

Russia: Land of Opportunity

Wealth and Importance, and Financial Condition of the Great Russian Empire.

Messrs. Harris, Forbes & Company, have published the following in connection with their offering of the recent external loan of the Imperial Russian Empire.

The Russian Empire, with an area of 8,417,115 square miles, comprises approximately one-sixth of the land surface of the globe. On January 14, 1913, its population was authoritatively estimated at 174,099,600, which shows, when compared with 128,123,270 reported by the 1897 census, an increase of 35 per cent in sixteen years. The area of Russia is more than double the area of the United States.

Wealth and Importance.

Russia's national wealth, based upon careful estimates, varies from \$50,000,000,000 to \$60,000,000,000. The normal value of Russia's annual production approximates \$7,725,000,000, of which about two-thirds comprises agricultural products. Russia normally produces a larger aggregate amount of cereals and potatoes than the United States and has about the same number of live stock, including cattle, horses, sheep, goats and hogs. Manufacturing, which in 1913 provided employment for 2,319,577 operators, is capable of very large expansion. Russia has approximately 50,000 miles of railway which are inadequate to provide for its growing requirements.

The future of Russia lies in the development of its enormous resources, agricultural, forestal and mineral. Only a small portion of the land in European Russia adapted to agriculture has been cultivated in accordance with modern methods, and important results may be expected from the application of more intensive cultivation. It is claimed that Siberia alone (with a population of but 10,000,000 scattered over an area twice the size of the continental United States) has sufficient resources, if properly developed, to feed and clothe a population equal to that of all Europe.

The Russian Empire has a larger uncut forest area than any other nation, its reserve being much larger than that of either Canada or the United States. Eventually, it should take the leading place in the world's timber market.

National Debt.

From January 14, 1905 to January 14, 1914, the national debt of Russia showed an increase of only \$297,531,000.

	Roubles.	U.S. Equivalent.
1905	7,081,746,000	\$3,647,099,000
1914	8,824,524,000	4,544,630,000

In addition to the foregoing the Russian Government, up to January 14, 1913, had guaranteed \$896,867,000 bonds and \$15,482,000 shares of private railroads, and up to January 14, 1915, \$701,118,000 bonds of the Peasants' Land Bank and \$460,349,000 bonds of the Imperial Land Bank of the Nobility. The institutions for which these guaranteed bonds have been issued have been practically all self-sustaining.

As in all belligerent countries the war is resulting in large increases in the Russian national debt. The total debt as of January 1, 1916, was reported at 18,876,730,811 roubles, or \$9,721,516,368. The Government expects that the debt on January 1, 1917, will amount to 25,220,936,895 roubles, equal to \$12,988,782,500. This latter debt although large, is but one and two-thirds the normal annual production and amounts to only 145 roubles or \$75 per capita, probably by far the smallest per capita debt of all the belligerent countries.

Revenues and Expenditures.

The ordinary revenues and expenditures of the Government for the seven years ending 1917 (1915 according to preliminary statements and 1916 and 1917 according to the Budget estimates), are officially reported as follows:

	Ordinary	
	Revenue.	Expenditure.
1911 Actual	\$1,520,168,000	\$1,306,037,900
1912 Actual	1,599,547,000	1,401,707,900
1913 Actual	1,759,940,000	1,593,538,000
1914 Actual	1,492,470,000	1,507,405,000
1915 Preliminary	1,455,905,000	1,580,020,000
1916 Estimate	1,561,480,000	1,692,805,000
1917 Estimate	2,058,970,000	1,923,010,000

These figures do not contain the extraordinary expenditures of war which are met directly out of the resources of the State Exchequer by administrative orders. Nor do they contain certain minor items known as extraordinary revenues and expenditures.

The most striking features of the taxation returns has been Russia's ability to overcome the loss of revenue from the spirit monopoly which in 1913 produced 38 p.c. of the total ordinary revenue. The saving of a billion roubles previously squandered annually in drink, has permitted large increases in the return from direct taxation. The deposits in the State savings banks alone have increased 1,503,796,000 roubles, or \$774,454,940 since the outbreak of the war to August 14, 1916, and in addition 1,084,213,000 roubles, or \$558,369,695 of interest bearing securities have been placed with these banks for safe keeping.

The returns from direct taxation show steady increases, being reported as \$592,765,000 in 1914, \$757,565,000 in 1915, and estimated at \$832,240,000 in 1916 and \$1,085,105,000 in 1917.

National Currency.

According to the content of pure gold, \$1 United States gold equals 1.943799 roubles. The rouble thus equals \$0.5145673. For convenience all statistics contained herein which relate to money have been converted at the approximate mint parity of \$0.515 as the value of the rouble.

In the official statement of September 29, 1916, the gold reserve of the Imperial State Bank of Russia is \$799,927,877, the balances abroad being \$1,058,390,503 to the credit of the bank, and the Notes in circulation, \$3,761,598,408. The gold reserve thus is over 21 1/4 p.c. and the gold plus the balances abroad to the credit of the bank amount to 49.4 p.c. of the circulation.

Based upon the exchange rate for sight drafts the

Russian rouble is quoted at about 30 1/2 cents U.S. gold. The present price of rouble exchange is largely due to the transformation of a substantial trade balance (a constant feature of the Russian foreign trade in normal times) into a debit balance. The stoppage of gold shipments from Russia, the closing of the international trade in securities, heavy purchases by the Government and the curtailment of exports have all been contributing factors.

Foreign Trade.

Under normal conditions, Russia benefits from a substantial excess of exports over imports.

Annual Average:	Millions of Dollars of		Excess of Exports.
	Exports.	Imports.	
1881-1885	233.1	272.1	11.0
1886-1890	324.6	214.0	110.6
1891-1895	320.3	241.4	79.4
1896-1900	359.5	313.5	46.0
1901-1905	484.8	325.4	159.4
1906-1910	620.0	468.1	151.9
Actual:			
1911	818.8	598.4	220.4
1912	781.7	602.5	179.2
1913	782.8	707.6	75.2
1914	492.3	565.4	73.1*
1915	204.5	573.7	369.2*
Eight months—January to September:			
1915	114.1	302.6	188.5*
1916	191.9	712.3	520.4*

(*—Excess of Imports.)

At the close of the war Russia, possessing abundant supplies of those raw materials of which the industrial nations at war have stripped themselves, should experience a heavy demand for its products, a strong stimulus to production, and a consequent highly favorable balance of trade.

The future development of its resources in accordance with a comprehensive program now contemplated should insure to Russia for years to come, a permanent place as a leading export nation.

Investigating the High Cost of Living

The Recent Order-in-Council, and the Powers Conferred on Municipalities.

The Government has passed an Order-in-Council embodying the recommendations made by the cabinet committee which investigated the advancing cost of foodstuffs and other commodities in Canada as has already been announced, wide powers are given to municipalities in relation to the control of factors which, it is believed, may have much to do with the advance in prices.

The Order-in-Council covers a wide range. First, it states that "No person shall conspire, combine, agree or arrange with any other person:—

(a) to limit the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any necessary of life; or (b) to restrain or injure trade or commerce in relation to any necessary of life; or (c) to prevent, limit or lessen the manufacture or production of any necessary of life, or to enhance the price thereof; or (d) to prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation, insurance or supply of any necessary of life.

No attempt is made in this to interfere with combinations of workmen or employees for their own reasonable protection as such workmen or employees. Further, it is ordered that,

(1) No person shall accumulate or shall withhold from sale any necessary of life beyond an amount thereof reasonably required for the use or consumption of his household or for the ordinary purposes of his business;

(2) Every person who shall at any time hold any necessary of life beyond an amount thereof reasonably required as aforesaid, and every person who shall hold for the purpose of sale, whether as manufacturer, wholesaler, jobber, retailer or otherwise, any stock-in-trade of any necessary of life, shall offer for sale the said excess amount or the said stock-in-trade, as the case may be, at prices not higher than are reasonable and just.

"Provided, however, that this section shall not apply or extend to any accumulating or withholding by any farmer, gardener, or other person, of the products of any farm, garden, or other land cultivated by him; nor shall any manufacturer, wholesaler or jobber, because of anything herein contained, be under obligation to sell to other than such classes of persons as are accustomed to purchase from manufacturers, wholesalers or jobbers, re-

spectively, nor shall any person be under obligation to sell otherwise than in accordance with the ordinary course of business."

Provision is made for the collecting of information as to the stocks of any commodities held by individuals or concerns. Under notice in writing by the Minister of Labour, such individual or concern is required to render a written return showing in detail:

(a) the species and amount of any necessary of life held by such person at any indicated time or times, including any time preceding the making of these regulations, where and for whom said necessary is held, and, if held for another, upon what terms held; (b) the time when any or all of such necessary of life was prepared, manufactured, produced, acquired, or taken into possession; (c) the cost of such necessary of life, including all charges and expenses of an overhead or other nature, affecting such cost; (d) the price at which such necessary of life, if already sold, has been sold; or, if unsold, is held for sale; (e) such other information concerning any necessary of life as the Minister may require, including a full disclosure of all existing contracts or agreements which such person, or his principal or agent, may have at any time entered into, with any other person, touching or concerning the sale or resale prices of any necessary of life, or the period of time during which any necessary of life should be held as bailee or otherwise, before sale or resale, or limiting the quantity of any necessary of life which should be sold to any one buyer or combination of buyers or within any limited district.

The Power of Municipalities.

Whenever the Council of any municipality shall declare by way of resolution that in its opinion excessive prices are being demanded within the limits of such municipality for any necessary of life, the Council may, by notice in writing require dealers within the municipality to render a written return of, (a) the amount of such necessary of life held by such person for sale or disposition within such municipality at any indicated time or times including any time preceding the making of these regulations; (b) the time when any or all of such necessary of life was acquired, produced, or brought within

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