

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
Editor

A. E. JENNINGS
Advertising Manager

Wealth of the Warring Nations

TOTAL is estimated at \$400,000,000,000—The Allies' Share is Double
That of the Central Powers—By August, 1916, the War Will Have
Cost 12.8 per cent. of the Total National Wealth of all the Belligerents.

It will be judged that whether war goes on another year, or two years, or three, or whether it comes to an end quickly, the addition which will have been made to the Old World's weight of debt, coming directly out of the war, will be enormous. Moreover, it must be remembered that the countries concerned in this great addition to debt have further taxed their economic reserve strength through destruction of productive capacity, in the form of men and material.

The loss in this direction will serve to retard greatly the efforts to make up the monetary war cost when peace is concluded, suggests the Mechanics and Metals National Bank in a recent booklet. Only one-half the total war bill of the United States at the conclusion of the Civil War was represented in the nation's bonded debt. Yet fifty years after the end of the war, in spite of the amazing prosperity of the United States and in face of its peaceful progress, a considerable part of the debt incurred to pay the north's share of that conflict remains outstanding. The debt which the wars of 100 years ago imposed upon England has not been removed.

Europe's ability to withstand the strain it is now undergoing is measured in a large degree by the total wealth of the nations involved in the war.

National wealth, upon which each of the combatants is thrown in the ultimate test of financial strength, consists of the sum total of material and tangible goods on which it is possible to place a money value, plus, the industrial adaptability and organization of the people. Tangible wealth consists of three parts—natural resources, capital saved and invested from the past, and goods ready for use.

Wealth in a position readily to be converted to the purposes of war is that most desired in times like these through which we are now living, and so long as there continues wealth that is readily convertible, the nations having that wealth will be, financially speaking, the strongest of those engaged in conflict. Taken altogether, the magnitude of Europe's wealth is well recognized. That of the United Kingdom was computed at about \$12,500,000,000 in 1814; it is at least six times greater now. The wealth of France has expanded six-fold, from less than \$10,000,000,000 in 1814 to above \$60,000,000,000. A century ago there was no German Empire, and the wealth of the German states was in the aggregate less than \$10,000,000,000. United Germany's wealth at the present time is stated at \$80,000,000,000.

A recent estimate placed the wealth of all belligerents except Japan and the British oversea dominions, at a little short of \$40,000,000,000. For the Entente Allies the sum of 263 thousand millions was named, and for the Central Allies 133 thousand millions, the ratio being two to one.

The figures are probably very high. Thus, for the United Kingdom an estimate of \$90,000,000,000 is used to indicate the national wealth, whereas the Chancellor of the Exchequer in a parliamentary paper issued in December, 1915, estimated the wealth of the United Kingdom at \$73,000,000,000. Estimates of \$65,000,000,000 for France compare with other estimates ranging down to \$55,000,000,000. Furthermore, estimates which have been made include not simply

privately owned physical property but all the public property and the property owned abroad.

To illustrate: For the United Kingdom a well-known economist estimated that four per cent. of the national wealth was in public property and that nineteen per cent. was owned abroad, leaving the value of the private property in the United Kingdom at seventy-seven per cent. of the full total.

Accepting figures, which, if they err, do so on the side which allow for the most generous estimates, the following table is prepared to signify the wealth of the countries now actively engaged in the war:—

	National Wealth.
United Kingdom	\$90,000,000,000
France	65,000,000,000
Russia	60,000,000,000
Italy	35,000,000,000
Belgium and Servia	13,750,000,000
Entente total	\$263,750,000,000
Germany	80,000,000,000
Austria-Hungary	45,000,000,000
Turkey and Bulgaria	8,750,000,000
Alliance total	\$133,750,000,000
All belligerents	\$397,500,000,000

The authorities responsible for the figures printed in the preceding table, have also calculated the proportion of war costs, for a period of two years, to the total national wealth, national income, and national savings of Europe. The results shown are highly illuminating, although in accepting them it must be kept in mind that the figures are no more than approximate, and subject to error.

One thing suggested by them is that the war will have cost by August 1st, 1916, 12.8 per cent. of the total national wealth of all the belligerents. It will have cost far more than the amount of annual national income. Its expense will have been six times greater than the aggregate annual national savings. Percentages are as follows, showing ratio of war cost to national wealth, income, and savings:—

	Proportion of war costs to—		
	Wealth	Income	Savings
	%	%	%
United Kingdom	8.8	71	424
France	14.7	128	766
Russia	14.1	113	678
Italy	5.9	48	328
Belgium and Servia	9.6	76	442
Entente nations	11.3	93	564
Germany	15.9	121	727
Austria-Hungary	15.9	120	717
Turkey and Bulgaria	12.0	105	700
Alliance nations	15.7	120	722
All belligerents	12.8	102	620