

The Balance Sheet of the Dominion

A Study of the Accounts of Canada by One Familiar With Conditions Shows the Fundamental Position Stronger Than Ever Before.

Mr. Kingman Nott Robbins of Rochester, New York, one of our best critics in the United States, and who is Vice-President of the Farm Mortgage Bankers' Association of America, and Treasurer of the Associated Mortgage Investors, contributes an article to "The Annalist," New York, on the fundamental position of Canada.

"Since the publication in 'The Annalist' of the writer's article on 'Canada's New-Found Strength,' the outstanding factors in the Canadian situation, both favorable and unfavorable, referred to in that article, have received even greater emphasis.

"The war goes on and Canada's contribution of men, with its accompanying burden of expense and loss of productive power, grows steadily greater, although many authoritative voices, not least among them that of Sir Thomas Shaughnessy, have been raised against further indiscriminate recruiting of men necessary to production. It is a difficult problem to decide what is the proper balance to strike between the military requirements, on the fulfillment of which the support of the entire military establishment may well be considered to rest. Suffice it to say that Canada is attacking the problem with such success that, although more than 300,000 men are now in uniform, the business of the Dominion goes on on a greater scale than at any time since the record year of 1912, as evidenced by the volume of trade, bank clearings, agricultural, and manufacturing production. It may be added that the statement is made of the enlistments in the Province of Alberta, which holds the record for enlistment per capita, that only 5 per cent. come from the class of land-holding farmers.

"The estimates of the 1915 crop now prove to have been too low, and the total wheat crop alone is now thought to have been nearly 400,000,000 bushels half the normal crop of the United States. The favorable trade balance is steadily growing; revenues for war purposes continue to be satisfactory in volume; bank clearings and railway earnings show increase; and the prospects for the 1916 crop are of the best, although the acreage will not be so great in the Western Provinces as in 1915, chiefly owing to the fact that much more Summer fallow land was available for the 1915 crop, and the unprecedented size of the 1915 crop gave the farmers less time than usual to prepare for the following year.

"Because of the high prices for primary products and the expenditure of large amounts on war supplies, contemporaneous with a period of reduced speculative waste and of private and public economy, the war may be said to be more than paying for itself in Canada, in every sense except the loss of manhood. The comforting hope regarding the latter is that the largest part of Canada's expeditionary force will return. Although over 100,000 have gone to the front and the war has been on for nearly two years, the total fatal casualties have not exceeded 6,000, according to the latest official reports.

"As having just returned from a short trip in the Canadian West the writer regards the spirit of the Canadian people, as he found it, the most admirable and encouraging feature of the entire situation. They are facing the sacrifices of war courageously and with calm confidence as to the result, and in similar spirit they face the economic future, confident, but expecting to solve their problems only by dint of hard and intelligent effort.

"In view of this, it is to be regretted that there are elements in the population that hope to secure by short cuts what can only come by conformity to economic law, and too much of recent legislation has been the outgrowth of this short-sighted view. It seems to a citizen of the United States unfortunate that the popular law-making bodies of Canada do not have to secure the sanction of definite written Constitutions to their acts. There is obvious danger if the impulsive, short-sighted acts of a popular body which infringe on the fundamental rights of the minority or the individual—the sacredness of contracts, the rights of private property, &c.—are not at once questioned in the courts. Recent legislative acts in some of the Provinces illustrate this danger. The thoughtful men of the Dominion, however, although they deplore these particular acts, do not fear for the general situation. They point to the veto power of the Crown, exercised by the Lieutenant-Governors of the Provinces, and the Governor-General of the Dominion, and to the great body of court decisions, without exception granting protection to the rights of the individual.

"It is to be hoped that such acts as have violated these traditions will be speedily repealed and repudiated. Canada has an alluring opportunity to show the world what an advance in material and spiritual well-being can be effected by co-operation between the various elements of the population, as opposed to the waste and bitterness resulting from unintelligent and unjust hostility. There has been no more encouraging sign of the times in Canada than the recent Winnipeg Conference of agricultural, commercial, transportation, and banking interests. What ever the results of this particular conference, the idea is of the greatest importance, and every friend of Canada will hope for its fruition.

"Apart from the political phase, the process of readjustment following the collapse of the boom is well advanced. The real foundations are unimpaired. Agricultural Canada was never so prosperous, and immigration of agricultural population both during and after the war seems a logical expectation, finding support in an increasing immigration at present from the United States, in spite of numerous canards spread broadcast throughout the United States to discourage emigration to Canada. The lands of Western Canada, however, as long as they are as at present the most advantageous for the settler of any on the continent, must continue to attract, despite misrepresentation, and on the increase of its agricultural and other primarily productive population depends the economic future of Canada. All other problems are secondary to this, and the large interests of Canada, recognizing this fact, are preparing to secure and hold this population both during and after the war. They are content to let city development and other secondary phases and superstructure follow in the natural course. This recognition of the true basis of economic development is an encouraging augury for the future. If the principal agencies in Canadian development follow this principle no repetition of the recent collapse need be feared, despite the sporadic deflations of superficial speculative activity which are inevitable, human nature being what it is.

"The war has brought the United States and Canada nearer together economically than ever before. The total investment of United States capital in Canada doubtless exceeds \$1,000,000,000, of which \$300,000,000 has been invested since the war began. Except for Great Britain, Canada is the United States' best customer. Our exports to all of South America in the last three years were less than a third of our exports to Canada in the same period, although Canada has been rigidly reducing her imports since the war began. Even France, a good customer of the United States, bought \$70,000,000 less than Canada during 1913, 1914, 1915. And yet Canada's purchasing power is in the first stages of development only. It has been estimated that the United States can support a population of 600,000,000. Using the same basis of calculation in reference to natural resources, Canada can support a population of 400,000,000.

"Canada is potentially the most populous, and, in primary production, at least, the richest unit of the British Empire, and it behooves us in the United States to know our Canada.

"Too many people are prone to allow the happenings of the moment and the sentiment they engender to govern their opinions. When Canada was on the crest of the boom she was in a far more dangerous position than today, economically, but the popular imagination was stimulated, and popular opinion countenanced extravagant confidence in many forms of investment and other things Canadian not justified by analysis of the facts. Today, when Canada is fundamentally stronger than ever before and in a liquidated position, ready for another advance movement, popular opinion is not as favorable as the facts justify.

"For that reason we have thought it worth while to attempt a summary of conditions, favorable and unfavorable, in the form of a balance sheet and an income statement—the balance sheet containing what we conceive to be the more permanent, and the income statement the more temporary factors. The analogy is crude, and must not be taken too literally, but care has been used to state the facts accurately.

Canada's Assets and Liabilities, Income and Outgo, 1915.

ASSETS.

1. NATURAL RESOURCES:
 - 440,951,000 acres of tillable land.
 - 22,506 square miles, or 148,490,000,000 tons of coal in western Provinces alone.
 - WATER POWER—Estimated, 17,000,000 horse power; developed, 1,016,521 horse power.
 - TIMBER—About 170,000,000 acres. Between 500 and 700 billion feet board measure. Canada stands third among nations of the world.
 - Large supplies of iron ores, nickel, silver, gold.
 - Large supplies of natural gas, chiefly in Alberta.
2. CLIMATE.
3. CHARACTER OF POPULATION.
4. LAWS AND GOVERNMENT—Judiciary and administration of laws.
5. RELATION TO THE BRITISH EMPIRE.
6. HIGH RATIO OF PER CAPITA PRODUCTION—Last year's new wealth averaged \$100.
7. ANNUAL INCOME FROM IMMIGRATION AND TOURIST TRAFFIC—Total income from immigrants 1900-1914, \$630,739,975. \$140,000,000 in same period from tourists.
8. CONDITIONS THAT WILL CONTINUE TO COMMAND IMMIGRATION OF PRODUCERS—2,500,000 total immigration 1900-1914, of which 900,000 came from United States and 1,000,000 from Britain. Will largely offset enlisted losses.