

feeling and knowing that we have a just cause, there will be no hesitation on the part of the people living within the Empire, who are determined to at once and forever take issue with those who proclaim the doctrine that might is right, and who favour military autocracy, as against the doctrine of true democracy.

As we value our self-respect let us face the responsibility with proper seriousness, courage and high resolve, and at the same time let us not be deceived regarding the importance of the task we have undertaken, nor be misled by vain glory into underestimating the strain it will be on our powers.

The war has to a certain extent created a situation throughout the whole world which is not very desirable. Pessimists to-day are having their innings and are talking about business depression and hard times. True, there is a tightness in the money market, and it would be folly for me to say that Canada along with all other countries of the world is not feeling the pinch as well. A great deal of blame for the present conditions has been credited to the war. War or no war, a readjustment and a necessary one, was bound to come; in fact, it was already under way before there were real signs of the impending catastrophe. Prosperity reigned supreme for many years, and men believed that depression and hard times were permanently done away with, men lost their heads and recklessness in business matters took the place of good, sound common sense.

Then some men wise in their generation, who can see ahead of the times, realize that the pace is too fast, and that prosperity has made the nation extravagant, and they begin to doubt. Discounts are refused, and men start to hoard money and speculation receives a check; panic follows; and in trying to extricate themselves during this transition period the people learn by hard experience that the situation created is an awkward one.

The war simply hastened readjustment; but it did something else besides. For a while it shut up the world's stock exchanges, which, to a certain extent, saved the situation, it made big national banks stagger, made business and commerce nearly stand still, shipping was demoralized and insurance took a place as a high priced luxury. The so-called credit machine of the world was broken, and men realized as they never did before how much after all the different nations depend on one another. Depending largely on British capital this upheaval in

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the world's money markets naturally had its effect on Canada.

Thanks to the energy and wisdom exercised by our Finance Minister and the Government, however, working in co-operation with the Canadian banking system, and keeping in close communication with the British authorities, panic and disaster were averted in this country. Eight important measures were put into force which no doubt you are familiar with, and which had a marked effect in steadying the position in the Dominion.

One of the most gratifying features in Canada to-day is the agricultural position. Although the western harvest was not so large as in the previous year, the increased price obtained will more than offset the difference in the yield. Crops and other farm products were excellent, and prices very satisfactory. Considering the war it is reasonable to expect a heavy demand for grains and foodstuffs in 1915.

Europe is not in a position to produce her regular crop during the coming year, owing to much of the land formerly used for productive purposes being now used as battlefields, and naturally extraordinary demands will be made on Canada. The wise farmer is he who has increased his acreage, as prices will probably remain high for another crop year.

We must recognize that some of the main business interests of the country are vitally affected by present conditions. We have built railroads and developed the country, knowing for a certainty that the soil would have to produce what was necessary to pay interest and principal on these vast loans. The age of construction of large works of importance in Canada helped to create the prosperous times of the past few years, but the production from the soil and natural resources, which after all is where all wealth is drawn from, was not sufficient, and did not keep pace with the other. Production is what we need from our natural resources, and let us hope that the farmer will take full advantage of the situation created; and the stimulation of agricultural production should help materially to solve the problem of the high cost of living, the overcrowding of cities, and consequent unemployment.

Considering the enormous expenditures involved in this country, and the difficulties we have had to cope with owing to the war, it is surprising that Canada has stood the strain so well. In fact, I believe I am not overestimating when I state that we have