

the destruction of property in the fighting zone; second, the running down of the machinery of production and transport and of the equipment of life in the belligerent countries and in others affected by the war. Of these two items the second is the more important, though it is the less evident at present to the eye. The actual destruction of property in the ground fought over by the armies has, of course, been considerable. But it is not relatively extensive, nor, except in certain small regions, complete. Some of it, no doubt, has already been repaired—for example, in Belgium. Some of it will only be repaired slowly.

But in all the belligerent countries the ordinary work of repair and betterment and improvement—especially so far as concerns the amenities rather than the necessities of life—has been checked or altogether suspended. Expenditure on railways, roads, and buildings has been severely cut down. The machinery of transport by sea and by land has been used to its utmost, and, on the whole, destroyed faster than it has been replaced. All the belligerent countries will have much to do to bring their equipment in the above matters to the same condition as that in which it stood before the war.

### Capacity Has Increased.

On the other hand, it seems probable that the productive capacity of the world has not diminished but increased during the war. The actual machinery of production has been destroyed comparatively little and has been largely added to. It is true that much of the new machinery has been established for the purpose of producing munitions of war, but a large part of it can be turned to other purposes. In the United Kingdom and probably in most other countries there has been a great extension in the boundaries of the class performing productive labor. This and a greater intensity of labor have the result that, in spite of the enormous number of men withdrawn for service in the field, the total production of the country in all lines taken together is greater than it was before the war. When the armies in the field return to the ranks of producers the productive capacities of all the belligerent countries should therefore be much higher than before—though allowance must be made for the difficulty with which returned soldiers settle down again to habits of regular industry.

As the producing capacity of all the belligerent countries after the war will be much higher than before, so the demand for consumption will be higher; partly on account of the necessity of replacing what has been lost, wasted, or gone out of repair; partly on account of the higher standard of living among the mass of the working classes in all countries, brought about by high wages and war expenditure.

### Industrial Activity After War.

The conditions indicated above as prevailing at the end of the war—high prices, abundance of currency, easing of the burden of interest charges on private debtors, an extraordinary demand both for the common articles of consumption and for the material and supplies required for replacement and betterment of the world's equipment, an increased capacity for production through the addition of new machinery and an increase in the numbers of the labor force—all these conditions point to nothing else but a period of unusual activity in industry and commerce.

There are, however, three other conditions to be mentioned which may prove retarding factors. The first factor is certain but temporary. The other two are

merely possible, and whether they come into play or not depends mostly on psychological considerations.

The first retarding factor will be shortage of transport. The merchant ship tonnage of the world may be less at the end of the war than at the beginning; and most of the ships will be badly in need of rest and repair. The railroads of the world will certainly be in bad condition, with their roadbed and equipment deteriorated and their rolling stock worn out and short in quantity. Until these deficiencies are repaired the transport of goods by sea and land will be more than ordinarily long and expensive. That will be a retarding factor to commerce.

### Matter of Difficult Credit.

The next retarding factor, which may or may not come into play, is that of difficult credit. Currency will be abundant, and if bankers follow their usual tendency and are governed in their attitude toward credit by the position of currency reserves, credit will be plentiful and it will be easy to get money for new business. It is possible, however, that a feeling of uncertainty about conditions may make the financial world timid; and that the business of taking up and putting into permanent form the great amount of floating government liabilities created during the war may absorb the best part of their energy. This may lead to a stringency in credit which, of course, would hamper commercial activity. It is not a necessary nor on the whole a likely condition, but it must be mentioned as a possible factor of retardation.

The last factor which is also uncertain is the possibility of widespread labor unrest, arising on the one hand from the reluctance of the returned soldiers to settle down again to habits of plodding industry and from their difficulty in conforming to the standards of intensive industry set during the war; on the other hand from the reluctance of employers to pay the higher wages which will be generally demanded. It will be a calamity for the world if these conflicting feelings lead to a succession of industrial wars between employers and employees. It cannot, however, be dismissed as an impossibility. Whether and to what extent it comes about will depend mainly on the frame of mind in which the end of the war finds the classes concerned.

*(To be concluded next week.)*

### NEW BOND HOUSE

Another bond house has been established in Toronto. Mr. Harry B. Housser, who for two years has been connected with Messrs. Emilius Jarvis & Company, as manager of the bond department, has severed his connection with that banking house, and established the firm of H. B. Housser & Company. Offices have been secured in the Dinnick Building, 10-12 King Street East, Toronto, where the new firm will deal in government and municipal bonds. Mr. Housser is a well-known bond man and carries the good wishes of many friends to his new bond house.

### ONTARIO MARBLE QUARRIES FOR SALE

Marble and stone quarries and all equipment, in Hastings County, Ontario, are being offered for sale. The marbles are white and colored. The company which has operated the quarries is in liquidation and tenders for the property are now invited. An official advertisement appears on another page in this issue of *The Monetary Times*. The marble from these quarries has been used in many notable buildings, such as the Ontario Lieutenant-Governor's official residence, and the Ontario hydro-electric commission's head office building at Toronto.