WORLD'S MORATORIUM LAWS

How Foreign Governments Have Dealt With the Financial Problems of War—But All Debts Have to Be Paid Sometime

A summary of the chief points contained in the various moratorium laws now current in the important countries abroad was recently prepared for the New York Chronicle in London by the chief of the intelligence department of a leading clearing bank. The summary is as follows:—

Argentina.—Drawees of unpaid or unaccepted bills drawn in Argentina on countries at war or under moratorium, or drawn in such countries on Argentina, are given until the end of the war or moratorium (as the case may be) to arrange.

Austria-Hungary—Austria.—The moratorium was extended from November 30th, 1914, in connection with private pecuniary claims. By this law debts were payable in instalments to be completed January 31st, 1915. The full moratorium was prolonged for a further two months in Galicia and Bukowina.

Hungary.—Decree of November 30th, 1914, provides:—

(1) Bills or cheques, with certain exceptions, if accepted or drawn before August 1st, 1914, and falling due between November 30th, 1914, and January 31st, 1915, inclusive, are to be payable two months after date of maturity.

(2) Bank deposits or balances of current accounts: (a) If not exceeding Kr. 2,000 on August 1st, 1914, creditor is entitled to one payment of Kr. 200. (b) If exceeding Kr. 2,000 on August 1st, 1914, creditor is entitled to Kr. 200 per month; but no depositor can demand more than 10 per cent. of a deposit or balance due on August 1st, 1914.

(3) Foreign creditors are subject to the same conditions prevailing in their country if these conditions should be less favorable than the terms of the decree.

Indefinitely in Brave Belgium.

Belgium.—The moratorium has been prolonged indefinitely.

Brazil.—Law of December 16th, 1914.—Moratorium bills extended for 90 days. (1) Brazilian currency bills to be amortized in this period, providing 25 per cent. of the capital and interest is paid after 30 days, a further 35 per cent. after 60 days, and the remaining 40 per cent. after 90 days. (2) Foreign moratorium bills extended for 90 days without amortization, and at the end of this period the acceptor may deposit the equivalent of 16d. per milreis, liquidating the difference in exchange within eight months.

Bulgaria.—General moratorium extended for a further three months from February 7th, 1915.

Egypt.—Moratorium provided for by the decree of October 27th, 1914, expired on January 31st, 1915, and was not further renewed.

Extended in France.

France.—Decree December 15th, 1914.—Moratorium prolonged for a further 60 days after January 1st, 1915. This includes inter alia bills of exchange, embracing securities due for payment before March 1st, 1915, provided they were endorsed before August 4th, 1914, and the scheme whereby certain proportions of deposits in banks are withdrawable. However, on December 31st, 1914, the leading banks decided not to avail themselves of the limitations provided for the repayment of deposits and current accounts, and to pay in full. A new decree has extended the moratorium from April 1st to June 30th.

Greece.—The full moratorium expired January 13th, 1915, but was renewed in a partial form until February 28th, 1915.

Holland.—No moratorium has been declared, but debtors experiencing difficulty through the war may make application in the courts for each individual debt to obtain delay of payment for a period of six months, which delay may be renewed.

Italy.—Decree of December 29th, 1914.—(1) Moratorium prolonged until March 31st, 1915. (2) Twenty per cent. of deposits in banks deposited before August 4th, 1914, repayable on or before December 31st, 1914, each month. (3) All amounts paid in after August 4th, 1914, may be claimed in full. (4) Bills created before August 1, 1914, and already extended by previous decrees prolonged at 6 per cent. interest per annum.

Norway.—Moratorium terminated.

Peru.—Decree of October 13th, 1914.—(1) Moratorium on current accounts terminated; (2) on guaranteed obligations payments to be made 5 per cent. monthly for two months from October 22nd, 1914, and thereafter at 10 per cent. monthly; (3) on obligations without guarantee, payments at the rate of 15 per cent. monthly. (4) Time deposits in banks to be paid at rate of 10 per cent. monthly.

Portugal.—Decree of January 10th, 1915.—Moratorium respecting payment of loans and bills in foreign currency created before August 10th, 1914, further prolonged, but no definite date of termination can be fixed, owing to the various complicated rules relating to the due dates of different bills.

Roumania.—Decree of December 23rd, 1914.—Provides for a four months' moratorium for commercial and private (monetary) engagements abroad undertaken before the introduction of the decree, whether payable in Roumania or abroad. Interest fixed at 1 per cent. above the official discount rate in the absence of any previous arrangement.

Russia and Sweden.

Russia.—Decree of August 2nd, 1914, provided an optional moratorium whereby bill holders might, if they desired, grant postponement to debtors in need thereof. Interest payable at 6 per cent. plus an additional ¼ per cent. on the unpaid sum. The term of this moratorium was not fixed.

Decree of September 25th, 1914, relates to foreign currency bills. This moratorium termintes two weeks after the opening of the Petrograd Bourse for transactions in the corresponding currency. (Up to date the Petrograd Bourse remains closed.)

Decree of October 2nd, 1914, provides a four months' moratorium from the day of payment of bills payable from July 30th to November 30th, 1914, issued or payable in provinces affected by the war, i.e., Poland, the Northwest and Baltic provinces, with the exception of Esthonia.

Spain.—No moratorium.

Sweden.—Decree of December 23rd, 1914.—Moratorium for all foreign obligations extended until March 1st,, 1915, but is not applicable to creditors in America, Holland, Norway and Spain, although any claims transferred after August 4th, 1914, to either of these countries will not be payable.

The moratorium has ceased in regard to internal Swedish obligations.

Switzerland.—The moratorium ceased on October 1st, 1914. However, as regards the relations of Swiss debtors to creditors abroad, Swiss debtors may benefit by the same protection (moratorium suspension) as is in force in the respective foreign countries against Swiss creditors.

PRINCE ALBERT'S FINANCES ARE ALL RIGHT

The city of Prince Albert, Saskatchewan, has been suffering at the hands of rumor mongers. During the past week or so a story has been assiduously circulated that the city is in poor financial condition, and that it had defaulted in payment of interest on its bonds. These suggestions have passed from one investor to another especially in Ontario, and have come to the attention of practically every bond house. Despite the fact that such stories were extremely unlikely, they gained ground rapidly. The city of Prince Albert, however, has not defaulted in any payment of interest or principal of bond debt, and will not do so.

Writing to *The Monetary Times*, Mr. James Mitchell, the city treasurer, says:—"We are alive to the general financial conditions and have instituted such economies as are obviously necessary to maintain our credit without impairing the efficiency of our civic government."

Mr. D. B. Neely, member for Humboldt, evidently has a turn for statistics, having stated in the House at Ottawa the other day that Finance Minister White had used the first personal pronoun 435 times in his 3 hours' speech, an average of about 145 times an hour, or about 2⅓ times a minute. "We have been accustomed," he continued, "to regard the Emperor of Germany as the greatest egotist in the world, but even he is more moderate than my honorable friend. The Emperor of Germany takes a partner with him, for his expression as reported to us is, 'Me und Gott.' But my honorable friend, the minister of finance, does not share responsibility or honor with anybody; he takes it all himself."