from becoming a matter of any great difficulty. But the immediate revival of the national borrowings and expenditure on a rapidly developing scale, and the transformation into munition factories of many of the largest manufacturing establishments of the country, whose businesses had been severely checked by the previous period of reaction, resulted in a sharp transition from stagnation to feverish production. This was particularly true of those industries connected with iron and steel, clothing, leather, vehicle, and other supplies called for in connection with war equipment. This immediately stimulated the demand for all forms of labor.

Again, the rapid development of munition industries, the transport of large quantities of raw materials to be converted into finished articles, the enormous movements of troops with all their personal and camp equipments and food supplies, not only greatly augmented the import and export of various lines of supplies, but incidentally led to a remarkable expansion of the transportation services and the industries subsidiary to them, still further increasing the demand for labor and many other forms of supplies. Thus between the demand for men as troops and as workmen, the condition of business stagnation and unemployment in which Canada found itself when the war broke out and for some weeks afterwards, was rapidly dissipated by a new, strange, and wholly abnormal situation incidental to the outbreak of war. The situation was marked by an unlimited demand for men, materials, and supplies at ever-increasing prices and rates of remuneration, the whole financed by rapidly succeeding loans doubling and trebling their predecessors each year.

One of the most important features in connection with this economic revolution was the fact that practically none of this borrowing, manufacturing and price making which prevailed proceeded on the basis of ordinary economic investment, production, and marketing. In borrowing