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The Silver Bullet at Work

THE usefulness of the "silver bullet" to which Mr. Lloyd George referred recently is becoming more pronounced as the war progresses. "The last few hundred millions may win this war," he said, adding that it was not a question of resources of men merely, but of cash, too. "We have won with a silver bullet before." With the exception of the attempt, apparently unfavorable, made in Germany, none of the nations involved has issued a big loan as yet. Great Britain has financed with treasury bills. To September 17th, the Imperial government had borrowed £45,000,000 upon that security for war expenditure. A fourth issue of £15,000,000 is now being made. Referring to the £45,000,000 borrowed to mid-September, the official British Treasury statement says: "This large amount has been obtained within the short period of one month, not only without denuding the market, but apparently without making any appreciable impression upon the available resources of the country, since the tenders for the most recent issue were larger in total amount and the terms offered were more favorable to the government than those of the previous issues. The last issue is £7,500,000 in six months bills and £7,500,000 in 12 months bills. The six months bills were allotted at an average rate of discount of £2 18s 7d per cent. per annum, as compared with £3 13s 1d on 19th August and £3 15s 6d on 26th August. The 12 months bills were allotted at £3 8s 4d per cent., a remarkably low rate for so long a period at a time like the present. The total amounts offered were £42,000,000 on 19th August, £40,000,000 on 26th August, and £47,000,000 on 16th September. The keenness of the competition for the bills is shown by the fact that the separate allotments of the 16th September issue were no less than 281. Notwithstanding these large government borrowings, money continues to be readily obtainable in the London market at 3½ to 3¾ per cent."

Money in Britain is being raised on exceptionally easy terms, the last £15,000,000 of the £45,000,000 being placed, as regards the one-year bills, at under 3½ per cent. This method of raising the necessary funds, therefore, will probably be continued by the Imperial government.

England is not only financing its own vast operations. It has made a loan of £10,000,000 to Belgium, the money being raised in the form of treasury bills, a part of the £45,000,000 noted above. The London market has seen also three other issues of bills in the past few weeks. One was an issue of £2,000,000 India bills, payable in September, 1915. The total amount applied for was £3,188,000. Tenders at £95 15s 6d received about 65 per cent., above in full. The bills were placed on a basis equal to an average rate of discount of £4 1s 0.59d, thus making the average price obtained £95 18s 11.41d per cent.

About £2,000,000 of French sterling treasury bills were also successfully sold in the London market. The bills, which will have a currency of twelve months, were placed on a basis yielding 5 per cent. The proceeds of the issue will not involve any transfer of money from Great Britain, the funds provided being needed to pay for the large numbers of boots and other articles that have been ordered in Great Britain on behalf of the French Government.

An offer was made in London recently of twelve months Norwegian treasury bills for about £600,000. The bills were placed at about 94¼ equal to an average discount rate of 5¾ per cent. About two-thirds of the money raised was needed to pay for material and other stores purchased in Great Britain, the ordinary method of payment having been rendered difficult owing to the present condition of foreign exchanges. The balance of the proceeds is on account of coupon payments due. No remittance of money abroad will result from the issue, the proceeds being retained in the Old Country.

In the comparatively near future *The Monetary Times* expects an announcement of the financing of a Canadian loan by the Imperial government through the Bank of England.

Blue pencil blue talk.

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If the politicians at Ottawa force a general election now, they will lose the thousands of votes of the men who do not believe in such tactics.

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Canada has enough to do in the Empire's fight and the nation's business, without politicians forcing a general election. Business men do not want an election now.

Why not "Buy a baby bond"?

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Nothing whatever can be gained by pessimism. Have faith, if only for the benefit of the community.

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Great Britain will place in Canada all the orders it reasonably can. War orders are big and rush orders and many, therefore, must be sent to the United States at this time.