AUSTRALIA BORROWS FROM AMERICA

Twenty Millions at Five Per Cent

AUSTRALIAN FINANCIERS CONCERNED

Advises from London indicate that Australia intends to borrow £20,000,000 at 5 per cent. from the United States.
British financial circles strongly criticize the weakness of the London authorities in velding to the demands of Australia to America.

Some Australian financiers assert that the loan will mean a heavy increase in imports from America.

("THE SUN" CABLE SERVICE)

LONDON, July 11.

It is asserted that the London Standard advises that American financiers are taking up an Australian loan of £20,000,000 at 5 per cent. The Standard declares that Australia endeavored to negotiate a loan in London, but the policy of going to America was dictated by the authorities controlling the London money market, who, desiring to conserve Britain's supply of gold, previously banned the issue of foreign loans.

The argument used was that the loan would give Australia power to take to reserve, because money was required to meet her internal obligations.

The attitude of the authorities is bitterly criticized by the gilt edged market, where there is no hesitation in taking Dominion loans.

Authorities Weakness

It is maintained that the authorities have displayed weakness in sending Australia to America, indicating that those requirements of the gold market are afraid to face the consequences of a free gold market, and ran away when the first shot was fired.

Severe opposition will be offered to the American intention to sell Australian stock in London, even to the extent of refusing to deal in the script.

GOODS OR GOLD

Dr. Heaton's View

Dr. H. Heaton (Lecturer in Economics at the Adelaide University), when the above message said that it was quite certain that the British Treasury and Bank of England were sticking firmly to their determination to conserve the British gold supply, and would not let gold go.

"The effect of such a loan from America to Australia would probably be so that Australia would have to pay for imports, or get, and use the money of the United States' big money, hence, of course, it is intended to use the money for conversion purposes.