

The Chronicle

Banking, Insurance and Finance



ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXVII. No. 12.

MONTREAL, MARCH 23, 1917.

Single Copy 10c
Annual Subscription \$5.00

POST BELLUM POSSIBILITIES.

It has been several times noted that the course of events in Canada during the war has been in some respects not entirely dissimilar to their course in England. But in Canada, further removed than England from the scene of hostilities, developments have come rather later than on the other side of the Atlantic. The best example of this similarity of development is to be found, of course, in the growth of industry manufacturing war supplies. Largely through this development of industry, the Canadian possibilities of which were only thought of when the war had been in progress several months, the Dominion has in common with Great Britain presented the paradox of a country at war enjoying a considerable degree of prosperity—a prosperity participated in by a large proportion, if not the whole, of the population.

* * *

In England this prosperity has come, as Mr. Hartley Withers, the editor of the London Economist, recently pointed out, through the fact that England is working harder than ever before, and at the same time concentrating her energy more than ever before on the things that matter—first the war, then the necessities and solidities that help to improve the standard of life. While plenty of labour and energy is still being wasted on frivolities and luxuries and vulgarities, the amount thus wasted is very much less than it was before the war. In Canada, there has also been a certain amount of concentration through the diversion of capital to the service of the State; a diminution of public and private expenditures in various directions; a speeding up of production. If "frivolities and luxuries and vulgarities" are still painfully evident in our midst, it is well to remember that they are necessarily well-advertised, and that the worth of the citizen is not measured by the space he occupies in the public eye or by the number of times his name figures in the newspapers. To some extent, our prosperity differs from prosperity in England in that it results from the importation of capital from abroad. But through the saving of large amounts of the capital thus received and of other funds, and their concentration for the purposes of war financing, the present conditions of prosperity are less dependent than,

say, the boom conditions which culminated in 1912, upon the continued importation of foreign capital. To some extent, as a result of the war, Canada has possibly become less dependent upon foreign capital, though it would be easy to over-estimate the steps taken in this direction. There needs to be borne in mind the large amounts borrowed by Canada in the United States since the outbreak of war.

* * *

The inevitable question arises; to what extent will present-day phenomena be continued after the war? Mr. Withers, in dealing with this question in England, thinks it not likely that all the energy which is being put into war work will be added to industrial effort. But there is no doubt, Mr. Withers believes, that much of the "speeding up" the war has effected will stay and also that it will be long before the old level of extravagant expenditure will return. If that be so, then England's output will be greatly increased. What is likely to happen in Canada? There is no doubt that our manufacturers have learned a great deal as a result of war manufacturing and that not only have new lines been successfully developed but the power of adaptability has been greatly increased. Nor are we yet at an end of the development of new industries as a result of the war. The taking in hand of shipbuilding operations by the Imperial Munitions Board is a step that has obvious possibilities of great importance to the whole Dominion. There are suggestions that the shell business here is not likely to be long continued and that the new move is intended to give occupation to plants which for the last two years or so have been mainly concerned with munitions. In any case, the demand for new shipping tonnage from now on for some years will be very great. Even after the immediate drain of war upon shipping tonnage has ceased, there will be an immense leeway to make up, before tonnage catches up with the world's requirements. The British demand is at present so great that contracts for large amounts of tonnage have been recently placed in the United States. The Canadian developments which are now taking place in this connection are of a kind to give confidence that Canadian manufacturing industry after the war will have many opportunities to continue busy—apart from any possibilities contained in agricultural developments.