

bills? To meet this difficulty, on the 12th August the Government authorized the Bank of England to discount without recourse to the holder approved bills which had been accepted before 4th August. This meant that a bank or any other holder of a bill of exchange, accepted before the war, could, provided at the outbreak of the war the acceptor was in good standing, obtain the value of the bill of exchange and be relieved of all responsibility if for any reason the acceptor could not eventually pay. And we must presume that for all such failures to pay, and they must be very many, the British Government will as a matter of public policy bear the entire loss.

On the 1st September the general moratorium was extended until 4th November, but it was expected that as far as possible acceptors would now begin to take up their bills. In this connection as a natural sequence to the action of the 12th August, the Government authorized the Bank of England to lend to acceptors, where necessary, the funds with which to retire their bills extended by the moratorium, the bank to wait until one year after the close of the war for repayment. This still left unprovided for the acceptances of the London branches of alien enemy banks, and on 16th October arrangements were made by which the British Liquidator was able to pay those in full. Early in November steps were taken by the Government to enable the Stock Exchange to do a limited business, to assist British traders to finance export business and to carry debts owing for such, and to enable the Liverpool Cotton Exchange to reopen for business.

Some of these are astonishing actions for any Government. They sound like the last word in autocracy, but perhaps they are the last word in democracy. The Chancellor of the Exchequer said by way of explanation: "There is no doubt that we have, I will not say, departed from any principles which have been accepted in this country, but that we have undertaken responsibilities which no Government has ever been called upon to undertake in the past." The man in the street is not so slow to understand if the event is large enough