

proved insufficient, however, and in November the first national loan was issued.

This loan consisted of 5 per cent perpetual *rentes*, issued at 88. The yield was \$2,648,600,000, of which \$1,273,600,000 was cash and the remainder was Treasury bills and converted bonds. About \$2,200,000,000 was paid in before the end of the fiscal year. These transactions may be summarized in the following table:

RECEIPTS BY BORROWING, JAN. 1-DEC. 31, 1915<sup>1</sup>

Treasury bills .....	\$1,294,600,000
National defense obligations.....	126,400,000
Anglo-French loan in U. S.....	80,000,000
National war loan, Nov., 1915.....	2,193,400,000
Advances by Bank of France.....	230,000,000
Miscellaneous .....	46,800,000
Total .....	\$3,971,200,000

During the year 1916 the same loan policy was continued, the main reliance being placed upon short term Treasury bills, advances from the Bank of France, etc. But in November, 1916, a second permanent loan was necessary to take care of this mass of floating debt. This also consisted of a perpetual *rente* at 5 per cent and was issued at 88.75. The total subscriptions amounted to \$2,275,000,000.

It was becoming apparent, however, that additional sums must be raised by taxation. By the end of the year 1916 the interest on the new war debt alone amounted to \$510,220,000. Existing taxes, which were still slightly below normal, were quite insufficient to meet the ordinary civil budget and in addition this new charge. Accordingly an income tax and an excess war profits tax were imposed which went into effect during the year 1916. And by an act passed on December 30, 1916, a number of additional taxes were imposed and the rates of old ones raised. It was hoped that additional tax revenues would be secured from these sources for the year 1917 of about \$263,800,000. The most

<sup>1</sup> *Revue de Science et de Législation financières* (April-June, 1916), XIV, 2,279.