

five months of the war, from August 1 to December 31, 1914, the actual advances of the Bank of France to the government amounted to \$785,000,000. These advances constituted about two-thirds of all the money borrowed.

In addition to the returns from the $3\frac{1}{2}$ per cent loan and advances from the Bank of France, an appeal was also made direct to the small investors by the offer of short term Treasury bills, known as *bons de la defense nationale*. These bore 4 per cent when issued for three months and 5 per cent when issued for six months or one year. By the end of December about \$339,400,000 of these had been sold.

The credit operations of the last five months of the year 1914 may be summarized as follows:

RECEIPTS BY BORROWING, AUG. 1-DEC. 31, 1914

Correspondents of the Treasury.....	\$80,704,000
Ordinary Treasury bills.....	23,824,000
<i>Bons de la defense nationale</i>	339,457,000
$3\frac{1}{2}$ per cent loan	43,947,000
Advances by Banks of France and of Algeria.....	785,000,000
Total	\$1,272,932,000

Of this sum \$30,401,000 were advances to foreign governments.

The opening of the year 1915 saw little change in the use of credit by France in meeting the costs of the war. As the yield of the existing taxes had fallen off 38.6 per cent below normal and new taxes were impossible, the loan policy was continued. Further advances by the Bank of France brought these up to \$1,000,000,000 by the end of the year. Floating debt to the amount of about \$1,300,000,000 was created, consisting for the most part of the *bons de la defense nationale*. Ten year 5 per cent bonds (*obligations de la defense nationale*) were issued in February; by the end of the year about \$760,000,000 had been issued, most of which were conversions of existing bonds. In October the Anglo-French loan was placed in the United States, netting the government altogether about \$240,000,000, of which \$80,020,000 were paid in during the year 1915. All these sums