age tax yearly of 90 cents per head of the population.

Of course, the wealth of Great Britain and her recuperative financial powers were enormously in excess of those possessed by Russia. But, even assuming the debt of Russia to have beeen increased 50 per cent. since the war broke out, which is an excessive estimate, the total would be about $5,000,000,000, which gives an average of about $36 per head of population. The annual interest on this debt will be about $200,000,000, which would impose an annual average tax of about $1.40 to $1.45 per head.

If then to this estimate of the existing debt of Russia were added $1,000,000,000 as the indemnity paid to Japan the Imperial debt would be raised to $6,000,000,000, averaging $43 per head, involving a yearly tax of about $2.00 per head.

Assuming that the poverty of the vast majority of the Russian people is as great as is represented by the most pessimistic observers, the amount to be raised annually for interest on the total debt, after the indemnity is paid, is too trifling to make any distressing difference to the poorest. This is apparent from the fact that the average debt tax would only be 4 cents per head per week, or, for a family of 5 persons 20 cents per week, even if the average amount payable by the poorer classes were not reduced materially, as, of course, it would be, by the large contributions to the tax fund by the wealthy land owners, the merchants, the manufacturers, and the great body of traders.

The ordinary revenue of Russia in 1904, as given in the official Budget, was $989,800,000, derived from the following sources:

Revenue from Direct Taxes..	$ 67,560,000
Inclusive of $245,000,000 from Lands and Forests; $337,000.00, Trade licenses, $92,500,000 tax on Capital.	
Revenue from Indirect Taxes	210,500,000
Inclusive of, $114,250,000, Customs duties; $37,000,000, Spirits and Tobacco; $39,600,000 Sugar; $19,600,000 Naphtha, etc.	
Revenue from Duties	51,790,000
Inclusive of, $23,700,000 Stamp Duties; $118,600,000 Transfer Duties, and $16,280,000 Railway Taxes, Passports, etc.	
Revenue from State Monopolies..	294,920,000
Inclusive of Mining, Posts, Telegraphs, Sale of Spirits.	
Revenue from State Domain..	280,470,000
Revenue from Redemption of land by liberated serfs and peasants..	43,082,000
Miscellaneous Revenues	41,478,000
Total Ordinary Revenue..	$989,800,000
Extraordinary Revenue..	99,500,000
Grand Total Revenue..	$1,089,300,000

The expenditures, 1904, are officially stated as $997,000,000, showing a deficit of $7,200,000. Amongst the expenditures are, grants for the war $358,700,000.

It is alleged that, the accounts of the Russian Budget show signs of manipulation, by some receipts on capital account having gone into Ordinary Revenue account. This, if so, is no new thing in national finance, it is a common charge made by those opposed to the Government in power, an analogous policy was pursued only a few years ago by Great Britain when the Boer war put the national finances under a severe strain. In one part of his Budget for 1904 the Russian Finance Minister says:

"Notwithstanding the unfavourable influence of the war, there has been no serious disturbance either in the State finances or the national prosperity of Russia."

The British returns for 5 months up to 31st May last show an increase in imports from Russia, the agricultural products received in England from that country this year having been valued at 10½ millions of dollars. The exports of wheat, and other cereals from Odessa average 60 millions of tons yearly. The arable land in Russia has an area of 317,710,554 acres, the orchards, meadow and grazing land, 162,387,035 acres; forests, 410,116,113 acres, and 210,192,265 acres is either unfit for culture or used for roads. The area under crops in 1903 was about 215 millions of acres. The yield was as follows: cereals, 1,400,000,000 cwt., and 600,000,000 cwt. of potatoes. In 1899 Russia produced 14 per cent. of the total meat production of the world.

The import of Russia in 1903 were $270,000,000, and exports $451,000,000. The railways in Russia in 1901 carried 109,632,000 passengers and 145,992,000 tons of freight, besides 32 millions of tons carried on rivers.

The savings banks in 1903 had 4,357,000 depositors whose deposits were $409,000,000.

A few years ago an American Consul in Russia wrote:

"Russia's mineral and other wealth is practically untouched. Capital wisely and prudently invested in Russia is absolutely safe and promises a large return."

The above exhibit of the condition and resources of Russia affords convincing evidence of her ability to meet the strain of such a payment as may have to be made to Japan without bringing on such disastrous consequences as are predicted by those who take a pessimistic view of the financial resources of that country. It would be puerile to deny that the war has seriously damaged Russia, just as the French war in the 18th and 19th century and the Boer war damaged England, by its enormous expenditures. It seems, however, reasonable to assume that, when the war is over, the vast resources of Russia, her clear record as a creditor, and prospects of economical development, will so re-establish and consolidate the credit of that vast Empire as will enable Russian to raise whatever