

PROSPECTS FOR A FALL IN FOOD PRICES.

(By Sir George Paish.)

From the early 'nineties until 1905 the amount of capital provided for the extension of agriculture was extremely small, with the result that the world's supplies of food and raw material fell short of the demand. After the close of the Japanese War, however, the situation completely changed. The profitable prices to which food and raw material had then recovered, and the relative depression in trade in the older lands, attracted capital in great quantities into the new countries, and once again the construction of railways in all the great agricultural countries of the world was undertaken on a great scale. In the ten years from 1905 to 1915 the railway mileage of Canada will be nearly doubled, and vast tracts of new land will be opened up to cultivation. In Argentina there has been great activity, and in a single decade, to 1915, the railway mileage of that country will be nearly, if not quite, doubled. The great demand for food, and especially for meat, has caused a search to be made for fresh districts suitable for the raising of crops and of live stock, and a considerable number of railways have been constructed in Brazil. The United States, Russia, and Australasia have also borrowed large sums of money for the construction of railways into new agricultural districts. In fact, the profitability of agriculture in the last ten years has attracted, as one would expect it to do, great quantities of capital and of labor into the countries which grow food and raw material. It will be understood, however, that the process of largely increasing the world's supply of primary products is a slow one. The amount of capital required for the purpose in these days is enormous, as the new districts capable of growing surplus supplies of food and raw material are getting farther and farther away from the sea-coast, and vast systems of new railways are part of the machinery which must be supplied to enable the world largely to expand its production of these essentials.

ENORMOUS AMOUNT OF CAPITAL RAISED.

In Canada the two new systems of railways are each about 3,000 miles in length, and the additional lands which these railways will bring into cultivation are situated from 1,500 to 2,500 miles away from the Atlantic seaboard. In Argentina the new grain-growing districts are many hundreds of miles inland. In the United States the districts now being developed are from 1,500 to 2,000 miles from the sea-coast. In Russia similar conditions prevail, the railways to-day being constructed far into the interior. Therefore, the initial cost of largely increasing supplies is a very heavy one. But inasmuch as the world must have food and raw material, and must pay whatever prices are necessary to obtain them, the needs of the situation have caused unprecedented amounts of capital to be raised in the last seven years for the construction of railways in all the young countries of the world.

Great Britain alone has supplied colonial and foreign States with upwards of eleven hundred millions sterling (£1,100,000,000) of new capital since 1906. Almost the whole of this money has been placed in the countries which for the most part supply us with

food and raw material we need to maintain the growing population of these islands. Of course, any large increase in the world's production of primary products brings advantage to all countries, and not merely to Great Britain, and in providing capital for increasing the productions of those commodities—food and raw material—which we ourselves need, we assist in largely increasing the supplies of the whole world.

The greater part of these enormous sums has been devoted to railway building. In seven years we have provided colonial and foreign railway companies with nearly £400,000,000 of capital for railway construction. Beyond this our investors have subscribed about £264,000,000 for Government loans, a large part of which has also been devoted to the construction of railways. In the aggregate Great Britain has supplied the world outside these islands with nearly £600,000,000 for the construction of railways in the last seven years, and all of the money has been placed in countries upon which we depend for our supplies of food and raw material, the increasing production of which is so essential to our welfare.

PROBABLE DECLINE IN PRICES.

At the present moment, there are indications that prices will probably decline for a time. There are, I think, no grounds for anticipating any severe setback in prices in the current year. The world has still a great deal of construction work to get through before the work in hand is completed, and the prosecution of this work will cause the demand for labor to be fairly well maintained, and the rate of consumption kept up to a high level for a time. But when all the factors are taken into account there appear to be grounds for the expectation that production is now likely to increase faster than consumption, and that a gradual fall in prices will probably be witnessed, bringing with it, for a time, a reduction in the cost of living. Probably the fall in prices will be more pronounced next winter than it has been this.

PRACTICAL APPRECIATION OF LIFE INSURANCE.

That the late Hon. George A. Cox, president of the Canada Life, himself practised what he preached in regard to the value of life insurance is evidenced by the fact that his will lately probated showed insurance of \$140,342, made up of policies not only in the Canada Life but in other Canadian, American and British companies. The details are as follows:—

Canada Life.. . . .	\$1,907.51
Canada Life.. . . .	8,906.25
Canada Life.. . . .	8,781.25
Canada Life.. . . .	9,787.50
Canada Life.. . . .	13,762.50
Canada Life.. . . .	6,625.00
Canada Life.. . . .	17,595.00
Canada Life, less lien \$675.. . . .	5,232.00
Confederation Life.. . . .	5,000.00
Manufacturers Life.. . . .	1,250.00
Manufacturers Life.. . . .	12,964.00
Sun Life.. . . .	26,260.00
Equitable Life of N. Y.. . . .	4,370.00
Mutual Life of N. Y.. . . .	6,840.00
Phoenix Assurance.. . . .	11,061.45
Edinburgh Life.. . . .	
	\$140,342.46