

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY



Vol. XXXVI. No. 27.

MONTREAL, JULY 7, 1916.

Single Copy 10c.
Annual Subscription \$3.00

LOOKING FORWARD.

The war's events of the past week will probably have the eventual effect of inducing an additional spirit of caution in Canadian business. Fresh attention will be paid to the possibilities involved in Canada by the conclusion of peace. Too sanguine hopes and expectations regarding an early conclusion of the war may not be justified by the military position, but they will at least have the good effect of suggestion of the necessity for preparations for the new economic upheaval that is likely to follow the cessation of war activities. For some time past, it seems clear, business men have reconciled themselves to high prices for various raw materials and have in many circumstances been willing to pay them. With expectations in the air of the conclusion of the war, however over-sanguine these may be, there will undoubtedly grow a tendency in many lines of business to hold off, whenever possible, for lower prices. This tendency will naturally be increased in proportion as it is seen that the war is perceptibly entering upon its last phase. Any real sign of German weakening would immensely strengthen it. In the event, probably, this holding-off for lower prices process will extend over many months. The beginnings of the process are possibly already in being, by a similar kind of intuition as is exercised by Stock Exchanges when they discount probable developments months in advance.

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This intuition and its practical effects, while it may be founded at present on an over-sanguine expectation of the length of the war, is likely in the event to be a good deal more useful to Canada than the somewhat confused hopes and expectations which during recent months have been given utterance to in various quarters, that after the war, Canadian manufacturers will be immediately engaged to capacity in rebuilding a ruined Europe. The only things certain about the effect of the conclusion of peace upon the Canadian commercial and industrial situation is that the price of wheat will show a sharp decline and that the munitions

industry, which, with wheat, has been Canada's mainstay during the last year or so, will come to a stop. It is to be remembered in this connection that with the business-like control now exercised by the Imperial Munitions Board, this stoppage can be, and will probably be, effected very quickly and the manufacture of munitions not continued a day longer than is necessary. There will be no huge contracts which have to be completed whether the war is over or not, and may be worked on for months after the conclusion of peace. The likely effect of this stoppage upon Canadian industry can be best appreciated when it is remembered that the Munitions Board has been lately disbursing about thirty million dollars a month in Canada. To some extent, doubtless, the labour that is displaced by the cessation of these activities will be absorbed (at lower wages) into its normal channels. But it is evident that normal requirements immediately after the war will not be sufficient to absorb all the labour that is likely to be suddenly thrown out by the shutting down of war work.

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As regards subsequent Canadian activities in the rebuilding of the ruined portions of Europe, it has been well pointed out that immediately after the war only imperative necessities are likely to be provided. The destruction of the war will not be replaced in a year or two. Re-cultivation and rebuilding will be a process of years, not of months. Probably it will be decades before the ruined towns and industries of eastern France, of Belgium, of Poland and of Serbia will be so rebuilt as to represent the amount of wealth that they represented early in 1914. Again, it is at least possible that participation in the supply of immediate necessities and of what rebuilding is urgent will depend, in part, upon willingness to finance. It is clear that even if the war ends in an overwhelming victory for the Allies, that Great Britain will have to continue supporting financially the poorer members of the Entente. Serbia, Belgium, Poland and

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