EFFECT OF WAR UPON BELLIGERENTS' CREDIT.

From the London Economist we take the following table showing how the credit of the belligerent nations has fallen on the London Stock Exchange as a result of the European war:—

Name	Mean Price, July, 27, 1914.	Last Business Done to Dec. 13, 1915	Fall Since July 27, 1914.	Present Yield.
				£ s. d.
ALLIES.				
War Loan 3½%, Red., 1925-28	*95	90	....	4 11 3
Do. 4½ %, Red., 1925-45...	*100	97⅜	....	4 13 0
British Consols 2½ %.........	72½	58⅝	13⅞	4 5 3
Belgian 3 %, 1914............	79½	55⅜	24⅛	5 7 9
French 3 % Rentes............	77½	58¾	18¾	5 2 3
Italian 3 ½ % Rentes.........	94	68	26	5 3 0
Japan 4½ %, Red., 1925......	93	92¼	¾	5 11 0
Do. 4 %, 1910...............	75	71½	3½	5 12 0
Russian 5%, 1906............	98	84⅛	13⅞	5 18 9
Do. 4½ %, 1909.............	94	77	17	5 16 9
Serbian 4 %..................	67	No transactions recorded.		
ENEMY.				
Austrian 4½ % Treasury Notes	91	60⅛	30⅞	......
Do. 4 % Gold Rentes.......	82½	60½	22	......
Bulgarian 4½ %, 1909........	80	41	39	......
German 3 %...................	74	51	23	......
Hungarian 4 % Gold Rentes..	74½	54	20½	......
Do. 4½ % Loan, 1914......	79½	51¾	27¾	......
Prussian 3 %.................	74	50¼	23¾	......
Turkish 4 % Unified.........	79	52½	26½	......
Do. 4 %, 1909.............	69	34	35	......

*Issue price.

In the case of enemy countries, no present yield is calculable as interest coupons have not been paid to British holders since the respective declarations of war.

In commenting upon these figures, the Economist points out that now that Consols are freed from the minimum price, they are again a true barometer of British credit. The minimum was 65, and when it was abolished the price of Consols dipped to about 58, and it has hovered round about that since, at one time going just above 60. The present yield is £4 5s 3d per cent., while 3½ per cent. war loan yields £4 11s 3d per cent. and the 4½ per cents. yield £4 13s. While the war is in progress 4½ per cent. War Loan is perhaps the best index of British borrowing power, but when peace returns the Economist believes that Consols will be the security that will most truly reflect the credit of Britain. It is the premier security, and it is redeemable only at the option of the British Government, whereas War Loans are redeemable at par at given periods.

The Economist also draws attention to a recent advertisement by a financial firm in New York of Austrian and Hungarian Government securities, the price at which these were offered giving a yield of over 8¼ per cent.

Recently the general manager of a western casualty company had to go to a hospital, whereupon his office associates organized an application-getting campaign among the agents against his recovery and return. And it worked.—*Insurance Critic*.

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A local representative of a life insurance company has received the following *bona fide* letter from a grateful widow who had just lost her husband: "Dear Sir: I take pleasure in enclosing certificate certifying the death of my husband and trust the same will be satisfactory to you."—*Plico*.

THE MINISTER OF FINANCE.

The appointment of Hon. W. T. White, Minister of Finance, as a Knight Commander of the Order of St. Michael and St. George, has been noted with peculiar satisfaction by the whole business community. The admirable work which the Minister of Finance has performed for the Dominion in circumstances of outstanding difficulty has procured for him the confidence and respect of business men to a remarkable extent. The hope is general that his financial knowledge and experience, keen insight into complex problems and breadth of outlook will continue to be available to steer the Dominion through the many difficulties of finance and taxation which lie ahead, at least until comparatively calm waters are reached.

THE COST OF WAR.

(*Continued from front page.*)

armed forces will necessarily be kept up to strength, though expenditure for munitions will be reduced, and the disbanding of armies and a return to normal conditions can only come gradually.

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How will the belligerents' debts be paid? In summary, the Economist's opinion is that Great Britain will have to maintain and probably add to present taxation; Germany and France will have to devise an enormous increase of taxation as soon as the war is over. Russia may suffer less proportionately, "if by any means an honest system of finance and administration can be established." Italy's taxation is already oppressive. Austria-Hungary's position after the war looks desperate, and the Economist thinks the only hope for these two countries will lie in a funding scheme. As for Turkey—probably the creditors will be pleased to get what they can!

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Meantime, it may be noted that by March 31st next, the British Government will have advanced about $2,375 millions to the oversea Dominions and the Allies—the greater part of this amount being to the latter, and the order of importance being probably Russia, France, Italy, Belgium and Servia. A considerable proportion, if not the whole of this amount, has, of course, been lent in the form of munitions and supplies of all kinds. It is quite possible that as was suggested in the cables this week, there will be a consultation among the Allies in order to arrive at some agreement in the common interest, regarding Great Britain's future relative part in the war. Up to the present Great Britain has contributed in the Allies' cause sea-power, money and credit, munitions and supplies, and a military effort greater than anything than had been expected. Apart altogether from any question of compulsion versus voluntaryism, the point arises as to how far Great Britain can go in supplying fighting troops without limiting her capacity to supply money and credit to the Allies. The supply of the one is certainly of equal importance with the supply of the other.