

30th, have turned the balance of trade in our favor to the extent of \$163,491,000. These figures do not fully reflect improvement, as it is estimated there are 50,000,000 bushels of wheat stored in interior elevators and in transit, and 88,000,000 bushels still remaining in the possession of the farmers, of which 21,000,000 are required for seed.

A good example of the agricultural possibilities of this country is afforded by comparison with Argentina.

Having turned from a debtor to a creditor nation under the force of urgent necessity, we should strive to make the turning permanent. We now know that we possess the essentials. The question is one of maintaining and increasing our exports by increasing production, and curtailing imports by economy in consumption. The Federal Economic Commission appointed to study these and kindred questions, should receive every possible assistance.

Now that our country has benefited by this crisis in its external trade, we wonder whether it has not suffered in its home trade? Again I wish to place before you absolutely impartial and competent testimony. Hear what Mr. Aird, the general manager of the Bank of Commerce, says in his annual report published on the 17th instant:

CREDIT STRENGTHENED.

This demonstration of what we can accomplish under pressure has, of course, greatly strengthened the credit of Canada, so that, while, for obvious reasons, we cannot at the moment sell securities in Great Britain or in Europe, we are building up a market for them in the United States which, when we consider the enormous increase in wealth taking place in that country at the moment, we may well hope is not of a temporary character. During the past year, leaving out the last half of December, the sales of Canadian securities at home and abroad amounted to about 335 millions. This includes nearly 220 millions of Government securities and many sales of other securities which are practically refunding operations. The sales were divided as follows:

In Great Britain, mostly for re-	
funding purposes	\$ 43,800,000
In United States	144,800,000
In Canada	147,100,000
	\$335,700,000

The Canadian figures are increased by the Dominion loan of 100 millions, very little of which has yet been paid to the Government.

The sales of municipal bonds, at one time during the year the matter of chief concern to those interested in Canadian securities, amounted to about 64 millions divided almost equally between the United States and Canada.

Let us now see what these gentlemen think in regard to the future. I may again quote from Mr. Aird's report:

OPTIMISTIC ON FUTURE.

With regard to the future, our view on the whole cannot but be optimistic. Thanks to the ability of our public men to cope with an unprecedented situation, and the determination of our people to effect personal and public econ-

Hon. Mr. BEAUBIEN.

omies, we have been able to bring about a most amazing adjustment from the prosperous enjoyment of an abounding flow of borrowed capital to a condition of severe trade contraction. Our harvests have been bountiful, our cultivated acreage has been increased, and our factories have been entrusted with large contracts for army equipment, munitions and foodstuffs. While this terrible war must bring us much anguish and sorrow, it is clear that in proportion to her population no country will benefit economically to a greater degree than Canada.

To these optimistic views I now add those of Mr. Pease, of the Royal Bank, in the above mentioned report:

The financial statement presented to you to-day is much better than we had reason to hope for twelve months ago, when the outlook was regarded with grave concern. War was raging in Europe and industry every where was paralyzed. We had been undergoing a drastic liquidation, the result of over-expansion, and the situation was greatly aggravated by the outbreak of war which stopped the flow of foreign capital and compelled us to abandon all new construction. Nor did we know what the war presaged, except that we should cheerfully take our part and contribute our share in men and money. Contrast our economic position then with that of to-day, and consider the remarkable transition from depression and gloom to conditions constituting all the earmarks of prosperity. Who would have predicted that within twelve months the Canadian public would subscribe to an internal loan for over \$100,000,000, or more than twice the amount asked for? Our astounding recovery is due to a remarkable increase in agricultural production, to prevailing high prices, to war munition orders, and economies practised since the war began.

Under the stimulus of \$1.50 wheat, and the pressure from all sides to increase production, farmers of the Northwest increased the acreage under the cultivation 25 per cent, which, with favourable climatic conditions, resulted in an increase of over 100 per cent in the yield of wheat, over 50 per cent in oats, and other grains in proportion. Much credit is due to the Dominion Government and the banks for assistance extended to the farmers by way of liberal advances for the purchase of seed grain. The Government advances for this purpose amounted to \$12,500,000.

The enormous demand for war materials, estimated at over five hundred million dollars, has given employment to every manufacturing plant which could adapt itself to requirements. No less than 340 plants, large and small, are engaged to-day in the manufacture of shells. The industry has proved an inestimable boon to this country and the salvation of a number of companies which otherwise might not have survived the crisis.

Hardly twelve months ago we were passing through an acute economic crisis. How does it happen that we are now enjoying general prosperity as if by miracle?

In order that the marvellous resources of our country may be well understood, I want to call the attention of the House to an excerpt from the "Financial Times" of Montreal of the 15th instant, giving interest-