecting Federal tax legislation seemed to be more hopeful. A view from Washington suggested that the administration may resort to a bond issue to meet soldier bonus requirements.

Reports from mid-western business and industrial sections were of an encouraging tenor, but railroad tonnage showed little expansion. Moderate increase of production by independent steel manufacturers in that territory accompanied intimations that the proposed steel mergers were progressing towards consummation.

Exchange in London made a vigorous recovery from last Saturday's reaction. The rally reflected the buoyant tone of the markets at that center, despite sharp complications in the Irish and Indian situations. Demand bills on London at 4.38 were 34 cents above the recent low and advances of 4 to 11 points in allied exchanges were overshadowed by gains of 25 points in other continental loans, notably those on Holland, Denmark, Norway and Sweden. The German rate alone held back, marks making only the slightest gain. Time money rates were more rigid than demand quotations, few loans other than those of 30 to 90 days being made at less than five per cent, the latter rate prevailing for all long time maturities.

High grade merchants' paper was quoted at 4 1/2 per cent but no acceptances were reported.

N. Y. Quotations

(Compiled by McDougall and Cowan, 58 Prince Wm. St.)	
Stocks	Prices
Allied Chem.	12 1/2
Am Can	37 1/2
Am Loco	106 1/2
Am Int Corp	42 1/2
Am Steel	82 1/2
Am Wool	82 1/2
Am Smelters	45 1/2
Am Sunmar	24 1/2
Am C and P	147 1/2
Asphalt	61 1/2
Atchafalpa	97 1/2
Am Tele	118 1/2
Anaconda	47 1/2
Am Oil	27 1/2
Bald Loco	103 1/2
Beth Steel	63 1/2
B and O	35 1/2
Can Pac	123 1/2
C and O	58 1/2
Chino	26 1/2
Cruiser	62 1/2
Chandler	65 1/2
Cen Leather	32 1/2
Cuban Cane	9 1/2
Erie Canal	10 1/2
Endt John	80 1/2
G N Pfd	74 1/2
Houston Oil	75 1/2
Insulation	37 1/2
Inter Paper	40 1/2
Indus Alcohol	44 1/2
Kelly Spg	36 1/2
Kennecott	27 1/2
Lack Steel	43 1/2
Mid States Oil	12 1/2
Midvale	30 1/2
Mo Pac	118 1/2
N Y N H & H	17 1/2
Northern Pac	79 1/2
Pennsylvania	24 1/2
Pan Amer	53 1/2
Pierce	14 1/2
Punka Sugar	37 1/2
Pacific Oil	46 1/2
R I and S	62 1/2
Reading	73 1/2
Re Stores	54 1/2
Rock Island	34 1/2
Rocky Mt	64 1/2
Hoof Dutch	50 1/2
South Pac	32 1/2
Sino Oil	19 1/2
Standard	24 1/2
Texaco	44 1/2
Utah Cpr	61 1/2
Union Oil	30 1/2
United Drug	121 1/2
U S Steel	89 1/2
U S Rubber	54 1/2
Western	58 1/2
Wool	82 1/2
Yarn	47 1/2
N Y Funds—4 1/2 p.c.	
Total Sales—\$72,700.	

Unlisted Market

Toronto, Feb. 14.—Unlisted sales: 250 Pressed Metal, 55; 225 McIntyre, 257; 480 Hollinger, 554; 1 Imperial Oil, 106; 2,000 Beaver, 20 1/4; 2,000 West Dome, 7; 1,000 B. Crown, 18 1/4; 800 Lapsa 160.

There can only have been strengthened by the rise in security values, which has automatically added to their liquidation of frozen credits is proving a lengthy process, they are ready to meet any demands which the trade revival, whenever it may come, may make upon them.

Distinctly Firmer
Trend To Trade On
Montreal Market

Large Volume of Trade Featured
Transactions With
Gains Outnumbering Losses

Montreal, Feb. 14.—The local stock market today showed something of a return to the better form that characterized it several weeks ago. Volume of trading was larger, and the trend was distinctly firmer, gains much outnumbering losses.

Canadian again led the market. It opened firm at 21 1/4 and moved up to 22 1/2, closing with a sale at 22, an advance of a point for the day. Much activity was also shown in Brompton, which held steady throughout the day, but closed 1 1/2 down at 18. Abitibi was also active and on some buying bidding a union of Abitibi with Brompton on light trading scored the day's best gain, moving up 1 1/2 to 75 1/2. Although not active, Steel of Canada was firmer, the common advancing a point to 37, while 40 shares of the preferred made a similar gain to 92 1/2. Dominion Steel, preferred, however, eased off 1/4 to 70.

A feature of the day was renewed interest in Canadian Car, which gained a half point to 21, on fairly active trading. The preferred gained a point to 47.

Steel of Canada was also fairly active, and unchanged at 35. Buying appeared in Dominion Bridge which moved up a half to 60.

The only other item of interest in the trading was the sale of 35 shares of Ottawa Power, a point lower at 78. Business in bonds fell to an unusually low level, but prices throughout the list were steady.

Montreal Sales

(Compiled by McDougall and Cowan, 58 Prince Wm. St.)	
Stocks	Prices
Abitibi	75 1/2
Brompton	18 1/2
Can Car	21 1/4
Can Pac	123 1/2
Chino	26 1/2
Cruiser	62 1/2
Chandler	65 1/2
Cen Leather	32 1/2
Cuban Cane	9 1/2
Erie Canal	10 1/2
Endt John	80 1/2
G N Pfd	74 1/2
Houston Oil	75 1/2
Insulation	37 1/2
Inter Paper	40 1/2
Indus Alcohol	44 1/2
Kelly Spg	36 1/2
Kennecott	27 1/2
Lack Steel	43 1/2
Mid States Oil	12 1/2
Midvale	30 1/2
Mo Pac	118 1/2
N Y N H & H	17 1/2
Northern Pac	79 1/2
Pennsylvania	24 1/2
Pan Amer	53 1/2
Pierce	14 1/2
Punka Sugar	37 1/2
Pacific Oil	46 1/2
R I and S	62 1/2
Reading	73 1/2
Re Stores	54 1/2
Rock Island	34 1/2
Rocky Mt	64 1/2
Hoof Dutch	50 1/2
South Pac	32 1/2
Sino Oil	19 1/2
Standard	24 1/2
Texaco	44 1/2
Utah Cpr	61 1/2
Union Oil	30 1/2
United Drug	121 1/2
U S Steel	89 1/2
U S Rubber	54 1/2
Western	58 1/2
Wool	82 1/2
Yarn	47 1/2
N Y Funds—4 1/2 p.c.	
Total Sales—\$72,700.	

A Gentleman of Leisure
(Toronto Telegram.)

Not very inspiring is Premier King's programme as outlined by his local press agent. The first session of Parliament is to be spent in deciding what, if anything, is to be done, at the second session of Parliament.

Those "big interests," so often denounced during the election campaign, are to be given an extension of the open season for sucking the life-blood out of "the people." Months and months are to pass before "Democracy" Murdoch gets a chance to wring the neck of a single octopus. Certain profiteers may still be committing certain crimes, but the feet of Nemesis are encased in goloshes. As the Globe puts it: "Mr. King knows that there are many reforms to be made, but for the sake of business stability and economy he is willing to postpone any radical action till later."

Just as W. L. M. King showed it was going last December. Government railways may go to pot—just as W. L. M. King showed they were going last December. The whole country may go to pot—just as W. L. M. King showed it was going last December. But, as the Globe states, Mr. King has a "basic idea," which is "to go about legislation in a more leisurely manner." And even the Globe is not so vulgar as to suggest that public business should break in upon the contemplative repose of a gentleman of leisure.

FRENCH LOAN AIMS TO PREVENT
AUSTRIA UNITING WITH GERMANY

Paris Feels It Is Impossible for Austria to Continue Alone
Unless Aid Is Forthcoming.

Paris, Feb. 14.—France cannot look indifferently at the total collapse of Austria and the government is asking authorization to advance the sum of 50,000,000 francs to that country, which is in a graver situation financially than ever. Short-term credits may be consented to directly by French banks, with the permission of the government. Obviously such an effort will go a very little way, but it will give proof of the friendly interest taken by France and the desire to prevent a debacle.

Politically, France has particularly held to the cause in the treaties forbidding a union of Austria with Germany. The Austrians, by a great majority, are desirous of such a union, but the French objection is that the numerical strength of Germany would be considerably increased and she would gain in that direction what she kept fairly stable at £5,000,000. It is already Austria's debt of £500,000,000 loaned by France and England for the present reduced territory, with the disproportionately large capital of Vienna to raise, with the economic understanding with the succession states which form a part of the old Austrian Empire.

A month ago a scheme was submitted which depended on a general abandonment of Austria debts by creditors for a period of 20 years. It is chiefly the unsatisfactory attitude of America which wrecked this scheme. All reports agree that the position is greatly worsened and that Austria is at the end of her tether.

The French Finance Minister points out that, reduced in area, with insufficient elementary resources to nourish her population concentrated as it is in the towns, lacking raw materials and combustibles for industrial purposes, deprived of markets which she had previously in the territory of the ancient monarchy, and inheritor of desperate financial obligations, the new Austria is threatened with famine and her money has become worthless, less on foreign markets.

It is recognized that Austria has made real efforts. Taxes, railroad charges and augmented subsidies which caused an increase in emission of paper money have been suppressed. Experts believe that the krona can be kept fairly stable at £5,000,000. It is already Austria's debt of £500,000,000 loaned by France and England for the present reduced territory, with the disproportionately large capital of Vienna to raise, with the economic understanding with the succession states which form a part of the old Austrian Empire.

SPAIN'S CONDUCT OF MOORISH
WAR IS CRITICIZED IN CORTES

Possibility of Foreign Intervention in Moroccan Situation
Is Taken up in Chamber—Attacks Made on Expense of Campaign, Said to be Beyond Nation's Resources

Madrid, Feb. 14.—The last speeches in the Chamber in the long debate on Morocco were impressive. In these ultimate stages there was an increasing tendency on the part of orators to blame the government and to bring in the international question. Various speakers have referred to the "policy of the government" in the Moroccan situation, with her chief Moroccan centers at Tetuan and Melilla, in case of disagreement with the country, and occupation by the latter of vantage points in the Straits.

Colonial Army Considered.
Another feature of the closing stages was the increasing insistence from many quarters upon the necessity of the establishment of a colonial army. Here and there, upon rare occasions, a vote was given in favor of abandonment of the project. Only the extremists, Socialist or Republican, or Catalonians of the more advanced kind, expressed themselves to this effect. One of these latter, advanced Catalonians was Mr. Rodas, who some time back, for a very brief space, had a seat in the government.

A lawyer, he has been clever, and like most of his class, believes much in Catalonia and much less in Spain generally. He was not alone in this. He had come to the general view, he considered Mr. Maura chiefly responsible for the existing international policy of the government, and he was not alone in this. He had come to the general view, he considered Mr. Maura chiefly responsible for the existing international policy of the government, and he was not alone in this.

Stupid Blunders.
The attempted establishment of the protectorate in Morocco by arms and the Spanish march on Tetuan. Mr. Rodas continued, were very stupid blunders, the moral damage of which was irreparable because it could not be repaired with men and money. The difficulties which were experienced in 1914 were aggravated now. He thought that the chief cause of the disaster of last July was the indiscipline of the army, and the most disgraceful part of the whole business was not the Monte Arruit but the fact that more than four months after the disaster of last July, the army was still at work. The guarantee for the monarchy and for the country was obedience.

He was sorry that the Finance Minister was not in his place because he wanted to ask him if Spain had a contributive capacity sufficient to bear the expense of Morocco, and he also wanted to know if the scheme for public works and the determination as to transports were compatible with the problem of Morocco. Mr. Rodriguez Alvarez, the Reformist leader, upon whom and whose party leanings so much continually came to depend, did not speak

Inactive Trading
Featured Events On
Winnipeg Market

Prices Failed to Follow the
Advance Recorded in the
Chicago Pit.

Winnipeg, Feb. 14.—The local wheat market did not follow the advance in Chicago and, generally speaking, it was not active today. Opening figures registered an advance of 1 1/2 cents for May, but these were not maintained, and the close was a quarter cent higher to 1 1/4 cents lower for both futures. The demand for May wheat was easier and offerings were heavy around spot figures.

May touched a low point of 131, and July 128. The demand was not so keen in the cash wheat market, with millers reported out. Offerings were steady during the session, and there was some buying by shippers. Premiums were a quarter to a half lower. Oats and barley were in good demand, but flax, which has been registering large advances during the past few days was dull. A limited amount of business was worked in rye.

The Close.
Wheat—May, 131 1/4; July, 128 1/4 asked.
Oats—May, 49; July, 48 1/2.
Barley—May, 65 bid.
Flax—May, 240 1/4; July, 241 bid.
Rye—May, 105 bid; July, 103 asked.
Cash prices:
Wheat—No. 1 Hard, 134 1/4; No. 1 Northern, 134 1/4; No. 2 Northern, 133 1/4; No. 3 Northern, 133 1/4; No. 4, 132 1/4; No. 5, 108 1/4; No. 6, 102 1/4; feed, 96 1/4; track, 104 1/4.
Oats—No. 2, 49 1/2; No. 3, 48 1/2; No. 4, 47 1/2; No. 5, 46 1/2; No. 6, 45 1/2; No. 7, 44 1/2; No. 8, 43 1/2; No. 9, 42 1/2; No. 10, 41 1/2; No. 11, 40 1/2; No. 12, 39 1/2; No. 13, 38 1/2; No. 14, 37 1/2; No. 15, 36 1/2; No. 16, 35 1/2; No. 17, 34 1/2; No. 18, 33 1/2; No. 19, 32 1/2; No. 20, 31 1/2; No. 21, 30 1/2; No. 22, 29 1/2; No. 23, 28 1/2; No. 24, 27 1/2; No. 25, 26 1/2; No. 26, 25 1/2; No. 27, 24 1/2; No. 28, 23 1/2; No. 29, 22 1/2; No. 30, 21 1/2; No. 31, 20 1/2; No. 32, 19 1/2; No. 33, 18 1/2; No. 34, 17 1/2; No. 35, 16 1/2; No. 36, 15 1/2; No. 37, 14 1/2; No. 38, 13 1/2; No. 39, 12 1/2; No. 40, 11 1/2; No. 41, 10 1/2; No. 42, 9 1/2; No. 43, 8 1/2; No. 44, 7 1/2; No. 45, 6 1/2; No. 46, 5 1/2; No. 47, 4 1/2; No. 48, 3 1/2; No. 49, 2 1/2; No. 50, 1 1/2; No. 51, 1/2; No. 52, 1/4; No. 53, 1/8; No. 54, 1/16; No. 55, 1/32; No. 56, 1/64; No. 57, 1/128; No. 58, 1/256; No. 59, 1/512; No. 60, 1/1024; No. 61, 1/2048; No. 62, 1/4096; No. 63, 1/8192; No. 64, 1/16384; No. 65, 1/32768; No. 66, 1/65536; No. 67, 1/131072; No. 68, 1/262144; No. 69, 1/524288; No. 70, 1/1048576; No. 71, 1/2097152; No. 72, 1/4194304; No. 73, 1/8388608; No. 74, 1/16777216; No. 75, 1/33554432; No. 76, 1/67108864; No. 77, 1/134217728; No. 78, 1/268435456; No. 79, 1/536870912; No. 80, 1/1073741824; No. 81, 1/2147483648; No. 82, 1/4294967296; No. 83, 1/8589934592; No. 84, 1/17179869184; No. 85, 1/34359738368; No. 86, 1/68719476736; No. 87, 1/137438953472; No. 88, 1/274877906944; No. 89, 1/549755813888; No. 90, 1/1099511627776; No. 91, 1/2199023255552; No. 92, 1/4398046511104; No. 93, 1/8796093022208; No. 94, 1/17592186044416; No. 95, 1/35184372088832; No. 96, 1/70368744177664; No. 97, 1/140737488355328; No. 98, 1/281474976710656; No. 99, 1/562949953421312; No. 100, 1/1125899906842624; No. 101, 1/2251799813685248; No. 102, 1/4503599627370496; No. 103, 1/9007199254740992; No. 104, 1/18014398509481984; No. 105, 1/36028797018963968; No. 106, 1/72057594037927936; No. 107, 1/144115188075855872; No. 108, 1/288230376151711744; No. 109, 1/576460752303423488; No. 110, 1/1152921504606846976; No. 111, 1/2305843009213693952; No. 112, 1/4611686018427387904; No. 113, 1/9223372036854775808; No. 114, 1/18446744073709551616; No. 115, 1/36893488147419103232; No. 116, 1/73786976294838206464; No. 117, 1/147573952589676412928; No. 118, 1/295147905179352825856; No. 119, 1/590295810358705651712; No. 120, 1/1180591620717411303424; No. 121, 1/2361183241434822606848; No. 122, 1/4722366482869645213696; No. 123, 1/9444732965739290427392; No. 124, 1/18889465931478580854784; No. 125, 1/37778931862957161709568; No. 126, 1/75557863725914323419136; No. 127, 1/151115727451828646838272; No. 128, 1/302231454903657293676544; No. 129, 1/604462909807314587353088; No. 130, 1/1208925819614629174706176; No. 131, 1/2417851639229258349412352; No. 132, 1/4835703278458516698824704; No. 133, 1/9671406556917033397649408; No. 134, 1/19342813113834066795298816; No. 135, 1/38685626227668133590597632; No. 136, 1/77371252455336267181195264; No. 137, 1/154742504910672534362390528; No. 138, 1/309485009821345068724781056; No. 139, 1/618970019642690137449562112; No. 140, 1/1237940039285380274899124224; No. 141, 1/2475880078570760549798248448; No. 142, 1/4951760157141521099596496896; No. 143, 1/9903520314283042199192993792; No. 144, 1/19807040628566084398385987584; No. 145, 1/39614081257132168796771975168; No. 146, 1/79228162514264337593543950336; No. 147, 1/158456325028528675187087900672; No. 148, 1/316912650057057350374175801344; No. 149, 1/633825300114114700748351602688; No. 150, 1/1267650600228229401496703205376; No. 151, 1/2535301200456458802993406410752; No. 152, 1/5070602400912917605986812821504; No. 153, 1/10141204801825835211973625643008; No. 154, 1/20282409603651670423947251286016; No. 155, 1/40564819207303340847894502572032; No. 156, 1/81129638414606681695789005144064; No. 157, 1/1622592768292133633917800