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RESULTS OF ECONOMY AND EFFICIENCY.

In considering the probabilities with regard to the supply of capital for the purposes of peaceful development at the close of the war, there is one factor which appears hitherto to have been given less consideration than it deserves. Broadly speaking, in all the belligerent countries and certainly in those of the Allies, the War is having on the mass of the population two marked effects. First, they are being forced to economise in individual expenditures as a result of rising prices, heavy taxation and, in a proportion of cases, reduced incomes. True, among certain sections of the population there is at present a temporary enhancement of prosperity, as notably in Great Britain, but these exceptions are not sufficient to invalidate the broad generalisation. Secondly, the people of the belligerent countries are being shown inherent possibilities of increased effort and increased production which before the war would have been regarded almost as visionary. Last year's Western crops are a case in point in Canada, while the mobilisation of labour of all kinds in Europe and the additional efforts which are being made by non-combatants beyond efforts which would normally be made in time of peace, are well known.

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It appears not unreasonable to anticipate that the effects of this economy in expenditure and additional effort in production will be felt subsequent to the war. A certain number of people, in the aggregate a very large number, will have discovered for themselves that they can do quite well and without any serious entrenchment on their real comfort, without certain extravagances of expenditure which in the days before the war seemed essential to well-being. Similarly the farmer, who has during one or two years obtained through enhanced effort and care, returns from his farm largely increased in comparison with those of the *ante-bellum* period, will not be disposed to

allow his returns to sink back to the pre-war level. He will wish to maintain his income as far as possible and will consequently continue his efforts and care. Whether organised labor will be educated sufficiently after the war to denounce the policy of restriction of output, which has been so fatal a mistake on its part in times past, remains to be seen, and it will be well, perhaps, not to be too optimistic on the point. In other directions, it is apparent that the *post-bellum* period will see more economy and efficiency than in the past. In Canada, systematic thought is already being given to such problems as immigration, the settlement of men released from war service, trade development, increase in agricultural production and kindred matters, and in Europe similarly brains are at work on these and other problems in order, by co-operative effort, to attain a greater efficiency than has been previously achieved.

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It is apparent that, if after the war, the effort after increased production were made on the same scale as present production for the purposes of war, that accumulations of capital would increase at a stupendous rate, and very quickly large amounts would be available for further development at fairly reasonable rates. The desirability of this effort being made in Canada—a country with as yet comparatively little accumulated capital—needs no demonstration. The "Round Table," in discussing this problem as it particularly affects Great Britain, remarks that:—"After the war the load of taxation necessary to pay interest and sinking fund upon the National Debt, in addition to that required for meeting ordinary civil expenditure, will be very onerous, especially on the poorer classes. The right way of lightening it is to increase the national income. But this can only be brought about by increased production. That, indeed, is the key to the social and economic future of the British people. If it is prevented by the policy of labour or the continuance of social hate, capital will find a safe and profitable outlet in other lands, not because of the selfishness of the individual capitalist, but from the inevitable pressure of other forces." In Canada, labour problems have not yet attained the degree of intensity that they have reached in recent years in Great Britain. But in its degree, Canada will be hampered materially after the war if labour is not prepared to do its part in increasing production, and if all classes of the community are not prepared to co-operate towards that end.

It is stated that one bond house in New York subscribing to the Dominion Government's recent bond issue received orders from its clients for no less than \$60 millions of the bonds. In some cases allotments were only 20 per cent. of the amount applied for.