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**Immediate Financial Outlook of the Republic
of Armenia.**

The estimated pre-war debt of the Turkish Empire that will be subject to apportionment among states acquiring Turkish territory is LT 141,106,093. For the fiscal years 1910-11 and 1911-12, the average revenues of that portion of the territory of the four Turkish vilayets which will be assigned to the Armenian state was, in round figures, LT 1,630,000 (\$7,172,000), or about 5.4 per cent. of the total revenues of the Turkish Empire. Assuming a population of 1,700,000 the estimated per capita contributions of the inhabitants of the Turkish vilayets ceded to Armenia will be LT 0.96 (\$4.22). For purposes of comparison, the per capita contributions in the United States, Great Britain and Bulgaria may be cited. In the year 1919, per capita contributions in the United States amounted to \$47.00 and in Great Britain to \$85.00. Before the war Bulgaria had per capita revenues of about \$11.00, and, though considered very low, even they are 260 per cent. greater than the estimated per capita revenues of the Armenian state.

According to Article 241 of the Turkish Treaty all states acquiring territory from Turkey agree to participate in the annual charge for the service of the Ottoman Public Debt. The amount of these annual charges is to be fixed by determining the ratio of the average revenue of such detached territories in the fiscal years 1909-10, 1910-11, and 1911-12 to the average total revenue of the Turkish Empire for the same years.

On this basis the amount of the Ottoman Public Debt to be assumed by the Armenian state should be about L T 7,619,729 (\$33,526,807). If we may assume that those areas of Armenia which were detached from Turkey will produce, in the succeeding years, approximately the same annual revenues as before the war (L T 1,630,000 or \$7,172,000), the service of the Ottoman Public Debt will consume L T 489,467 (\$2,153,654) of this amount. The surplus of revenue from this area available to the Armenian state for general administrative purposes would be L T 1,140,533 (\$5,018,545). This may be compared with the pre-war situation in Bulgaria which had an estimated area of 43,300 square miles and population of 4,750,000, with a debt of \$300,000,000 and debt charges of \$15,000,000.

In making this general and problematic estimate of the resources which should be available for Armenia, our

calculations have not included the Armenian territory of the former Russian provinces of Kars and Erivan. For we assume that some fair portion of the pre-war debt of Russia will later be assigned to the Armenian state, as was done in the case of Poland (Article 21 of the Polish Treaty), and as would be entirely just in the case of Armenia. This unknown obligation of Armenia has precluded any attempt to estimate, even roughly, the debt and revenues of the Armenian state as a whole.

The figures given above are entirely inadequate and unsatisfactory, as we know. They may serve, however, to indicate that the financial outlook of Armenia is not bright. Yet it is not desperate. The Republic of Armenia will need, especially in the first decade of its existence, able and conservative financial leadership, which will avoid pretentious governmental enterprises of all kinds. In case no mandatory power is assigned to Armenia, such leadership may possibly be found among Armenian financial experts, especially those already trained in the public service of the Turkish Empire. But sympathetic and disinterested encouragement from without is essential. By its technical advice, and possibly by small loans, the government of the United States could be of the greatest service to Armenia during the early years of its independence.