

completion of our national building programme brought about, directly and indirectly, the unemployment crisis of 1913-1914. This crisis increased in seriousness until the operation of the war brought to Canada a still larger sum daily as the result of war orders. Owing to this and the withdrawal from the labor market of over 300,000 men by recruiting, the problem of unemployment has been temporarily solved. When the war is over what changes shall have been produced which will prevent a return to the preceding situation—as, for instance, in August, 1914, when despite a considerable emigration, there were no fewer than 30,000 unemployed workmen in Ontario alone? For a time after the war, a demand for building materials of various kinds and some forms of machinery may add to our export trade, but owing to the enormous war debts contracted and the millions of men to be reabsorbed industrially, Europe will buy only what is indispensable to replace the wastage of war and industrial necessities. The fact which we should face now is that our present prosperity is largely adventitious and the prosperity which we expect to follow the war is uncertain and may prove to be but temporary. Unless something is done to improve basic conditions we may experience a financial depression unequalled in our history. Our economic position does not permit us to trade with countries which do not equally trade with us. Trade balances must be made to serve national purposes and the tariff should provide increasingly for preferences as the basis of trade negotiations. The supreme problem for many years will be the direction of labor. The tariff must more manifestly be made a means of bartering products for products as the minimum of our trade requirements. In considering the negotiable value of exports it cannot be too fully appreciated that these are desirable in proportion as they represent Canadian labor and that trade relations should be governed as far as possible by this fact. For example, wood products are of greatest labor value when exported in the form of paper, wood-pulp, door-frames, and other like manufactured products. One result of a contrary policy may be that raw materials required for further processes of production will become scarce and dear, seriously handicapping Canada in its future competition for wider markets. Present interests alone must not be considered; fifty years is a short period in national history, and trade policies should be formed having in view long periods of time and general rather than local, immediate or political interests.