

THE FINANCES OF RUSSIA.

An address on the financial position of Russia was delivered on 26th March last at St. Petersburg by the distinguished Russian economist, Mr. Anton Radzig.

His object was, to show that the war was a grievous financial burden to Russia. The taxation screw had been remorselessly tightened on tobacco, sugar, alcohol, beer, petroleum, matches and other necessary articles of consumption. The indirect taxation averaging \$1.50 per head before the war had been raised to \$3 per head. The total taxation had been really trebled, having risen from \$120,000,000 to \$379,500,000.

Turning to the conditions of life among the agricultural population, the speaker gave instances from given districts to show that, whereas the annual earnings of the peasant could be estimated at 18 roubles per head, only eight roubles remained to him after deducting what he had to pay as indirect taxes. The consequence was chronic hunger. In most districts of the great Russian Empire things, he asserted, were not much better.

The indebtedness of Russia had also increased. \$719,500,000 had been added to the debt since 1889, and now amounted to \$3,064,500,000, or 6.129 millions of roubles. Russia owned certain railways as an asset, but their condition was very unsatisfactory and enormous outlays were needed to compete their equipment.

For the present war Russia had borrowed \$440,500,000. Already the war had cost \$500,000,000, and in order to prevent the gold reserve melting away new loans had to be contracted as it was impossible to increase the revenue by further taxation which had reached its limit.

Notes in circulation to amount of \$485,000,000, are covered by the gold reserve of \$445,000,000, held at home, and \$56,000,000 in gold held abroad. An additional issue of notes to extent of \$150,000,000 might be made under the present currency loans. "But," said the speaker, "in that event as we have often seen that notes are not always redeemed in full, claims would promptly be made to exchange paper into gold, and as the effective stock of gold would no longer correspond, rouble for rouble, to the amount of notes in circulation, payment in gold would soon have to be suspended, with consequent fluctuations in the value of the rouble. Our only resource would be to contract fresh loans. To continue the war would, therefore, mean to heap new debts upon the old ones."

Russia began the war with her Treasury in a splendid position, due, however, not to the prosperity but to the hunger of the peasantry. If the rural population were in a position to spend 100 roubles per head, M. Witte's policy might have been

intelligible, but as it is, it is inconceivable how the peasant can continue to pay taxes. The position of the peasantry was bad enough before the war, but the war has made it far worse, for the families of the peasants who have gone to the front have to be supported by those who are left behind. Many factories also have been obliged to suspend work owing to the absence of business, and the workmen dismissed are a fresh burden thrown on to the rural communities. In consequence of the war landowners cannot dispose of their crops. An intolerable condition of things has arisen, which new taxes can only aggravate. "If it is prolonged," concluded the speaker, "Russia will stand face to face with ruin."

STOCK CONTROL VERSUS MUTUAL CONTROL OF LIFE COMPANIES.

The president of the 'Travellers' Insurance Company has published his views respecting the respective conditions and merits of a life insurance company being controlled by a body of stockholders and by policy-holders under the mutual system.

He denies that the holders of participating policies in stock companies are the victims of the caprice or the beneficiaries of the grace of the gentlemen in charge of the interests of the company. A responsible life insurance company has more at stake than dividends to its policy-holders. The serious relation it assumes to its patrons is not only abundantly protected by law, but it is a subject binding upon the moral and business consciences of the men who conduct the affairs of the company.

Nothing is, or can be of greater value to an insurance company than its reputation. It takes years of upright conduct to acquire it and once acquired it cannot be impaired in the slightest degree without danger of utter and hopeless wreck. So long, therefore, as a company purposes to continue in business, it cannot do otherwise than deal fairly and impartially with its patrons. If, however, the company intends to withdraw from business, the law provides for such discontinuance being made under circumstances that will protect the policyholder before all others.

The mutual ideal in President Dunham's opinion, has practically disappeared from the business. Mutuality involves the idea of altruism. In pure mutual insurance he who insures is desirous not only of providing for himself and his children, but of contributing also to the welfare of others who are interested in the common fund.

The fraternal, or altruistic element completely disappears from mutual insurance when the organization becomes so large that the members are