

What Kind of National Policy



Canada's development after the War must be based on Economics, not Politics---By Norman Lambert, Secretary Canadian Council of Agriculture

support to the economic status of this Dominion and the British Empire, during a time of trial.

Canada's Leading War Exports

From the first year of the war until the end of the last fiscal year, which is the latest procurable record, those classes of exports described as "Agricultural Produce," and "Animals and their Produce," occupy the leading place in the country's entire list of exports. During the fiscal years ending March 31, 1915 and 1916, the exports of produce derived from the farms of Canada, represented more than 50 per cent. of the total value of the whole export trade of the Dominion. In the past two fiscal years the proportion of agricultural produce and animals and their produce, to the total exports of the country has been only slightly less than in 1915 and 1916. The following table will illustrate the truth of these statements:—

Fiscal Year	Exports of Agricultural Produce and Animals and their Produce	Total Exports of all kinds of Canadian Produce
1914-15	\$247,306,066	\$ 409,418,836
1915-16	372,694,380	741,610,628
1916-17	516,177,580	1,151,875,768
1917-18	740,456,665	1,540,027,748

Second in Canada's list of exports is that class described as manufactures, but for which, according to the recent words of an ex-president of the Canadian Manufacturers' Association, "the country would have gone bankrupt on account of the balance of trade being against us." The actual values of exports of manufactures during the past four fiscal years are given in the following table, and, in the light of the statement just quoted, form an interesting basis of comparison with those exports originating on the farms of the country:—

Fiscal year	Exports of Manufactures
1914-15	\$ 95,064,525
1915-16	250,052,223
1916-17	487,312,766
1917-18	636,692,516

If the total exports of manufactures during the past four years were compared with the total exports of produce from the farms of Canada, it would be found that manufactures represent \$1,469,036,030, as against \$1,876,634,691 for agricultural and animal produce. Therefore, without considering the offsetting effect of an increasing volume of imports into Canada on account of manufacturing, our lands have contributed over \$406,000,000 more than our shops and factories, to the maintenance of the Dominion's financial strength since 1914. In reality, the activities in agriculture, animal husbandry and the other departments of farm life, have been of far greater value to the country than is reflected in the figures showing the excess of agricultural and animal exports over exports of manufactures. They have been more valuable because it has cost the country much less to export its produce from the land than its goods from the factory and workshop. The full force of this statement may be appreciated by a closer examination and analysis of the increased imports into Canada since 1914.

The Small Part of Manufactures

The records of Canadian trade for the years prior to the war show that manufactures formed a small portion of this country's export business. From 1906 to 1910, the average yearly exports of manufactured goods represented \$26,521,638. In 1912, their value had increased to \$35,836,284, while in the fiscal year, ending March 31, 1914, these figures had advanced to \$57,442,452. During those same years, preceding the outbreak of war, the large proportion of Canada's export trade was drawn from the land. In the fiscal years of 1912, 1913 and 1914, the exports of agricultural and animal produce were comparable with the same kind of exports during the first two

years of war. The increased values of farm produce, rather than an increased volume of exports from the land, made the past two years of war seem to show a much larger export trade in these lines, than in previous years. The truth is, however, that the farmers of Canada, while doing all they could possibly do in the way of production, have not varied as greatly in their output since the years prior to 1914, as have the manufacturers.

The rapid increase in the exports of manufactures has been due mainly to the war, and due mainly to the business of making shells and other war materials, which was provided directly by the Canadian, British, French and United States governments. The increase in the exports of manufactures, because of the urgency of the needs of governments, has been more marked in its extent and its suddenness than the development in any other class of exports. But there has also been a corresponding growth in imports, which has created the present awkward financial problem between Canada and the United States, popularly known as "Exchange." The following table shows the way in which imports have increased during the past four years:—

Fiscal Year	Total Imports	Imports from United States
1914-15	\$455,446,312	\$296,632,486
1915-16	507,817,159	370,496,574
1916-17	845,330,903	664,219,653
1917-18	962,521,847	790,392,388

How the War Increased Exports

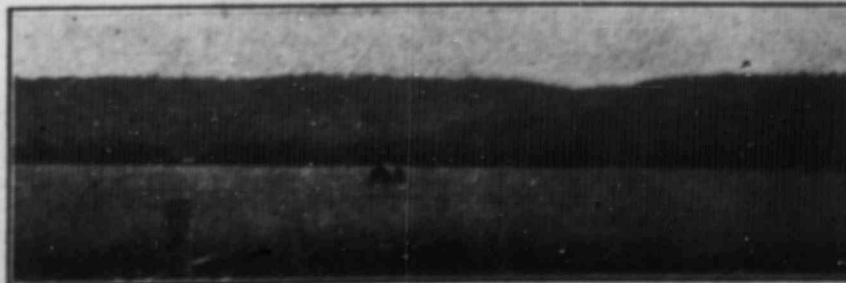
This very rapid increase in imports has been due very largely to two things. First, and mainly, the tremendous volume of business which came to Canadian factories through government orders for munitions, demanded a huge amount of raw materials, various manufactured parts, and machinery, a large proportion of which had to be imported from the United States. For example, coal, oil and iron ore, in all of which materials Canada has always been a large importer, have been demanded in increasing quantities by this country since 1914. Secondly, the number of factories which have been withdrawn from their normal industries to engage in war work in Canada, has had the effect, despite enforced economy on the part of the consuming public, to in-

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ARTICLE I.

THE thought of Canada's economic position after the war is beginning to assume national proportions. Industrial, financial and educational leaders are openly concerning themselves about the state of affairs into which this country will be plunged when peace is declared. The question of the future can no longer be put off with the remark that consideration of the future can wait until after the war. There is a call for a National Policy. Even the presidents of the Canadian Manufacturers' Association and the Canadian Industrial Reconstruction Association recognize that to plan for the future is not inconsistent with struggling in the present. The war must be fought, but not blindly or without due thought of the abyss into which all the fighting nations will be precipitated at the end of the present era of conflict. Canada is practically the last of all the belligerents to awaken to a sense of the urgency of the future—the last to lay lines for the economic and social reconstruction of the country following the period of war. There is strong probability that even before these lines are properly and soundly laid, the problems of peace will be staring us in the face.

It is hardly necessary to state, let alone argue, that in the future welter of readjustment which, in Canada, ought to assume the form of a national policy, agriculture must be prepared to bear a leading part. It is but to be guilty of "damnable iteration" to say that in Canada, agriculture is the basic, and therefore, the most important industry. Nevertheless, the object of this article is to discuss the proposal of a National Policy for Canada, and in doing so, something may be gained by attempting to count first things first. Not only because in the great storehouse of Canada's natural resources, agricultural lands may be regarded as the richest of our possessions, but also for what Canadian agriculture has produced on international account, both before and during the war, should the place of this industry in any scheme of national reconstruction be regarded in the proper light. It not only deserves a place of primary importance because of its potentiality, but it has earned such consideration through its



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