

The same remarks apply largely to (7) mineral production. During the next few years, judging by activity in prospecting, mining, chemical research work, etc., our mining industry should be worth a great deal more to the country than it is to-day. An industry which has been developed here only in spots, it has not had the help of sufficient science, capital and labor in the past. For many minerals there should be higher prices. We have an example in silver which recently was quoted at 35½ pence an ounce, the highest price in 24 years, and representing a rise of 50 per cent. in less than a year. This year we should have a normal production in (8) fisheries, increasing as time goes on. We may, therefore, look for a rise also in our line of production this year as represented by the four items noted.

Manufactured products will contribute largely to an improving business situation as well. Unfortunately, annual figures of factory production are not available. During the past fiscal year, however, \$242,000,000 of manufactured goods were exported, as compared with \$85,000,000 in the previous year.

The year 1917 is commenced with the assumption that the war has concluded. Those who desire to fix the date of the war at the end of 1917 may put forward one year the deductions which are made here. The year when war ceases will probably see the beginning of a difficult period of readjustment. The country will have to get out of the rut of war business and into the rut of normal business. The change from the one to the other will not be effected as quickly as was the change nearly two years ago from the business rut to the war rut. While the cessation of hostilities will mean that no new war orders will be forthcoming, there are likely to be a number of orders contracted for, in hand, and which will be filled. That will help to maintain both the business and production line during the early part of 1917, or the year which brings the dove of peace. Business might possibly be equal to that of 1916, with a downward tendency towards the end of the year during the readjustment, as war orders cease, exports diminish, the soldiers return, and until ordinary business resumes and a volume of immigration commences. Bank circulation might be equal to 1916, later declining. Bank current loans would probably be less, with a tendency to decline. Foreign trade would decrease and bank clearings would also decline. No great stagnation seems probable in this country immediately after the war, although a reaction must come in due course. The extent of the difficulties of the readjustment period, so far as Canada is concerned, will depend largely upon the plans which are formulated now for that period, and then put into practical operation. The importance of this cannot be overemphasized.

In the matter of production in 1917, or peace year, acreage should be increased, as the labor position would be improving. A fair crop, based on the law of averages, might be anticipated. Forest production would likely be heavy, due to strong demand, especially from abroad. Mineral production would be growing larger in volume and an average yield from the fisheries could be expected.

The next year, 1918, or the year following peace year, may prove to be the acute period, with business slack and feeling the full force of reaction after war's activities. It might be reasonable to look for a decline in that year, in both the business and production lines. The whole country would be in a state of transition. Neither the best business results nor the biggest output could therefore be obtained. We could hope, perhaps, for a fairly large crop production. While the national position, during this period, is naturally dependent to some extent to conditions outside Canadian borders, the success of our own efforts

to cope with domestic problems, to enlarge production, to encourage settlement, to increase foreign trade, and so on, will be one of the most important factors. The measure of Canada's work will determine the degree of national hardship undergone during the transitory period from war to normal business.

After the readjustment period, there is agreement on the part of important authorities that the world will probably witness an era of great business activity due partly to the reconstruction of devastated Europe. Canada will share in that business, if sufficient planning ahead is done. But we should not overestimate our portion of this business. We should experience some business activity, with greater production and increasing exports. This happy period has been estimated at from two to four years.

Some authorities have looked beyond that and to what we may call the great reaction. When Mr. Lloyd George presented his war budget in November, 1914, he pointed out that during the war and the period of reconstruction which would follow it, there would be no competition in the neutral markets of the world, except from America, and that therefore England would command those markets. He looked forward to a period of four or five years when the manufacturers of Great Britain would have an artificial stimulus because of the abnormal conditions. When that period was over, the country would be faced by the most serious industrial situation it had ever had to face, as capital would be exhausted, and customers crippled and their purchasing power depressed.

In Canada, that great reaction should be modified to some extent by growing immigration, settlement of the land, greater production and a bigger export trade. Our first period of depression, soon after the war's close, will probably continue until ordinary business orders have been given in some volume and a general readjustment of industrial conditions has taken place. Then, as suggested above, may come a period of prosperity, for the Dominion will have an opportunity to supply Europe, and especially Great Britain and Russia, with a certain amount of merchandise. Coupled with this, will be the increasing prosperity of the country, due to greater production. If we are not overconfident, if we continue to increase production and do not again allow development in such things as city and railroad building to get too far ahead, and if no speculative saturnalia causes disaster, we may look forward to a period of some prosperity. In the meantime, a steady volume of immigration which must be directed largely to the land, will help to increase the population, and maybe in fifteen years, as Lord Thomas predicted when in Canada last year, our population will have been doubled.

Roughly, has been drawn above an outline of possibilities, based upon the material at hand after two years of war. There are also many special considerations which cannot be charted with the eight factors noted, but which, nevertheless, are important. Tolerably certain is it that after the war, if not before its conclusion, the British Empire and the Allies will remodel their tariffs for the benefit of the countries which have fought for the great cause. The manufacturers of the United States, who have for many years done an important business with Canada, have taken this for granted and are backing their convictions with practical steps. During the past few months, and while the discussion of possible tariff changes has proceeded, a number of United States manufacturers have purchased sites or old factories in this country or are making arrangements to do so, for the purpose of establishing branch establishments here. Some years ago, that movement was in strong evidence, when this country's buying power was exceptionally large and when Canada