

**PROBLEMS OF PRODUCTION AND DISTRIBUTION.**

**Canadian Machinery of Distribution can Handle Much Greater Volume of Production—Higher Prices Will Stimulate Food-growing.**

In the course of a long review of the Canadian Pacific Railway's recently issued annual report, the *London Statist* makes some interesting observations in regard to the effect of the European war upon Canada's production, especially of food-stuffs. It is strongly urged that the present events will stimulate considerably the settlement of land, and that in consequence, a few years will see an enormous increase in Canada's productive power. The *Statist* writes:—

**MACHINERY OF DISTRIBUTION LARGER THAN PRODUCTION.**

"If the war continues, it is obvious that the production of food in Europe will be substantially reduced, and that after a time the enormous war expenditure will result in a revival of consumption. Hence there is the prospect, if not the certainty, that next year the price of food will be much higher than it is at present, and that the production of foodstuff in Canada and in other agricultural countries unaffected by the war will be greatly stimulated. All that Canada needs at the present time largely to expand foodstuffs are settlers on the land. Practically all the machinery of distribution has been provided for a much greater production than she at present enjoys. The events now taking place are likely to cause an efflux of population from the towns where employment is scarce on to the land where employment can be found for an almost unlimited number of persons. The trend of economic events was in the direction of a much more rapid settlement of the land in Canada than in recent years, and the outbreak of the great war in Europe will tend to accelerate the movement, with the result that the productive power of Canada will be enormously stimulated.

"It should be recognized, of course, that the trend of economic events, apart from the war, was towards a lower price of foodstuffs in consequence of the world's increasing production, but the outbreak of the war will tend to maintain prices of foodstuffs and will enable Canadian people to realize much larger profits than otherwise they would have done from their increasing production.

**ECONOMY IN FORCE.**

"In the work of increasing the productive power of Canada the Canadian Pacific is performing the lion's share, and, moreover, in view of the excellence of its credit, it will be able to continue the work of assisting settlers on to the land and providing them with all the transportation facilities they need. In the year to June last the traffic of the Canadian Pacific showed marked contraction, its gross earnings for the year having been \$129,815,000, against \$139,396,000 in the previous year. But we would specially point out that this decline was due not to any contraction in the productive power of the country, but to a greater measure of economy in the consumption of the Canadian people arising from the financial stringency which has been experienced. The financial stringency affected the building trade, and consequently led to a decline in the lumber traffic as well as in the demand for manufactured articles. But the essential products of Canada as indicated by the traffic of the Canadian Pacific, showed great expansion.

"And thus is evident that apart from the effect upon the crops of the vagaries of the weather the quantities of agricultural produce grown in Canada during the next few years will show rapid extension and that the Canadian Pacific Railway will be called upon to transport the greater part of the increased production. Of course we do not wish to infer for one moment that the volume of trade in Canada may be maintained at the level of last year or of the previous year. In recent years trade in Canada has been immensely stimulated by the great influx of British capital into the country, which has been expended in the construction of railways and in the building of towns and industries. It is obvious that in a period of war the amount of capital that Great Britain can supply to Canada will be greatly reduced.

"If Canada is unable to borrow substantial sums in the United States, it is obvious that general trade in Canada must suffer a substantial setback in consequence of the check that will be given to the construction of railways and buildings. On the other hand, however, the higher prices that Canada may obtain for her foodstuffs may assist in maintaining the consuming power and trade of the country."

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**HOARDING IN THE UNITED STATES.**

It seems that unmistakable symptoms that have made their appearance during the past few days show that a quite distinct tendency toward the hoarding of legal tender money is observable throughout the United States. This hoarding takes a variety of forms. In some cases individuals obtain control of cash and hide it, thus reducing the available supply of legal tender. In other cases, the hoarding, if such it can be called in those instances, appears to take shape as a withdrawal of cash from savings banks for the purpose of physically shipping it abroad for the relief of parents, relatives or friends who are suffering from war. There are some large institutions in New York city and many elsewhere that already testify to the strain made which they are suffering both from this cause and from the presentation of their notes for redemption. Perhaps the most striking evidence of hoarding is, however, seen in the action of certain banks which now, as after the panic of 1907, are by every means in their power raising their reserves to an unnecessarily high point and drawing what they can away from the Government. The situation is described by a New York authority as serious.

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Three separate organisations of American casualty underwriters, the Detroit Conference, the American Association of Accident Underwriters and the National Mutual Union, have agreed to join forces under the name of the Accident and Health Underwriters Conference.

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At the present time there are few investors, be their capital small or great, who could see their money back, or anything like it, should they attempt to realize, and yet it is pretty safe to say that a goodly proportion of these same persons have replied to an agent's solicitations in past time that they could do better with their money than put it into life insurance.—*Insurance Agent.*