

load, and the people of Canada are looking to him and his colleagues to continue the carrying of that load until the great victory is won.

According to the consensus of opinion, this is going to be a war of attrition involving a gradual reduction of men, resources, and money. It may be interesting to observe in passing how Canada has stood the awful strain. It is particularly interesting to notice that in almost every department of industry in our country there has been an improvement during the first year of the war. We have had the greatest cereal crop in our history, so great that some people have called it a freak crop. In 1914, the year in which the war broke out, we produced 561,000,000 bushels of cereals, and in 1915 we produced 926,000,000 bushels, or an increase of 364,000,000 bushels of cereals in the first year of the war.

Now, take the value of our cereal, root and fodder crops. In 1914 we produced \$638,000,000 worth, whereas the total value of our roots, cereal and fodder crops in 1915 was \$845,000,000, an increase of \$207,000,000. We have good prices, we have good markets, and our grain is moving to these markets as it never did before. The north Atlantic is freed from the German raiders, British ships are carrying our grain to British ports, and the result is that the Canadian people are doing their full share to support our soldiers at the front and the British people at home.

Our mineral production increased somewhat in 1915 over 1914. The lumber trade in the east was a good deal better in 1915 than in 1914, and it is improving in the West. The only reason why it is not better there to-day than we find it is because dealers cannot get the means of transportation. The conditions surrounding our steel and iron trade are better than they were a year ago, orders are booked ahead, and altogether that important branch of our national industries is in a very thriving condition. Our fisheries have had a good year, so good that the catch has not been equalled, I am informed, for many years. Altogether the wealth which comes from our great national resources seems to have come to us during the past year in an almost unprecedented superabundance.

Added to this, our national revenues are responding to the magic touch of good times. Our domestic expenditures have been cut down without injuring our investments in our great public works. We have to-day throughout Canada comparatively few idle

men. Our finances are in excellent shape. Institutions with very large sums invested in mortgage securities report that interest payments are better than they have been for some years past and because of the absence of a normal demand for funds there is a considerable accumulation of ready money.

Recently statements have been issued by the presidents of our leading banks, and in one and all we find a note of optimism. Our deposits are increasing, our circulation is up to its normal level, our railway earnings are going up, and the great investments which we have made in our national railways are bearing fruit. Credits which have been advanced to them by the federal and provincial Governments are being justified by results. The president of the Royal Bank, in addressing the shareholders the other day, made this important announcement:

The highly creditable way in which Canada has stood the shock and strain of the war for seventeen months has justified the confidence expressed at our last meeting in her ability to weather the crisis. No better demonstration of her resourcefulness and economic stability could be offered to the world. The moratorium acts in some provinces and the suspension of specie payments for bank and dominion notes were the only departures from sound finance, and the latter was a purely precautionary measure. It is truly wonderful to record during such a period of world upheaval that this country has experienced no financial disturbance, a very small increase in failures, and with one exception no permanent default by municipalities; furthermore, that the loan companies report comparatively few arrears of interest on mortgage loans. As a result, the anxiety felt at the beginning of the war has been replaced by a spirit of relief and confidence.

He further says:

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.

He closes with this remarkable statement:

After three years of liquidation and readjustment, our economic condition is basically sound, and we should try to keep it so.

The Bank of Commerce, the Bank of Ottawa, and many of our other banks have issued similar statements, and altogether the financial aspect of our country, judging from the utterances of the presidents of these institutions, who are eminently in a