

PUBLISHED EVERY FRIDAY

by

The Monetary Times  
Printing Company  
of Canada, Limited

Publishers also of

"The Canadian Engineer"

# Monetary Times

Trade Review and Insurance Chronicle

of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND

Managing Director

FRED. W. FIELD

Managing Editor

A. E. JENNINGS

Advertising Manager

## How the Nations are Financing

**G**REAT BRITAIN'S *Loan Issues Receive Fullest Publicity—News of Germany's Financing Comes Through Careful Censorship—Neutral Countries are also Providing Funds—Loans to date are about Five Billion Dollars*

AS to how the various nations are financing the war is difficult to ascertain. The greatest publicity has been given to Great Britain's financing, which has been remarkably successful and which has extended not only to the dominions overseas, but also to Britain's allies and to some neutral countries. Little has been heard of the financing of the other countries, although they are raising large sums of money. The historian will have an interesting volume to compile after the war, as to how it was financed. Few details of value are available now. Official information as to German financing has an unmistakably inspired touch, although a few interesting facts have managed to escape the censors' eyes. European experts had amused themselves years ago in estimating the cost of a war such as the present. One, Richet, figured that with 2,000,000 in the battlefield and six of the leading nations of Europe involved, an expenditure of \$54,000,000 daily would result. Leroy Beaulieu, the French economist and editor, a few weeks ago, estimated that each of the greater belligerents is spending the equivalent of \$200,000,000 monthly and is likely to continue doing so for seven months. With these figures in mind and with the following information gathered by *The Monetary Times*, it is seen that after four months' fighting, the war loans made by belligerents and neutral countries are approximately \$5,000,000,000.

Mr. D. Lloyd George, chancellor of the Imperial exchequer in the House of Commons, estimated that the cost of one year of the war for Great Britain would be \$2,250,000,000, the largest amount England has ever spent on a war, and more than twice what was spent in the conflict with South Africa during four years.

To pay this bill the British government decided to raise a loan of £350,000,000, which was issued at 95, bearing interest at the rate of 3½ per cent., and redeemable at par in 1928. Treasury bills of £90,000,000 had previously been sold.

The total sum for which provision had previously been made was £535,000,000, covering ordinary and war expenditure. The additional money which had to be found was £339,571,000. A full year of the war will cost £450,000,000.

Provision has been made for assistance to Great Britain's overseas dominions and Canada is getting her share of money for war expenditures, as already explained in *The Monetary Times*.

The daily average cost to France for the first three months of the war was \$7,000,000. The government decrees in France in connection with war financing included supplementary credits opened in September for various government departments amounting to a total of 922,259,750 francs, of which the ministry of war receives 887,759,750 francs (£35,510,390). Besides this the ministry of war receives a special provision of 7,430,000 francs (£297,200) for gun-powder. The ministry of the interior receives 500,000 francs and the ministry of labor 500,000 francs for the relief of unemployment, while the ministry of public works receives 29,000,000 francs to meet the interest guarantees on various railway bonds.

A supplementary credit for extraordinary expenditures was authorized for the month of November amounting to \$182,154,504, being a daily average of a little above \$6,000,000.

The navy received an extraordinary credit of \$855,000. The government dispensed \$13,000,000 for repairs to the railroad system. These probably have been made necessary by the wear and tear due to the transportation of troops.

The sum of \$1,314,000 was set aside for the relief of the unemployed, while various smaller sums will be used to relieve the sufferings in the departments of France that were at one time invaded by the German troops but which are now free of soldiers.

The French minister of finance, Ribot, submitted a decree to the cabinet in November raising to 1,400,000,000 francs (\$280,000,000) the amount issuable of war defense bonds.

Subscriptions to the short-term five per cent. national defence bonds totalled 700,000,000 francs for France alone. In addition 300,000,000 francs of treasury bonds were already in circulation.

The governors of the French colonies of Martinique, Guadeloupe, French Guiana, and Réunion were authorized to relieve the colonial banks from their obligation to exchange their notes for gold. The governors were also empowered to regulate the limit for the issue of banknotes, as well as the proportion the metallic reserves must bear to such issue.

Russia's borrowings to date are approximately half a billion dollars. War subscriptions were invited for an internal loan of 500,000,000 rubles (\$250,000,000) in Russia at five per cent., in addition to other loans.