

Japan is made up of 5 islands in a group, with smaller ones in proximity. Saghalien, which was added this week as a prize taken from Russia, is 600 miles long by 20 to 80 miles wide. It is chiefly mountains, contains mines, woods, and supplies valuable furs. Up to 1804 it was partly held by Russia and partly by Japan. In 1852 Russia took full possession, but it was not until 1875 that her title was respected by Japan which ceded her rights to the nation she has just taken it from.

The population of Japan is estimated at 45 millions. The excess of births over deaths is usually about 33 per cent. of the births, so the population is rapidly increasing, the annual increase, before the war, having been close upon 1¼ per cent.

The total revenue to 1st April, 1904, was \$125,840,000, the ordinary expenditure, \$89,230,000, extraordinary, \$33,140,000, leaving a surplus of \$3,470,000. In 1903 the debt stood at \$279,800,000, which for so large, so frugal a people, was a mere trifle, the debt charges in 1904 being less than 50 cents yearly per head of the population. This was before the war. The 5 per cent. securities of Japan stand over par, and the 4's at 87½.

In 1902 the imports were \$145,405,000, and exports, \$133,928,000.

In spite of the war the exports increased in 1904 over 1903 to the extent of \$15,230,000, and the imports by \$27,200,000, which shows remarkable elasticity of Japan's foreign trade and of its producing and buying resources.

The railways in Japan extend about 3,000 miles, and of telephone wires there were 42,000 miles. The letters, cards, newspapers, etc., carried by the Post-Office service in 1903 numbered, 914,000,000.

The banks of Japan have a paid-up capital of \$181,000,000, deposits range from \$275,000,000 to \$280,000,000, and loans in proportion. The annual statements of these banks are models of clearness and most intelligent classification.

The borrowings of the Japanese government at home are estimated at about \$190,000,000 to \$200,000,000, and borrowing outside before the war were \$282,000,000, the war loans being stated to be \$600,000,000, and the total debt, \$882,000,000, or a little over \$10 per head, which would impose an annual charge per head of less than 95 cents. A New York paper speaks of this debt as "large for so poor a nation," a judgment which we are not ready to endorse. Japan is far from being poor, her natural resources are great; they are on the eve of development. A nation is to be accounted rich whose people are industrious, thrifty, united, and enterprising. They have waged war for a year and a half successfully against one of the strongest powers in the world, and when the war costs are paid them, the debt of Japan will be wiped out, or materially reduced.

When peace is established Japan will take a high place as a naval and military world-power, while her financial standing will improve rapidly under the sagacious fiscal system of the government and the industrial energies of the people.

ALLIANCE ASSURANCE CO., NEW MANAGER APPOINTED.

Mr. T. D. Belfield, who has just been appointed manager for Canada of the Alliance Assurance Co., Ltd., to succeed Mr. P. M. Wickham, was born in Toronto, in 1862, of English parentage. In 1878 he entered the services of the Imperial Fire Insurance Company as a junior at the head office, London, Eng., and has been connected with the business of fire insurance for past 27 years. Mr. Belfield was sent to New York in 1895, as assistant branch manager for the United States. Since the absorption of the Imperial by the Alliance, Mr. Belfield has been connected with the latter company as superintendent, in which capacity he has travelled very largely over the continent, and thus gained large and very valuable experience.

THE WAR INDEMNITY QUESTION.

WHAT AMOUNT WILL BE CALLED FOR, AND HOW IT WILL BE PAID.

It is a foregone conclusion that as a condition of peace Japan will insist upon Russia paying a heavy indemnity to her victorious foe. The amount to be demanded is a matter of speculation, but the general opinion is that it will be several hundreds of millions of dollars, indeed one thousand millions, \$1,000,000,000, is more generally assumed as the figure than any smaller sum.

The idea of a war indemnity is akin to that of a legal suit ending in one of the parties being condemned to pay the costs incurred by the other party. Japan having won, naturally wishes to be recouped the costs of the action. What do they amount to and in what way would the payment be made?

The costs of the war to each combatant can only be estimated by such evidences as are shown by the money borrowed and other financial facts as are relevant to this matter.

The borrowings of both empires have been from two sources, the home market and the foreign. In the former, in the absence of complete information, it is believed that Russia has obtained from \$140,000,000 to \$160,000,000, that is, she has borrowed for war purposes, that enormous sum directly from the Russian people. In the foreign market Russia has borrowed on account of the war from \$350,000,000 to \$400,000,000. Her national debt has been increased by about \$530,000,000, owing to the