

British Consols Were a Good Investment Because the British People Were the British People
German Consols Are a Good Investment Because the German People Are the German People

Rothschild bought British Consols at the beginning of the nineteenth century, when they were selling far below their intrinsic value. Why? Because he believed in the British people.

Many of these far-sighted investors have already reaped handsome profits. It is more than half a century since the investing public has been offered the opportunity that the facts set below, taken collectively, constitute. It may be another fifty years before the opportunity will occur again.

The Precedents

England Prior to, and during the Napoleonic Wars. British Consols (as England's Consolidated Annuities are best known) sank steadily in value. Great Britain, at the end of these protracted wars, found herself in the position of a victor who had piled up a huge debt.

Following the example of the house of Rothschild, many investors, confident that England's recovery was a matter of time, purchased British Consols at a fraction of their intrinsic value.

The United States The period before and after the War of the Revolution in the United States witnessed a similar performance on the part of government securities.

The French people had loaned large sums to the Americans. The United States were using a depreciated paper currency, which had little gold value, in payment of these debts.

In 1788, M. Otto, Charge d'Affaires of France, wrote to John Hay, then Secretary for Foreign Affairs: "These loans represented the labor of the workshops and fortunes of a great number of individuals who had come to the assistance of the United States in its most tempestuous times."

John Adams, United States Commissioner to France, supported the contention that the use of depreciated paper money to wipe out debts was inequitable.

Every hesitation, every uncertainty about paying or receiving a just debt diminishes that sense of moral obligation of public justice which ought to be kept pure in every American mind.

The whole question had become of national importance. Alexander Hamilton's conception of financial integrity and the sanctity of public obligations of a monetary nature is well set forth in an extract from his report as Secretary of the Treasury, in 1789.

Every breach of the public engagements, he wrote, whether from choice or necessity, is in different degrees hurtful to public credit. And a year later, General George Washington, President of the United States, in his address to Congress, January 8th, 1790, said:

"I saw with peculiar pleasure at the close of the last session the resolution entered into by you expressive of your opinion that an adequate provision for the support of the public credit is a matter of high importance to the national honor and prosperity."

Those who had purchased these securities when they had been selling at a fraction of their intrinsic value—made fortunes—many had pronounced them worthless—made fortunes.

France French Government securities passed through a similar experience at the time of the war with Prussia.

In 1870, declaration of war against Prussia caused a heavy fall in quotations for French Government securities. In spite of the fact that France went through the horrors of a great revolution, and that, besides the revolution, she was creating a republic, and two funding operations which reduced the interest rates to 3%.

Thousands of investors, in France and out of it, who had purchased these securities when they were selling at 7% of their normal value were thus made comparatively wealthy.

Conclusion The experiences of England, the United States and France abundantly prove that the greatest fortunes are made by those who, in the time of the most pronounced financial and political darkness, possessed enough grit and enterprise to enter the markets as purchasers of government securities when they were being sold for buyers.

The Opportunity Today

We are of the opinion that analogous opportunities for investment exist today through the purchase of selected German Government Bonds.

For several years now we have persistently advocated their purchase. In the face of strong criticism, through circulars, letters and newspapers we have convinced thousands throughout Germany and the United States, that the opportunities for profit through the purchase of selected German government securities have never been equalled in the annals of world investment.

The following table, showing the prices at which we sold German Government Securities approximately one year ago and their current quotations:

Table with columns: Bond Name, Price 1 Year Ago, Current Price. Includes German Government 5s (1914-1918), City of Hamburg 4 1/2 (1919), City of Berlin 4s (1920), etc.

Germany and the War In the late war, Germany opposed practically the whole world. Bounded on all sides with countries against whom she was fighting, she literally speaking, was alone.

The Paper Mark At the close of the war, and for several years that followed, she was in the pits of manufactured in reams, while she was in the pits of despondency, as a frantic effort to stave off the collapse of the paper mark.

Hundreds of thousands of Canadians and Americans were advised to purchase the bonds as fast as the Germans were selling them. We were foremost amongst the reputable investment houses who took part in this campaign.

Europe's Darkest Hour At the time of the war, Europe's darkest hour was at hand. Conditions were such that the history was repeating itself. Conditions were such that the history, only that they were on a greater scale.

Table Showing Current Prices and Profit Opportunities in German Government (Prussian) 3 1/2% Consols

Table with columns: Denominations, Present Price, Profit. Shows values for 10,000, 20,000, 50,000, 100,000, 250,000, 500,000, 1,000,000 marks.

Germany lost the War, but the inherent wealth of her mines and industries, the skill and inventive ability of her people still remained. In 1923, Frank Harris, one of America's foremost political writers, in his Travel Notes, wrote in part: "To talk of Germany as bankrupt is absolutely idiotic. This German life is very proud, no beggars here as in Russia and Poland. This people is disciplined. It will bear hardships in stoic silence as it did after the Thirty-Years War."

Reason Plays a Part England and the United States at last realized that a bankrupt Germany meant trade depression the world over.

Germany's Progress The press daily carries incontrovertible proof that Germany is making rapid strides, financially and economically, towards regaining her former status.

Germany's Potential Prosperity Germany's potential wealth is common knowledge. We shall not, therefore, burden the prospective purchaser of her mines, factories, shipping tonnage and the like.

German Bonds Rise Almost overnight German Government Securities improved in price. Sensational rises were an hourly occurrence until finally those securities which we had recommended reached their present level; some went higher and suffered a reaction; the great majority showed a stupendous rise.

Germany and the Dawes Plan The aim of the Dawes Plan is to obtain from Germany reparations for war damage, and financial loss, by those nations with whom she was at war.

Germany is compelled to make reparations payments must be met. Anyone who for a moment doubts her ability to discharge this obligation even sooner than she is expected to do so betrays a great ignorance of the economic and financial conditions in the Germany of today.

Total Indebtedness It has been estimated that the total indebtedness of Germany under the Dawes Plan, or 10 billion dollars, now, this amount represents what Germany owes to the outside world for the war.

Cost of War to Allies The war cost England, in round figures, 43 billion dollars. And it cost the United States about 27 billion dollars.

The ability of these last-mentioned countries to pay their war debts is indisputably conceded. To those who are unable to understand the high level of efficiency, interest payments and redemption proceedings on her internal securities, we make this answer:

Germany has only one-quarter the war debt of England to pay. We believe she should be able to pay it at the same time. Moreover, we confidently expect that

it will not be long now before pressure on the various political parties by every German citizen owning a government bond, will be irresistible.

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Our Service to Investors

IT IS reason for gratification to this investment-house that it has been instrumental in bringing handsome profits to investors throughout Canada, the United States and Newfoundland.

The following table, giving the high and current quotations on the three most important European currency units, illustrates graphically the opportunities that have occurred from November 1918 to date.

Table with columns: Exchange, High, Current, Low. Includes Pound Sterling, Franc, Lira.

The remarkable improvements shown by the figures at the extreme right as compared with those in the second column, greatly enhanced the value of these bonds and exceptionally large profits were made.

Our organization has been brought to a high state of efficiency. The place where the investor lives sets no limitation on the convenience and safety of his investments, for our Mail Service Department is equipped to render the most careful personal attention to the accounts of the few who transact business with us.

Another salient feature of our service to clients is the Foreign Exchange Bulletin, published monthly and mailed free to anyone anywhere. This publication while dealing for the most part with political, financial and economic developments in those countries in which our clients are most interested, carries much information of interest to all in matters of foreign exchange.

We invite you to take full advantage of our organization. It is at your service for the asking.

THE INVESTMENT HOUSE OF C.M. CORDASCO & COMPANY. Specialists Dealing Exclusively in Foreign Government Bonds. Approved Foreign Bonds, although usually sold for cash, may also be purchased from us under the following terms: Initial payment of 40% of purchase price to accompany order, the balance in four equal monthly instalments. Full payment may be anticipated at purchaser's option. Minimum orders: 5,000 Marks.

"So far as the United States is concerned, there are extremely good prospects of placing Germany on a most favored-nation commercial treaty basis."

"The feeling is great in America that Germany, under the Dawes Plan, is a very different Germany from that which prevailed subsequent to the Armistice."

"In importance, as in amount, it completes, as it were, a series of international loans devised with the object of stabilizing conditions in Central Europe and of helping nations to begin now or later to meet their international obligations."

"The Nations of Europe are not going bankrupt; they are not going to repudiate their debts. On the contrary, if history teaches us anything, they are growing richer."

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BRUARY 11, 1925. Central Guardian. ANUT COAL at \$7.50 per ton. MEETING CANCELLED. MARKET. HEAVY ONE. BLANDER DEAD. PERSONALS. Don't Suffer. St. Jacobs Oil. To People of City and Country. I have opened up a drug store at 178 Queen Street. My shop is well fitted up and stocked with a high grade assortment of every thing found in a real drug store. Special attention will be given to filling prescriptions and small orders. SERVICE AND SATISFACTION IS MY AIM. LET'S MEET EACH OTHER. H. L. WORTHY DRUGGIST.